

1789 年米国関税法における保護主義的要因に関する一考察

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Abstract

We discuss how protective factors of American manufactures were grafted into the first tariff of the U.S. aiming at securing government revenue from its custom duties enacted by the federal congress. Initially, the aim of enactment was mainly to generate revenues for the new government, but through the tariff debates in congress, protective ideas were incorporated into the legislation. Its end product is evidently stated in section 1 of the act that it is necessary for the support of government, for the discharge of the debts of the United States, and the encouragement and protection of manufactures, that duties be laid on goods, wares and merchandise imported. Through sectional struggles a tariff for revenue was transformed into a tariff act with an intent of protection, that is, a politically compromised tariff. However, protective effect from imposing tariff would ensue regardless of their intention of protection.

1. Introduction

The first tariff act of the United States in 1789 has significance worthy of attention. Before its establishment, each State had its own tariff imposed on the goods from abroad as well as those from other State. It was just a chaotic situation. Most of tariff collection involved loss and due to complicated and inconsistent tariff system, local tariff official was confused. Then under the new Constitution, each State gave up its right of imposing customs duties to the Congress. The Congress was able to impose uniform duties on imports from abroad. Its function can liken to be a common external tariff of a customs union. In this sense, the tariff act was an epoch-making measure. It is quite reasonable for a new government to lay and collect taxes to provide for the common defense and general welfare of a nation which the Constitution Section 8.1 stipulates. The government needs revenue to run, and so tariff for revenue may be justified based on the section 8.1. Generally the original idea of the tariff act of 1789 was revenue-oriented in the light of the Constitution of the United States of America. It was so called “The First Federal Revenue Law.”

But protective element was grafted into the act through sectional struggles in the tariff debates in the Congress. Therefore, significance of the act had been debated if it was a protective tariff or not.

The purpose of the paper is to describe how protective elements were incorporated into a revenue bill and tries to clarify the significance of the tariff act of 1789. The findings are as follow: 1) various elements of protectionist ideas had been put forth in the debates of 1789. 2) it was intended to be a temporary measure to justify infant industry protection. 3) legislation process of the tariff act was a gradual change of James Madison’s friendly policy of free commerce to protectionism.

2. Various evaluations or interpretations of the tariff act

Significance of the tariff act has been already discussed by quite a few researchers.

Miller, J.C. said that it is a compromise between the advocates of high protective duties and those who favored a tariff for revenue only.¹

Mathew Carey says that the tariff of 1789 didn’t give adequate protection to manufacturing industry. The inadequate protection came from the concurrence in one object of four descriptions of citizens.² 1. Mercantile class has been opposed to the protection given to the manufacturers because it is injurious to the prosperity of commerce. 2. Agriculturalists have been jealous of the manufacturers and opposed

the imposition of duties sufficiently enough to protect manufacturing industry. They dreaded a rise of price as a necessary result of securing the home market to their fellow citizens. 3. Free traders contended that trade ought to be allowed to regulate itself.³ 4. Class of political economist such as Mathew Carey who believes that relieving the nation of its dependence on foreign markets for the disposal of its agricultural surpluses and for a supply of manufactures is advantageous.⁴

Taussig refers the first tariff act as protective in intention and spirit. The general range of duties was by no means such as would have been thought protective in later days; but the intention to protect was there. Some selected articles such as hemp, cordage, nails, manufactures of iron, and glass were made subject to the specific duties, with the clear intent of stimulating domestic production.

