

## INCIDENTAL PROTECTION: AN EXAMINATION OF THE MORRILL TARIFF

Jane Flaherty

*Texas A&M University*

### ABSTRACT

Historians refer to the Morrill Tariff as the first statement of the nascent Republican party's protectionist agenda, yet an analysis of the measure reveals that this enduring icon of historiography needs modification. Implemented as a direct response to the fiscal crisis created by the Buchanan administration, the Morrill Tariff represents a bipartisan effort to augment federal revenue for a depleted Treasury. Both President James Buchanan and many of his Democratic colleagues in Congress urged revising the Tariff of 1857 to arrest the growth of the federal deficit. However, the bitter rhetoric that accompanied the secession crisis has obscured the true nature of this short-lived, but important, revenue measure. An examination of the Morrill Tariff and the circumstances surrounding its passage demonstrate that it re-established the rates from the free trade Tariff of 1846 while providing incidental protection for select industries, a practice accepted, even advocated, by the Democratic party for over a decade.

### President Buchanan

James Buchanan's election to the presidency in 1856 proved a disappointing, if not disastrous, climax to an illustrious political career. He represented Pennsylvania in the House of Representatives from 1821-1831 and the Senate from 1834-1845. During his congressional career, he emerged as a leading, though never dynamic, spokesman for the Jacksonian Democratic principles of sound money, frugal government, and strict adherence to the Constitution. Though Buchanan served honorably in the Congress, he distinguished himself through his foreign service as the minister to Russia from 1831-1833, secretary of state during the administration of James K. Polk, and as minister to Great Britain from 1853-1856.<sup>1</sup> His last foreign assignment proved fateful: serving abroad during the early confrontations between the pro- and anti-slavery forces in the Kansas territory, Buchanan lacked a full appreciation for the depth of political bitterness the conflict provoked. However, thus removed, Buchanan stood in 1856 as one of the few Democrats with national distinction who was not sullied by the "Bleeding Kansas" imbroglio.

A lifelong bachelor, Buchanan had developed strong ties to political friends with whom he shared his steadfast Jacksonian principles. He assembled his cabinet from this tight-knit group of southerners. Most notably (for this study), he asked his close friend Howell Cobb to accept the office of secretary of the treasury. Cobb had served as speaker of the House during the Compromise of 1850 debate; he emerged from the

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fracas as the leader of the southern Unionist Democrats. The scion of a wealthy and highly respected Georgia political family, Cobb nevertheless alienated many southerners by rejecting the Calhounites' efforts to establish a southern voting bloc in Congress to protect the region's interests. Cobb however entertained national ambitions and aspired to succeed Buchanan in the White House, especially since the president had stated publicly that he would remain in office only one term. To bolster his support amongst southerners, Cobb reversed his earlier policy and committed himself to their causes while he served in the executive branch.<sup>2</sup>

The combined factors of a president removed from the increasingly divisive passions of the people and surrounded by a cabinet of partisan, and self-serving individuals, hobbled the Buchanan administration when the unforeseen problems occurred. Such an event transpired on August 24, 1857. The Ohio Life Insurance and Trust Company, the largest bank in Ohio and purveyor of eastern credit and hard currency to the West, announced that it could no longer meet its outstanding obligations. The failure of this venerable western institution jarred the national banking community. The following month, one of the largest banks in Philadelphia, the Bank of Pennsylvania, alarmed by the drain on its reserves, suspended specie payments. One by one, New York banks reacted defensively, hoarding their reserve and tightening their credit. These actions choked many of the banks in the West and soon an epidemic of bank failures occurred.<sup>3</sup> The amount exchanged at New York City clearing houses fell from \$8.33 million in 1857 to \$4.7 million in 1858; deposit totals from New York City banks dropped from \$93 million at the end of July to \$52.8 million by October 17, 1857.<sup>4</sup>

The Panic initiated a financial crisis for the national government. The Tariff of 1857, approved on March 3, 1857, had been promoted to reduce revenue and curtail the surpluses generated each year between 1850-1856. Yet with the onset of the Panic, demand for imports waned; customs receipts, the primary source of federal revenue, fell. On October 24, *Harper's Weekly* observed that, "The pending financial crisis has had the effect of depleting the Treasury as far as the law allows . . . As the new tariff has materially reduced the Government's receipts from customs, it is apprehended that before the end of the year the Government may find itself in serious pecuniary embarrassment."<sup>5</sup>

In his first *Annual Message* to Congress, the president acknowledged that the financial distress his administration faced resulted from the decline in customs revenue. Yet, at this juncture, he did not advocate altering the tariff. Buchanan declared that the Tariff of 1857 "has been in operation for so short a period of time and under circumstances so unfavorable to a just development of its results as a revenue measure that I should regard it as inexpedient, at least for the present, to undertake its revision."<sup>6</sup>

Secretary Cobb predicted the Treasury would squeak through fiscal year 1858 with a \$.4 million surplus. "It is an error to suppose that the occasional revulsions which have so seriously affected our manufacturing interest is attributable to the want of a protective system . . . what they [manufacturers] need is steady prices, a sound

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currency, and protection against ruinous expansions in the credit systems," he stated in his report to Congress.<sup>7</sup> However, Cobb erred in his projections [see Table I]. The ordinary expenses of government exceeded the revenue, forcing Cobb to ask Congress to authorize an issue of Treasury notes. The fiscal crisis that would plague the Buchanan administration had commenced.