Thompson's interpretation of the purpose of the tariff act is simple. Protection is one of its purposes because its preamble says:

“Whereas, it is necessary for the support of the Government, the discharge of the debts of the United States, and the encouragement and protection of manufactures, that duties be laid on goods, wares, and merchandises imported.”⁵

It asserts three distinct propositions: 1. that duties should be laid for the support of the Government; 2. that they should be laid for the payment of the public debt; and 3. that they should be also laid for the encouragement and protection of manufactures.⁶

British reaction to the enactment of the tariff is no complainer of those duties. Report of a Committee of the Lords of the Privy Council commented on the act of 1789 saying, according to the merchants they consulted, the present duties are on the whole not higher than those to which British goods so imported were made subject by individual States before the new Constitution. Their statement might be plausible since for the United States, nine-tenths of the articles from Great Britain are British manufactures.⁷

Knowles' idea is that it was in reality a revenue rather than a protectionist scheme. In other words, the tariff was a slight concession to the protectionist party and the duties were too low to be anything like a protectionist tariff. He gives the following reasons. The industrial condition at that time did not require protection⁸ Nine-tenths of population were engaged in agriculture and they wanted cheap imports. Infrastructure such as internal distribution was poor and therefore there was not a sufficient market for the manufacturers to flourish. etc.⁹

Hill believed that “the encouragement and protection of manufactures” was at least as important as any other motive in securing the passage of the act because of the following reasons: several states wanted to continue protection or aid similar to those given before the new Constitution; the bulk of American imports was formed with British manufactures urging the Americans to depart from free trade; protective motives of tariff-makers were revealed in the tariff debates in the first Congress¹⁰.

Bishop sees that the principle of legislative protection to American industry in the first Revenue bill was recognized by a nearly unanimous vote of many who had been active in framing the Constitution and in urging its adoption in the legislatures and conventions of their respective States.¹¹ Behind this scene there was the first petition presented to Congress after its first assembling in March, 1789, which came from around seven hundred of the mechanics, tradesmen and others of the town of Baltimore, lamenting the decline of manufactures and trade since the Revolution, and praying that the efficient government with which they were then blessed for the first time, would render the country “independent in fact as well as in name,” by an early attention to the encouragement and protection of American Manufactures by imposing on “all foreign articles which could be made in America, such duties as would give a decided preference to their labors.”¹²

At the establishment of the new government, the popular mind turned to it with ardent expectation that it would supply the long-left need of protection to home industry.¹³

Mason’s point of view is that the government empowered with the Constitution has responsibility to protect home industry.

Ely stated that the first tariff act was mainly for revenue, while protection was incidental. At least the duties up to 1816 were for revenue with incidental protection.¹⁴

Possible motive for the tariff act is well described by Adams. It was the spirit of nationality which was so pronounced in the early federalists. It was hoped by means of a tariff on imported commodities and by the use of domestic products to weld together the different states into a strong union.¹⁵

Harriman of the American Protective Tariff League calls the act of 1789, a protective tariff saying the Congress passed a Tariff Act in the interest of protection and not for “revenue only,” for in the Preamble to the Act. A large majority of that first Congress were farmers but they saw the necessity of encouraging and protecting manufactures, in order that they might be free from servile and

dangerous dependence upon foreign nations for the arms, the implements of farming and other machinery needed for their own safety, protection and independence. The men who formulated our glorious Constitution, and secured its adoption by the several States—all voted for the Protective Tariff Bill and rejoiced greatly when it became a law.¹⁶

Bastable tells us that the belief that the industries unduly retarded by the colonial system required some compensating encouragement and the pressing fiscal necessities of the new government combined to bring about the establishment of a moderate tariff on imported goods, and that the rates were so low as to act chiefly as revenue duties.¹⁷

Ashely describes the Act as a policy of protection, chiefly for manufactures, modified partly by the inexperience of the legislatures and partly by regard to consideration of revenue.¹⁸

According to Taylor, a protective element had been present in the very first tariff act, that of 1789, but Hamilton's ambitious protective system had not been adopted by Congress. Until the War of 1812 rates remained relatively low, less than 20 per cent on the value of dutiable products, and revenue consideration clearly overshadowed the protective features.¹⁹

According to Ford, from the very first, then, a tariff has been recognized as a measure for raising revenue, for protecting and encouraging domestic manufactures, and as an instrument for regulating commerce. Some of the states had already adopted regulations which were intended to give such encouragement to their industries, although this encouragement was secured at the expense of the other states; and in ceding this power to make such laws to the general government, it was claimed that the states had expected a continuance of this recognized policy. So that the weight of opinion was in favor of the right to regulate commerce by import duties or other taxes, and chiefly on the ground that the power was generally exercised among nations.

The tariff debates in Congress show that protection to the infant manufactures was considered originally as an essential part of the whole legislation. The minute discussion which followed upon the tariff, and the antagonism of interests which was manifested, showed the protectionist intentions of the representatives of the country.²⁰

According to Rabbano, the protective policy was not distinctly adopted in 1789, nor for many years after, because on the whole the industrial condition of the country did not require it, and would not have allowed it.²¹

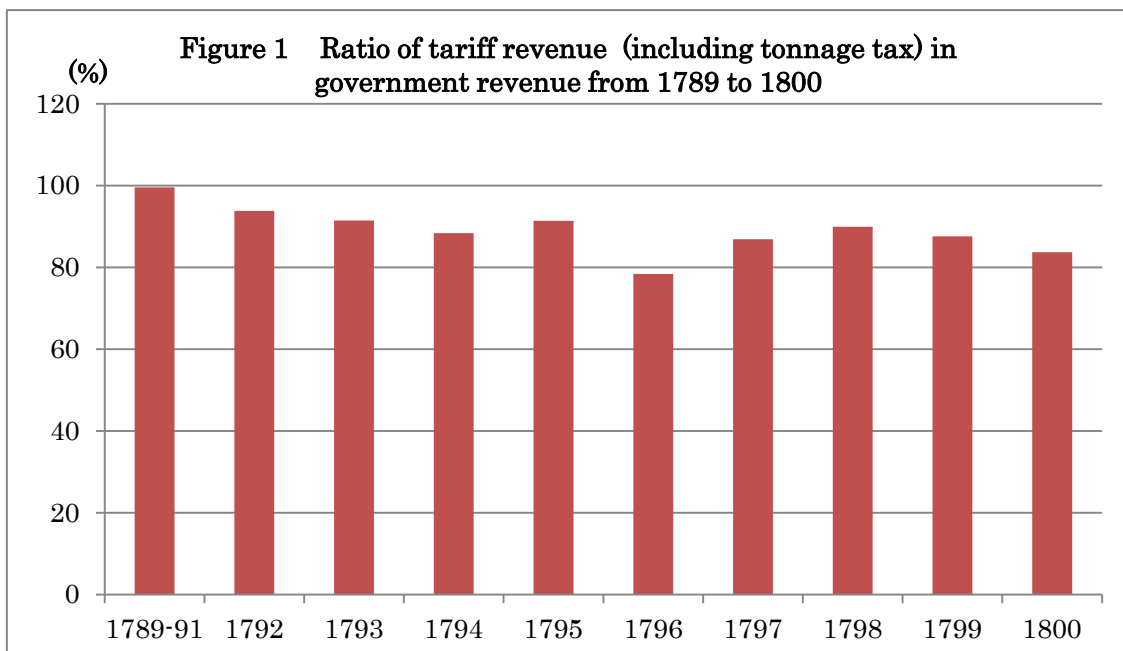
According to Smart, the first tariff under the Congress of 1789, which ranged only from 5 per cent. to 10 per cent., with an average of 8 1/2 per cent., seems dictated overwhelmingly by the financial needs of the Federal Government. After 1793, the capital and energies of the nation had not been to any great extent devoted to manufactures. There was an immense demand abroad for American products, especially foodstuffs, timber, and cotton, and America followed the economic line of making the most of her natural resources, developing her agriculture and her carrying trade.^{2 2}

Sumner tells us that the tariff of 1789 avowedly adopted the principle of protection, because its preamble read so and because it was declared to be only temporary in order to give infant industries a start and was limited to 1796.^{2 3}