**Table 1**

<b>Federal Budget Figures (in millions): 1855-1860</b>				
<b>Year</b>	<b>Customs Receipts</b>	<b>Gross Federal Expenditures</b>	<b>Surplus or (Deficit)</b>	<b>Federal Debt</b>
1855	\$53.0	\$66.1	(\$ .8)	\$35.6
1856	\$64.0	\$72.7	\$1.3	\$32.0
1857	\$63.9	\$71.3	(\$2.3)	\$28.7
1858	\$41.8	\$82.1	(\$11.7)	44.9
1859	\$49.6	\$83.7	(\$1.9)	\$58.5
1860	\$53.2	\$77.1	(\$ .2)	\$64.8

*Source: Annual Report of the Secretary of the Treasury for 1886; Annual Report of the Secretary of the Treasury for 1862.*

These financial woes received little attention from lawmakers during the first session of the Thirty-fifth Congress that lasted from December 7, 1857, to June 14, 1858. The debate over the pro-slavery Lecompton Constitution for Kansas dominated the proceedings. From its introduction soon after the session opened, through the following April, when a compromise bill returned the document to the voters of Kansas who ultimately rejected it, the debates over the Lecompton Constitution overwhelmed the members of both chambers. The contest, "abruptly changed from a routine debate about slavery in the territories into an extraordinary debate about the relative merits of slave labor in the South and free labor in the North, an issue more potentially explosive and divisive between the sections," according to historian Mark Stegmaier. Over the course of the session, Cobb, the "co-architect" of the administration's failed Lecompton strategy, grew more dependent on the southern wing of the party, who supported his Lecompton scheme in the increasingly vitriolic congressional debates.<sup>8</sup>

The president delayed closing the embittered session because the Treasury faced default. Buchanan sent a message to Congress begging for a loan for the first quarter of the new fiscal year. "Without this, the Treasury will be exhausted before the first of January, the public credit will be seriously impaired. This disgrace must not fall upon the country," the President stated.<sup>9</sup> Both branches of Congress, wrung out by the acrimonious Lecompton battle, responded to the president's plea with little comment by approving a \$20 million emergency loan. Congress adjourned on June 14, 1858. The lawmakers staggered home to prepare for their biennial election.

Table 2

**Emergency Financial Measures Implemented  
During the Buchanan Administration**

December, 1857	\$20 million, one year Treasury notes, 6 percent interest, renewed annually.
June, 1858	\$20 million, 15 year loan, 5 percent interest per annum
June, 1860	\$21 million, 10-20 year loan, 5 percent interest per annum
December, 1860	\$10 million, one year Treasury notes, interest rates ranged from 6-12 percent
February, 1861	\$25 million, 10-20 year loan, 6 percent interest per annum
March, 1861	\$10 million, 10-20 year loan, 6 percent interest per annum; Treasury notes allowed in lieu of bonds; eventually \$35.4 million in Treasury notes issued under this act

Source: *National Loans of the United States, Tenth census, vol. 7*

**“Things have gone Hellwards!”**

An election that redrew the political map occurred during this long congressional recess. In the autumn contests, House Democrats sacrificed their 132 to 90 seat advantage over the “Black Republicans” at the Lecompton altar. The Republicans won 116 seats to the House while the Administration Democrats retained 83; 8 “Anti-Lecompton Democrats”, who declared themselves in opposition to the policies of the administration, won their elections. In the president’s home state, eleven Pennsylvania Democrats lost their seats, ten to Republicans and one, J. Glancy Jones, Buchanan’s strongest ally in the House, to an Anti-Lecompton Democrat.<sup>10</sup> In a terse post-election note to Secretary Cobb, Virginia representative John Letcher exclaimed, “Things have gone Hellwards!”<sup>11</sup>

In surveying the election wreckage in Pennsylvania, Buchanan admitted to his niece that, “In the interior of the State, the Tariff was the damaging question.” The duty on imported iron products and coal had been reduced from 30 percent in the Walker Tariff of 1846 to 24 percent in the Tariff of 1857. Many Pennsylvanians believed that this reduction of rates perpetuated, if not directly caused, the recession in the state. Buchanan realized the tariff had hobbled his party in the Keystone state, and knew he had to address the issue to assure a Democratic victory in Pennsylvania during the presidential contest in 1860.<sup>12</sup>

Protectionist sentiments ran deep in Pennsylvania politics. Thomas Fitzsimons, one of Pennsylvania’s representatives to the first three United States Congresses, rose before the House during the debate on the first tariff measure and argued for protection of the young nation’s iron industry. Like his Pennsylvania brethren, Buchanan had consistently favored incidental protection for iron and coal, two of the staples of Pennsylvania’s economy. Increasingly, Democrats representing districts with manufac-

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turing concerns accepted incidental protection, higher duties to protect their districts' industries, as part of a judicious tariff. In 1843 a correspondent cautioned John C. Calhoun, leader of the South Carolina nullifiers, that a sympathy for limited protection was emerging in the South: ". . . [O]n the subject of a protective tariff, there are some [southern Democrats] who feel a toleration for discrimination, not only for revenue, but for the purpose of incidental protection or encouragement of manufactures." A year later, the *Mississippi Free Trader* defined free trade as, "a tariff for revenue with incidental protection."<sup>13</sup>

While some Democrats advocated tariffs with incidental protection, southern Democrats representing cotton growers embraced a definition of free trade as a tariff that would generate just enough revenue to meet the needs of an economical government. Passage of the Walker Tariff united these disparate factions within the party; the *ad valorem* rates pleased the revenue only faithful, who believed specific duties led inextricably to higher tariff rates, while placing iron, sugar, and unmanufactured hemp in the 30 percent schedule satisfied those seeking protection for their district's products.<sup>14</sup> However, this unity ended when surpluses, the first step towards corrupt and bloated government, were generated in the 1850's. Calls to reduce tariff rates further, in an effort to stem federal revenue, intensified and led to the passage of the Tariff of 1857. Yet, with the onset of the Panic of 1857, the Democratic party was forced to reconsider tariffs once again.

In a continuing "dialogue" that ran in three issues of *DeBow's Review* in 1858, a hypothetical cotton planter, farmer, merchant, and Democratic politician debated the merits of a purely revenue tariff over one that allowed for incidental protection. During this exchange, the politician confessed the reason he does not support a tariff devoid of protection: "First, because I knew it could not be done; second because I knew our Northern [Democratic] friends would not bear it, and it would distract the party . . . [third] *I do believe a free trade tariff will dismember and overthrow the Democratic party*, and for this reason I am opposed to it."<sup>15</sup> The inability of the Democrats to bridge this chasm fostered the development of the Morrill Tariff.

The decline in customs revenue presented Secretary Cobb with a dilemma. Tariffs provided over 90 percent of the federal receipts; when imposts declined, the government had to choose between cutting expenses or raising tariff rates. In order to keep his presidential ambitions alive, Cobb needed the support of the southern, free trade block of the party, who resisted any upward revision of the tariff. Yet, while Democrats controlled both the executive and legislative branches of government, they were anxious to provide political patronage and generous contracts to friends, and this desire trumped concerns for fiscal restraint and moderation in spending. In his second *Annual Report* to Congress delivered in December, 1858, Cobb predicted the Treasury would accumulate a \$7.9 million deficit by 1860. He rejected the idea of reviving the Tariff of 1846, a suggestion tendered by some Democrats in Congress, and instead advocated a slight, one percent increase in the tariff schedules C-H established in 1857. Cobb assured the lawmakers that another \$1 million in Treasury notes and \$10 million

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in loans, plus his suggested modifications in the tariff, would pull the Treasury out of deficit. A reporter observed that, "Mr. Cobb would see such a step [abandoning the 1857 tariff] is sure to involve himself in political ruin, because it would array against him at once the great body of southern men, among whom even now he is very unpopular, and only tolerated because of his faithfulness to the South on the tariff issue. Let him recede a hairline upon that point, and he is gone."<sup>16</sup>

The president took a different tack. In his *Annual Message* to Congress, Buchanan called, once again, for "strict economy" in the administration, but also emphasized the need to increase revenue as, "it would be ruinous to continue to borrow." Unlike Cobb, Buchanan asked Congress to rewrite the tariff and replace the *ad valorem* rates with specific duties that he considered "more reliable." Buchanan noted that specific duties would afford to the American manufacturer the "incidental advantages to which he is fairly entitled under a revenue tariff."<sup>17</sup> President Buchanan and his secretary of the Treasury both recognized the need to increase the revenue generated by the tariff, yet they advocated pursuing the antithetic course. The *New York Times* speculated a week before the president's message was delivered that, "The real fight [regarding the tariff], will be in Congress upon which field the President prefers that it should be exclusively conducted."<sup>18</sup>

The Pennsylvania Democrats who had lost their seats in the last election, but had to return to Washington to complete their term, united in the effort to force a tariff revision that included increased protection for their home state's iron. They caucused privately and agreed to block any appropriations or loan bills unless the tariff was modified. Uniting with Republican allies, these members blocked all financial measures brought before the House during the remainder of the second session. They created, in the words of historian James L. Huston, "a huge logjam in Congress."<sup>19</sup>

In reaction, Democrats in both houses, led by Senate finance committee chair Robert M. T. Hunter and encouraged by Cobb, pledged themselves to the Tariff of 1857. Yet, defections from this party line occurred. James Stewart (D., MD.) stated in a floor speech that, "There is now not enough revenue to meet the expenses of Government; and although a devout free trader and a strict constructionist of the Constitution . . . I go for a judicious tariff, for a tariff which may, incidentally, if you please, within the revenue principle, afford protection, while its primarily and direct object is revenue."<sup>20</sup> In addition, Zebulon Vance (D., NC) backed President Buchanan's recommendation to re-introduce specific duties. "As to the manner of levying these duties, I am constrained to say that I concur with the President . . . A specific duty on any given article is a steady source of revenue," he stated.<sup>21</sup>

The balance in the Treasury slipped precariously low as both appropriation measures and loans for the government continued to languish in the congressional stalemate. The pro-Buchanan Washington *Union* encouraged fellow Democrats to save the Treasury by reviving the Tariff of 1846. "What was democratic for ten years previous to 1857 would certainly not be anti-democratic after that period; what was so intimately identified with the glory and expansion of the country then, would certainly not

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prove ominous of decline and decay now . . . [we must adopt a tariff] which shall operate to produce it [revenue] in sufficient quantity to meet the appropriations of Congress." On February 26, 1859, the *Union* reprinted a section of a letter written by Senator Alfred Iverson (D., GA), an outspoken supporter of southern interests, in which he urged his fellow Democrats to revise the tariff during the current session, "or the question would rise again at the next session . . . under circumstances greatly more unfavorable to the free trade policy and to the Democratic party than at present." His recommendations for increasing revenue included reducing the free list and increasing the duty on "iron, coal, and other similar articles" to 30 percent.<sup>22</sup>