3. Tariff as revenue generating measure:

It was urgent to produce sufficient revenue to supply the operational needs of the government and to pay the interest and principal on the foreign and domestic debt. As you can see in Figure 1 in the years 1789 and 90, almost all the government revenue was generated from tariff. In the United States, prior to the Civil war, tariffs provided up to 90% of government revenue. The early tariffs of the United States were mainly revenue-generating measure rather than protective one. Some twenty-five tariff laws were passed between 1790 and 1816, and almost all the duties imposed were designed for revenue purposes rather than for protection, Because the government during this period found great difficulty in devising an adequate system of taxation, and consequently relied on the tariff for the bulk of the revenue of the state.^{2 4} This ratio fell sharply with the introduction of income tax in 1913.

Idea of tariff for revenue is nothing new: one of the oldest purposes of levying tariffs was for the sake of financing government expenditure, the king's customs, and from time immemorial foreign trade has been an object of taxation. Just like that the tariff was the chief source of government revenue, so that the tariff system had to adapt itself not merely to the protectionist or free trade notions of the moment but also to the requirements of the Treasury. When it come to revenue, it is quite vital for the newly government to exist.^{2 5} Without revenue and a government never has any resources except what it derives from people regularly and uniform obtainable, no governmental machinery for the protection of life and property, through the dispensing of justice and the providing for the common defense, could long be maintained.



Source : *Historical Statistics of the United States, 1789-1945*. p.298.

The articles on which tariff for revenue are imposed may be divided into two group. The first group includes articles which are not produced domestically and in association with which there can be unlikely to foster a home industry. They are, for example, coffee, tea, spices and some tropical and luxury items. Taxation on these articles is generally considered a good way for the new government to secure revenue. The second group has manufactured imports that at the same time domestic manufacturers produce of the similar kind. If the domestic prices are raised by tariff duties, there may be a hidden bounty given to the domestic manufacturers.

Revenue tariff is usually imposed on the imports that were either not produced at home or produced in insufficient quantity to meet American demand. Granted that duties on non-competing items from abroad were passed without much debate, in some cases there were debates about the revenue tariff due to the roles played by articles. That is whether the article is an input or output in production.

4. Basic model of the tariff act of 1789

Under the confederation of 1777 the Continental Congress made numerous efforts to induce the states to join in levying taxes on imports for the benefit of common treasury. Indeed this was about the only feasible method of raising revenue that the articles would allow. But it was futile. The Rhode Island was the most obstinate in its refusal to comply with the request of Congress.²⁶ According to Bates, in

reviewing Rhode Island's action on the impost, its motives may be reduced to three: 1. A misunderstanding of the effects of an import duty. 2. Anxiety respecting the disposal of western lands. 3. A jealousy of yielding to outside authority any power over her internal affairs.^{2 7}

To pay the interest and principal of the debt, Congress had twice proposed an amendment to the Articles granting them the power to lay a 5% duty on imports, but amendments required the consent of all thirteen states.^{2 8} Rhode Island and Virginia rejected the 1781 impost plan^{2 9} while Rhode Island remained obdurate and several other states had grown skeptical and the 1783 revised plan bogged down.^{3 0} The new revenue provisions were to be limited and temporary. Congress was permitted to raise only revenue necessary for the "discharge of the interest or principal of the debts contracted on the faith the United States, for supporting the war." Moreover, both the tariff and the requisition expired after 25 years.^{3 1}

The Table 1 shows the propositions of 1783, which have been generally approved by several States. James Madison made them the basis of the proposal of April 8, of 1789.^{3 2} In short, it was the duty of five per cent on the value of all goods imported, and an additional duty on a few enumerated articles shown in the Table 1.^{3 3}