Supporters of the plan to revive the Tariff of 1846 tried repeatedly to bring the measure to the floor, but consistently failed. Congressman Henry Phillips (D, PA) attempted on February 21 and 25 to force a House vote on this initiative, but southern members blocked these efforts. Disarray ensued. The displaced Pennsylvania Democrats held fast to their determination to block all loans and appropriations bills. In January, Secretary Cobb had trouble selling the second half of the \$20 million loan approved the previous spring [see Table 2]; the nation's credit had declined rapidly because of the growing public debt. Interest payments were due yet no funds were available to meet these obligations. As the session neared its scheduled closing date, the president pleaded with the House members to provide funds for the exhausted Treasury. "The country which is full of resources will be dishonored before the world, and the American people, who are a debt paying people will be disgraced by the omission on our part to do our duty." After a late night session, all but three of the recalcitrant Pennsylvania Democrats capitulated; Congress approved the reissue of the Treasury notes. Once again, at the very end of the term, the Treasury received emergency funds and could meet its immediate obligations. The fiscal problems of the government intensified as the House leadership gavel passed out of the Democrats' hands.<sup>23</sup>

### The Morrill Tariff

A new Congress convened on December 5, 1859, yet the acrimony of the previous session lingered. The recent raid at Harper's Ferry and subsequent execution of John Brown cast a pall over the early proceedings that became harder and harder to overcome. President Buchanan reminded the lawmakers, whose work was impeded by a lengthy and rancorous contest for House speaker, that fiscal problems remained unresolved. "It would be ruinous practice in the days of peace and prosperity to go on increasing the national debt to meet the ordinary expenses of the Government . . . Should such a deficiency occur as I apprehend, I would recommend that the necessary revenue be raised by an increase in the present duties on imports." The president restated his desire to replace *ad valorem* rates with specific duties. Yet the division within the executive branch continued. Secretary Cobb reported with great confidence that "there will be no necessity to provide additional means for the Treasury, provided the receipts should be equal to the estimates . . ."<sup>24</sup> The House Ways and

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Means Committee, now under Republican control, agreed with the president and resumed their effort to revise the tariff.

The responsibility for crafting a new tariff legislation fell to Justin S. Morrill (R, VT), a sophomore member of the body. Morrill emerged from the 1857 tariff debates as the Republican party's most trusted member regarding financial matters. Throughout his career Morrill acted as a "counselor rather than a leader" of the party. His policies were moderate, never radical. He disapproved of slavery, and shared the views of many Free Soil politicians that slavery should not expand to new states, but he did not support abolition.<sup>25</sup> Morrill remained more sympathetic to his district's wool growers, rather than wool (textile) manufacturers making him more inclined toward incidental protection of the raw materials produced in Vermont than the manufactured textiles produced in Massachusetts.<sup>26</sup> Morrill had undertaken the task of revising the Tariff of 1857 even before his party had assumed its majority status. His initial measure, written during the stalemate of the previous spring, moved to apply incidental protection to iron, wool, and other raw materials but otherwise keep the same rates as the Walker Tariff. He believed converting the duties from solely *ad valorem* rates to a mix with specific duties would render more consistent revenue.<sup>27</sup>

Morrill's first attempts to report the revised tariff to the new Congress were blocked, so the measure did not come to the floor until April, 1860. In his introduction he stressed that this tariff represented a revenue measure, not a bill for protection:

"[O]ur entire public debt falls due between this and 1868, and all the balance of the public debt contracted in 1842 falls due in one year from December next. How is this to be met? Our bill is the answer . . .

In adjusting the details of a tariff, I would treat agriculture, manufactures, mining, and commerce, as I would our whole people -- as members of one family, all entitled to equal favor, and no one to be made the beast of burden to carry the packs of the others . . . .

No probationary duties have been aimed at; but to place our people upon a level of fair competition with the rest of the world is thought to be no more than reasonable. Most of the highest duties fixed upon have been so fixed more with a view to revenue than protection . .

I feel confident that importations under this bill would produce sixty million of revenue and not more . . . Pursuing this policy, in the course of ten years, we might hope to pay off the entire public debt which has so recently appeared. . .

There are no duties proposed on any article for the simple purpose of protection alone. The highest duties in the bill are proposed for the purpose of revenue. The manufacturers might get along with lower duties, but we require the revenue."<sup>28</sup>

As Morrill stated, he intended the tariff to produce consistent revenue and pay the interest on the outstanding loans. John Sherman reiterated that this tariff did not present a gift to manufacturers. "When Mr. Stanton says the manufacturers are urging



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and pressing this bill, he says what he must certainly know is not correct. The manufacturers have asked over and over again to be let alone. The Tariff of 1857 is the manufacturers' bill; but the present bill is more beneficial to the agricultural interests than the Tariff of 1857."<sup>29</sup>

The Morrill Tariff passed in the House on May 10, 1860, by a 105-64 vote. Eight northeastern Democrats supported the measure, as well as six border state Opposition Unionist party members. Four Republicans voted nay.<sup>30</sup> Eleven Republicans who voted in favor of the Morrill Tariff also voted for the Tariff of 1857. Thus, higher tariff rates that protected manufacturing did not constitute the sole reason Republicans favored the Morrill Tariff. As with the Tariff of 1857, the government's fiscal needs, in this case raising rather than lowering government income, inspired the call for tariff revision.<sup>31</sup>

The approved tariff moved to the Senate and landed in the hands of the wily and formidable Senator Robert M.T. Hunter, still chair of the Finance Committee. Upon receiving the Morrill Tariff, Hunter declared that, "It is in itself the most monstrous piece of financial legislation that I have ever seen." Not all of his Democratic colleagues agreed with this assessment. Senator William Bigler (D, PA), noted that the Morrill Tariff set lower rates on wine, iron, sugar, and hemp than the Tariff of 1842 and overall the rates were comparable to the Walker Tariff. Bigler continued, "I want to see a system of revenue that will meet the current expenses, arrest the accumulation of debt, and pay off what we now owe. Is not that sound policy?"<sup>32</sup>

Democrats urged Hunter to allow a vote on the measure before the November elections, but he succeeded in tabling the bill on June 15, 1860. Hunter stated publicly that the complexity of the tariff necessitated further study by "competent men" who could determine the effects of the tariff on national revenue. Also in an indirect attack at the new Republican majority in the House, Hunter reminded the congressmen that if they showed restraint in drafting appropriations bills, the current tariff would suffice, eliminating the need for additional revenue. Finally, as the executor of the Tariff of 1857, he took credit for the revitalization of the New England manufacturers after the Panic of 1857, and saw Morrill's most recent attempt to move wool off the free list, and apply specific duties according to grade, as an impediment to the continued growth of the textile industry and a threat to his legacy. "Do we not know that the woolen manufacture dates its revival from the Tariff of 1857, which altered the duties upon wool?" This sentiment was echoed in a letter to Morrill from Joseph S. Gray, of Washington Mills in Boston. "I cannot admit the advantage to the country, or the prosperity, of changing the present law admitting wool costing under 20 [cents per pound] duty free because the country does not furnish [an adequate] supply of the article . . . On the contrary, the manufacturer needs all the help and protection [he] can get."<sup>33</sup>

With tariff revision once again safely delayed, its fate awaiting the results of the fall elections, the Senate approved another vital inflow of funds for the ailing Treasury, a new \$21 million loan, at six percent interest. Secretary Cobb offered \$10 million of the

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loan on September 8, 1860, and the entire issue was taken "at par or for a small premium." But between the sale of the issue, and fulfillment of the loan, "political complications arose," as John Jay Knox delicately described the secession crisis that followed the election of 1860. Consequently, the Treasury realized only \$7 million of the \$10 million purchased by subscribers.<sup>34</sup>

To meet the shortfall, in December Congress authorized the issue of an additional \$10 million in Treasury notes. Public lands had to be pledged as collateral for this loan, an extraordinary testament to the lack of faith in the nation's credit. As Cobb noted in his request, "The extent of the financial crisis through which the country is now passing cannot now be determined, and until it is better known, no policy can be recommended of a permanent character."<sup>35</sup> Before the loan request passed Congress, tumult rocked the Buchanan administration. Howell Cobb resigned on December 10, the first of four Cabinet officers to renounce his position in support of the secession movement. President Buchanan asked Philip F. Thomas, former governor of Maryland and the commissioner of patents, to replace Cobb. Thomas immediately requested authorization for the sale of \$5 million of the approved Treasury notes, but found no bidders who would accept less than 12 percent interest. Further, as Thomas explained in his memoirs, "It was reported to me that some New York capitalists had gone to Mr. Buchanan and said that they would not subscribe for the loan as long as a southern man remained at the head of the Treasury."<sup>36</sup> Buchanan replaced Thomas, who had served only one month as secretary, with General John A. Dix, a friend and former postmaster of New York state. Dix found the Treasury department in the state of, "utmost confusion. Public business had been neglected; letters from merchants and capitalists remained unanswered; complaints from all parts of the country had been unheeded . . . underneath all was a spirit of disloyalty to the government." A spate of letters arrived from revenue officers in southern ports declaring that the duties they collected would no longer be forwarded to Washington, but remain in the seceded state.<sup>37</sup> Dix reported to Congress that over \$2 million in requisitions could not be fulfilled, \$350,000 in interest payments on outstanding Treasury notes were overdue, and the federal deficit would reach \$21.6 million by June 30, 1861. Secretary Dix urged a rapid passage of the pending tariff legislation, and an immediate \$10 million loan.<sup>38</sup>

The Senate complied. The withdrawal of the southern senators gave the Republicans a majority in the chamber. The Morrill Tariff passed by a 25-14 vote on February 20, 1861. Senator Bigler of Pennsylvania was the only Democrat who voted with the Republicans. President Buchanan, who had urged passage of the Morrill Tariff in his final *Annual Message*, signed the bill on March 2, 1861. Unlike either the Tariffs of 1846 and 1857, the statute instituting the Morrill Tariff has four sections authorizing the extension of a new \$10 million loan for the Treasury to meet its immediate obligations, further demonstrating it represents, quite literally, a revenue measure. [These provisions are listed as the March, 1861 loan on Table 2]. Two days later, the management of the fractured nation's finances passed to a new administration.<sup>39</sup>

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### Conclusion

In 1861, H. Winter Davis, a member of the tariff subcommittee urged Morrill to correct the record regarding "their tariff:" "They still hack away at our bill. I amuse myself every now and then by picturing your disgust at some of the attacks on it . . . I do wish you would write a few articles exposing the ignorance and falsehoods combined mispresenting it . . . give people some accurate idea of the percentage of the duties on the main articles." From its inception, the Morrill Tariff has been miscast as a protectionist measure. The Morrill Tariff attracted censure for two reasons. First, the bill restructured tariffs from exacting only *ad valorem* rates to a mix of *ad valorem* and specific duties that Democrats saw as a harbinger of protection. In expressing this sentiment, Sidney Ratner noted that this change, "proved to be a pretext upon their [the Republicans] part because they established specific duties that were in many cases considerably higher than the 1846 *ad valorem* duties."<sup>40</sup> Second, the Morrill Tariff was in effect only four months, April through August, 1861; forthwith, the dire need for revenue to arm and field the Union army necessitated an increase in tariff revenue. The distinction between the Morrill Tariff and the subsequent war revenue measures that pushed average tariff rates on free and dutiable goods to over 40 percent, has been blurred.