Table 1: The Congressional recommendations of 1783, March 18

item	duty	per unit
all rum of Jamaica proof	4/90 of a \$	gallon
all other spirituous liquors	3/90 of a \$	gallon
Madeira wine	12/90 of a \$	gallon
the wines of Lisbon, Oporto, those calles Sherry, and upon all French wines	6/90 of a \$	gallon
the wines called Malaga or Teneriffe	5/90 of a \$	gallon
all other wines	4/90 of a \$	gallon
common Bohea tea	6/90 of a \$	lb.
all other teas	24/90 of a \$	lb.
pepper	3/90 of a \$	lb.
brown sugar	0.5/90 of a \$	lb.
loaf sugar	2/90 of a \$	lb.
all other sugars	1/90 of a \$	lb.
molasses	1/90 of a \$	gallon
cocoa and coffee	1/90 of a \$	ib.
salt, after the war	1/8 of a \$	bushel

Source: The Paper of James Madison vol.1. pp.385-6.

5. Tariff for government revenue: an only choice available

Internal taxes were hated by people because new taxes mean that a new body of tax collectors would join local and state officials in separating American taxpayers from their money.^{3 4} The Americans at that time had been resisting the taxation imposed by England and direct taxation and excise duties were impossibility,

coupled with a jealousy of the states against what they would have deemed interference in the affairs of their citizens.³⁵ Direct taxes could not be laid until an enumeration of the population had been finished.³⁶ In addition, laying a tariff on exported products was prohibited by the Constitution. With insufficient administrative capabilities, trade taxes may be the easiest way for government to raise revenue, since tariffs have lower collection costs than other tax instruments. It is possibly easier to tax goods than incomes and moreover, goods are subjected typically to the constriction of a port or border crossing. To collect the tariff all they need is a few customs officers in the ports checking the ships as they come in.

James Madison, progenitor of the tariff act knew it well and said that a national revenue must be obtained, but the system must be such a one that, while it secures the object of revenue, it shall not be oppressive to our constituents. He is very shrewd as a politician almost eliminating voices of domestic opposition to imposition of tax because a tariff is essentially a tax on the opportunities of foreign producers, it is a form of taxation without representation--a tax on foreign producers over which the foreign producers have no say. He perceived that both these objects might be obtained from an impost on articles imported into the United States.³⁷

6. James Madison's temporary system mainly for securing revenue

The most challenging and urgent issue for the newly created government is how to secure financial resources for paying public debts and running the government. Therefore there was no objection to secure government revenue. It was the revenue for the government that was the first matter debated in committee of the whole in the first House of Representatives. On the 8th of April, 1789 James Madison, progenitor of the tariff act called for raising a national revenue to remedy the evil of a deficiency in the treasury. His idea is to secure the object of revenue at the same time it shall not oppress their constituents.³⁸ As we have seen the only way open to him seemed to be revenue from an impost.

Madison who at the outset assumed a position of leadership, in the Committee of the Whole on April 8 introduced a resolution for the establishment of an impost³⁹ similar to the one discussed in the Congress of the Confederation in 1783.⁴⁰ That is His resolution includes freedom of trade from the shackles of regulation as long as the policy of nations will admit.⁴¹ It can be characterized as mildly protectionist. in addition to discriminating vessel duties, it demands ad valorem duties on most items, but on the others, the enumerated list, higher specific

duties would be levied for protection.

Madison identified himself as the friend to the very free system of commerce and described restriction of trade as unjust and impolitic, yet he also recognized that in establishing the new nation, exceptions might have to be made. He did not object to government regulation of trade or protective tariff policies as long as such measures proved temporary.^{4 2} Having been generally approved by the several States in some form or another the propositions of 1783 was made to be a temporary system. He wished the committee to adopt it.^{4 3}

Table 2: James Madison’s original plan presented in the committee of the Whole on April 8, 1789

articles	duty	per unit
rum	of a \$	gallon
all other spirituous liquors	of a \$	gallon
molasses	of a \$	gallon
Madeira wine	of a \$	gallon
all other wines	of a \$	gallon
common bohea tea	of a \$	lb.
all other teas	of a \$	lb.
pepper	of a \$	lb.
brown sugars	of a \$	lb.
loaf sugars	of a \$	lb.
all other sugars	of a \$	lb.
cocoa and coffee	of a \$	lb.
other articles	Per cent	lb.