"The facts of history cannot be purely objective, since they become facts of history only in virtue of the significance attached to them by the historian. Objectivity in history," wrote Edward Lallett Carr, "cannot be an objectivity of fact, but only of relation, of the relation between fact and interpretation, between past, present, and future."<sup>41</sup> Conscientious historians have been caught in this objectivity trap with regard to the Morrill Tariff. According to F. W. Taussig, who wrote the definitive book on tariffs in the United States, "The Morrill act is often spoken of as if it were the basis of the present protective system. But this is by no means the case."<sup>42</sup> Yet, the reigning historiography implies that the Morrill Tariff signalled the proactive efforts of the incoming Republican administration to implement a new, and more intrusive, form of "industrial capitalism" upon a nation divided and distracted by war. Historians routinely refer to the Morrill Tariff as a "protectionist measure" that "nearly doubled the rates of import duties," and provided the "first statement of a new protectionism peculiar to the Republicans."<sup>43</sup> This historiography testifies to the enduring influence of the Southern Nationalist and Progressive historians and their economic determinist interpretation of Civil War causation. Even those who reject this thesis readily accept the egregious nature of the Morrill Tariff. Kenneth Stamp observed that, "a higher tariff was added to their [Southerners] list of grievances."<sup>44</sup> To the contrary, the passage of this measure represents a reactive attempt to address the fiscal problems created by the Buchanan administration.

Further, the Morrill Tariff did not introduce much higher incidence upon consumers. Under the Tariff of 1846, the highest average *ad valorem* rate of duty on free

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and dutiable goods reached 23.5 percent in 1854; under the Tariff of 1857, 17.3 percent in 1858. Yet, in 1861, the rate reached only 14.1 percent.<sup>45</sup> Nor did the Morrill Tariff introduce protective tariff rates. Table 3 provides details regarding some duties levied by the Tariffs of 1846, 1857, and the Morrill Tariff. All the commodities listed on the table were described as “protected” by the Morrill Tariff by either Heather Cox Richardson or F. W. Taussig.<sup>46</sup> Where specific duties were imposed, I provide the spring, 1861 prices of imports and calculate the equivalent *ad valorem* rates.<sup>47</sup> As Morrill claimed, the duties imposed reflect those of the Tariff of 1846, with the incidental protection on iron and wool.

**Table 3**  
**Comparative Tariff Rates**

Dutiable Item	1846 Tariff	1857 Tariff	Morrill Tariff	1861 Price	Ad Valorem Rate
Coal (Anthracite)	30%	24%	\$1.00/ton	\$5.50/ton	18%
Cotton manufactures	25%	19%	25%		
Iron (Scottish pig)	30%	24%	\$6.00/ton	\$21.00/ton	28.5%
Iron (English bars)	30%	24%	\$15.00/ton	\$50.00/ton	30%
Sugar (refined)	30%	24%	.02/lb	.0775/lb	26%
Tobacco (man.)	40%	30%	25%		
Wine	40%	30%	40%		
Wool (raw) <.18/lb	FREE	FREE	10%		
.18-.24/lb	30%	24%	.03/lb	.19/lb	16%
>.24/lb	30%	24%	.09/lb	.26/lb	37%

*Sources: see endnote 47.*

Anecdotal evidence suggests the Morrill Tariff did not impose burdensome tariff rates. In its “Review of the Market”, the *Shipping and Commercial List* reported on March 2, 1861, “The probable passage of the new Tariff Act by which the duties will be somewhat reduced on the first of April next has induced the withdrawal from the market of those parcels here of old importation costing higher than the recent receipts.” The *Daily National Intelligencer*, in its story on the passage of the tariff in the House, recounted the activities of Democrats who, during the final moments of debate on the tariff, scrambled to have more incidental protection applied to selected items. In particular, they noted that Clement L. Vallandigham (D., OH), a vocal critic of the Morrill Tariff during the congressional debates, and future “Copperhead” during the Civil War, offered an amendment *increasing* the duty on flaxseed, “otherwise called linseed,” to 20 percent *ad valorem*.<sup>48</sup>

The legislators who struggled to resolve the fiscal problems that arose during the Buchanan administration were not implementing a new form of “industrial capitalism.” Rather, through the passage of the Morrill Tariff, they attempted to correct what appeared as a short-term disruption in an otherwise prosperous era. Wedded to a system of tariff financing, the options available to restore the flow of revenue into the

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Treasury were limited. Revising the tariff provided the most practical answer. Both Republicans and Democrats supported tariff revision, the solution urged upon Congress repeatedly by President Buchanan. Yet the sectional and political tensions of the era made this simple solution untenable until the advent of the secession crisis. The Morrill Tariff does not represent an attempt by the Republican party to establish a new economic program; instead, it represents a bi-partisan effort to resolve a fiscal crisis.

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### Notes

1. Biographical information gleaned from: Philip Shriver Klein, *President James Buchanan: A Biography* (University Park, PA: Pennsylvania State University Press, 1962) and Elbert B. Smith, *The Presidency of James Buchanan* (Lawrence, KS: University Press of Kansas, 1975).

2. Smith, *Presidency of James Buchanan*, 14-16; James E. Simpson, *Howell Cobb: The Politics of Ambition* (Chicago: Adams Press, 1973): 129-131; Avery O. Craven, *The Growth of Southern Nationalism, 1848-1861*, A History of the South, eds. Wendell Holmes Stephenson and E. Merton Coulter, vol. 6, (Baton Rouge: Louisiana State University Press, 1953): 116-129.

3. I relied heavily on two sources for my understanding of the Panic: James L. Huston, *The Panic of 1857 and the Coming of the Civil War* (Baton Rouge: Louisiana State University Press, 1987); Peter Temin, "The Panic of 1857," *Intermountain Economic Review* 6 (1975): 1-12.

4. *Merchant's Magazine and Commercial Review* 38, no. 2 (Feb. 1858): 75; hence, the journal will be referred to as *Hunt's Merchant Magazine*.

5. *Annual Report of the Secretary of the Treasury on the State of the Finances for 1866*, 39th Cong., 2nd sess., H. Exdoc. 4, Table XC; *Harper's Weekly*, 1, no. 43 (Oct. 24, 1857): 678. Subsequent Treasury Reports will be noted as year, *Treasury Report*.

6. Paul Studenski and Herman E. Krooss, *Financial History of the United States: Fiscal, Monetary, Banking and Tariff, including Financial Administration and State and Local Finances* (New York: McGraw-Hill Book Co., 1952): 125; James D. Richardson (comp.), *Compilation of the Messages and Papers of the Presidents, 1789-1923* (New York: Bureau of National Literature, 1925), 125 microfiche cards, no. 37: 2989.

7. Mark W. Summers, *The Plundering Generation: Corruption and the Crisis of the Union, 1849-1861* (New York: Oxford University Press, 1987): 239-260; 1857 *Treasury Report*: 1-16.

8. Mark J. Stegmaier, "Intensifying the Sectional Conflict: William Seward versus James Hammond in the Lecompton Debate of 1858," *Civil War History*, 31, no. 3 (Sept., 1985): 197-198; Simpson, *Howell Cobb*, 127.

9. *The Works of James Buchanan, 1856-1860*, ed. John Bassett Moore, vol. 10 (New York: Antiquarian Press, 1960): 221.

10. Martis identified the party affiliations in the 36th Congress as: 238 total seats, 116 Republicans, 83 Democrats, 19 Opposition party, 8 Anti-Lecompton Democrats, 7 Independent Democrats, 5 American Party. Kenneth C. Martis, *Historical Atlas of Political Parties in the United States Congress, 1789-1989* (New York: Macmillan Publishing Co., 1989): 113; *Washington Union*, Feb. 26, 1859, 4.

11. Simpson, *Howell Cobb*, 126.

12. Buchanan to Harriet Lane, Oct. 15, 1858. Moore (ed.), *Works of James Buchanan*, vol. 10: 229-230; Henry Hay, *Hay's United States Tariff of 1857 and Importer's Guide to the Customs* (Philadelphia: J.B. Chandler Printer, 1857): 40; Henry Hay, *Hays United States Tariff of 1846 and Importer's Guide in the Customs* (Philadelphia: Grissy and Mark Ley Printers, 1853), arranged alphabetically.

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13. Virgil Maxcy to John C. Calhoun, Dec. 14, 1843, quoted in Chauncey S. Boucher, "That Aggressive Slavocracy," *Mississippi Valley Historical Review* 8, no. 1-2 (June, 1921): 25; Natchez *Mississippi Free Trader*, Oct. 5, 1844, 513.
14. For tariff schedules, Henry Hay, *Hays United States Tariff of 1846; Ad valorem* tariffs, duties "according to value," levied a fixed percentage (40 percent on shelled almonds, for example) upon an imported good. When the value of the merchandise changes, so does the actual impost. Conversely, a specific duty affixes a set amount collected on the imported good (.04 per pound on shelled almonds, for instance.) The amount collected does not fluctuate with the changing value of the imported good.
15. *DeBow's Review* 25, no. 2 (Aug., 1858): 222, the emphasis appears in the original text. The entire dialogue can be found issues 2, 3, and 5.
16. 1858 *Treasury Report*, Dec. 6, 1858, 1-15; *New York Times*, Feb. 4, 1859, 1.
17. Richardson (comp.), *Messages of the Presidents*, card 38: 3051-3056.
18. *New York Times*, Nov. 24, 1858, 1.
19. Huston, *Panic of 1857*, 193.
20. *Appendix to the Congressional Globe*, 35th Cong., 2nd sess., Feb. 7, 1859: 82-85.
21. *Ibid*, 85-87.
22. *Washington Union*, Feb. 25, 1859, 2; *Ibid*, Feb. 26, 1859, 2.
23. "Message on Preserving Public Credit," Moore (ed.), *Works of James Buchanan*, 12 vols., 10: 312-313; Huston, *Panic of 1857*, 192-193.
24. Richardson (comp.), *Messages of the Presidents*, 3105; 1859 *Treasury Report*, 4.
25. Quote found in, Randal Leigh Hoyer, *The Gentleman from Vermont: The Career of Justin S. Morrill in the United States House of Representatives* (Ann Arbor: University Microfilms, 1974): 9; Biographical information culled from Hoyer, *Ibid* and William Belmont Parker, *The Life and Public Services of Justin Smith Morrill* (Boston: Houghton Mifflin, Co., 1924).
26. Richard Hofstadter suggested that this divide between wool growers and textile manufacturers played a more prominent role in the tariff debates of the 1850's than the tensions between the northern and southern states. Richard Hofstadter, "The Tariff on the Eve of the Civil War," *American Historical Review* 44, no. 1 (Oct. 1938): 50-55.
27. *Cong. Globe*, 34th Cong., 3rd sess., Jan. 14, 1857, 316.
28. *Cong. Globe*, 36th Cong., 1st sess., April 23, 1860, 1830-1832.
29. *Cong. Globe*, 36th Cong., 1st sess., May 10, 1860, 2053.
30. John Sherman, *Recollections of Forty Years in the House, Senate and Cabinet. An Autobiography*. 2 vols. (Chicago: Werner, Co., 1895), I: 186. Democrats who voted in favor of the Morrill Tariff are Garnett B. Adrain, NJ; Jetur R. Riggs, NJ; John Schwartz, PA; William G. Whiteley, DE. Opposition party members who supported the measure include: Green Adams, KY; William C. Anderson, KY; Francis M. Bristow, KY; Emerson Etheridge, TN; Laban T. Moore, KY; Alexander R. Boteler, VA. The four Republicans who voted against the bill are Dewitt C. Leach, MI; John U. Pettit, IN; Francis E. Spinner, NY; Benjamin Stanton, OH.
31. *Journal of the House of Representatives*, 36th Cong., 1st sess., May 10, 1860, 821-822.
32. *Cong. Globe*, 36th Cong., 1st sess., June 15, 1860, 3013; 3015-3016.
33. *Cong. Globe*, 36th Cong., 1st sess., 3010-3012; Huston, *Panic of 1857*, 246-247; Joseph S. Gray to J.S. Morrill, May 8, 1860, Justin S. Morrill papers, LC. These statements reveal the great irony that southern Democrat Hunter, not northern Republican Morrill, worked to protect the textile industry.
34. John Jay Knox, *United States Notes*, 72-74.
35. *Ibid*, 75.
36. Philip G. Auchampaugh, *James Buchanan and His Cabinet on the Eve of Secession* (Lancaster, PA: Lancaster Press, 1926): 68; Horatio King, *Turning on the Light: A Dispassionate Survey of President Buchanan's Administration, From 1860 to Its Close* (Philadelphia: J.B. Lippincott, Co., 1895): 187.
37. Morgan Dix (comp.), *Memoirs of John Adams Dix*, 2 vols. (New York: Harper and Brothers, 1883), I: 363-364.
38. *Condition of the Treasury*, 36th Cong., 2nd sess., House Ex. Doc. 20, January 18, 1861.
39. *Statutes at Large*, 36th Cong., 2nd sess., 178-179.
40. H. Winter Davis to Justin S. Morrill, undated 1861 letter, in "Notable Letters from my Political Friends," *Forum* 24 (Sept., 1897): 141; Sidney Ratner, *The Tariff in American History* (New York: D. Van Nostrand, Co. 1972): 29.

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41. Edward Hallett Carr, *What is History?* (New York: Random House, 1961): 159.
42. F. W. Taussig, *The Tariff History of the United States*, 8th ed. (New York: Augustus Kelley, 1967): 158.
43. Louis Hacker posits that the Republican economic policies, including the Morrill Tariff, initiated a new era of "industrial capitalism." Louis Hacker, *The Triumph of American Capitalism; The Development of Forces in American History to the End of the Nineteenth Century* (New York: Simon and Schuster, 1940): 373; Quotes from Ida M. Tarbell, *The Tariff in Our Times* (New York: Macmillan Co., 1912): 11; Reinhard H. Luthin, "Abraham Lincoln and the Tariff," *American Historical Review* 49, no. 4 (July, 1944): 627; Heather Cox Richardson, *Greatest Nation of the Earth: Republican Economic Policies During the Civil War* (Cambridge: Harvard University Press, 1997): 105. Historians who have declared the Morrill Tariff a protectionist bill include: Howard K. Beale, "The Tariff and Reconstruction," *American Historical Review* 35, no. 2 (Jan 1930): 276-294 reprinted in *The Economic Impact of the American Civil War*, Ralph Andreano, ed. (Cambridge: Schenkman Publishing Co., 1962): 106-108; Sidney Ratner, *American Taxation: Its History as a Social Force in Democracy* (New York: W.W. Norton, 1942): 78; David H. Donald, *Liberty and Union* (Lexington, MA: D.C. Heath, 1978): 103.
44. Kenneth M. Stampp, *And the War Came: The North and the Secession Crisis, 1860-1861* (Baton Rouge: Louisiana State University Press, 1950): 164.
45. Senate, *Rates of Duty on Imports into the United States from 1789 to 1890, inclusive*. 51st Cong., 2nd sess., Report #2130, Aug. 30, 1890. Ser. set 2827, table 10, 307.
46. Richardson, *Greatest Nation of the Earth*, 105; F. W. Taussig, *Tariff History of the United States*, 159.
47. The tariff rates are found in Hays, *Importers' Guides*, arranged alphabetically. For the Morrill Tariff rates, and a comparative chart of the Morrill Tariff and the Tariffs of 1842, 1846, and 1857, *Hunt's Merchant Magazine* 44, no. 4 (April, 1861): 459-517. The prices came from three sources: *The Shipping and Commercial List and New York Price Current*, 47-48 (Jan. 2, 1861-July 30, 1862), New York Public Library microfilm, 1961; *Hunt's Merchant Magazine* 44, no. 2 (February, 1861): 21-211; *Hunt's Merchant Magazine* 45, no. 2 (August, 1861): 150-151. I calculated the *ad valorem* duty by dividing the specific duty by the current price as listed in the sources. This method differs from Irwin (Irwin 2000, 341) in that he uses the f.o.b. import price, whereas I use the "street" price.
48. *Shipping and Commercial List*, 47-48 (March 2, 1861):73; *Washington Daily National Intelligencer*, May 11, 1860, 3; Vallandigham's comments can be found in *Cong. Globe*, 36th Cong., 1st sess., May 10, 1860, 2050.

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