Source: Gales and Seaton’s Annals of First Congress, First Session, pp.107-8.

The situation admitted of no delay ; the spring importations would shortly reach port; and therefore Madison proposed "such articles of requisition only as are likely to occasion the least difficulty." The articles upon which specific duties were to be laid were eight in number : rum and spirituous liquors, molasses, wines, tea, pepper, sugar, cocoa, and coffee (See table 2). John Lawrence of New York supported Madison’s proposal, arguing that “the more simple a plan of revenue is, the easier it becomes understood and executed.”⁴⁴ But He came across objections from sectional interests.

7. The protection of infant manufactures –an essential part of the whole legislation

The course of freedom of trade steered by James Madison had to somehow change its direction. Thomas Fitzsimons,^{4 5} a wealthy merchant of Philadelphia, the next day offered an amendment declaring additional duties on manufactured articles (especially those produced in Pennsylvania) "to encourage the productions of our country and to protect our infant manufactures."^{4 6} His resolution included a large and varied list of articles of drink, food, clothing, vehicles etc (See Table 3). Some were calculated to encourage the production of America and protect its infant manufactures. The others might work as sumptuary restriction upon luxury goods.^{4 7}

Table 3: The articles enumerated for duty recommended by Fitzsimons and its adopted items(✓) in the act of 1789

article	The Act of 1789	article	The Act of 1789
beer	✓	pasteboard	✓
Ale	✓	cabinet ware	✓
porter	✓	buttons	✓
Beef		saddles	✓
pork		gloves	
butter		hats	✓
candles	✓	millinery	✓
cheese	✓	castings of iron	✓
soap	✓	slit or rolled iron	✓
cider	✓	leather	✓
boots	✓	shoes	✓
steel	✓	slippers	✓
cables	✓	golo shoes	✓
cordage	✓	coach	✓
twine or pack thread	✓	chariot	✓
malt		other four wheel carriage	✓
nails	✓	chaise, solo or other two wheel carriages	✓
spikes	✓	nutmegs	
tacks		cinnamon	
brads		cloves	
salt	✓	raisins	
tobacco	✓	figs	
snuff	✓	currants	
blank books	✓	almonds	
writing, printing, and wrapping paper	✓		

Source: *Gales and Seaton's Annals of First Congress, First Session*, p.111. and *Tariffs Acts passed by Congress from 1789 to 1909*, pp.13-5.

Madison acknowledged that there might be some reasons for imposing higher tariffs on some additional items, saying "I see no very strong reason against receiving them for consideration."^{4 8} The house tentatively added Fitzsimons' list to Madison's original list and then protective tariff debates began. As you may see the effect of recommendation by Fitzsimons on the tariff act of 1789, 35 items out of 49 were adopted in the end.

In Congress, protectionist presented their idea about why protection is necessary.

Protectionists give us the following reasons:

1) Promotion of the national wealth

Thomas Hartley (PA) comments on the conditions of manufacture saying, “our manufactures are able to furnish some in sufficient quantity to answer the consumption of the whole Union, while others are daily growing into importance. Our stock of materials is, in many instances, equal to the greatest demand, and our skilled workers can work them up even for exportation. Under the encouragement to perfect manufacturers, the industry of the manufacturer will be employed to add to the wealth of nation.”^{4 9}

Thomas Fitzsimons (PA) counseled that Congress should set aside local distinctions, because what operates to the benefit of one part in establishing useful institutions will eventually operate to the whole.^{5 0} (guys supported Fitzsimmons : Mr. Schureman)

2) giving price-competitiveness in the future

Thomas Hartley (PA) supported protection because he believes protection will give home manufactures advantage in the price when products are brought to market as has been proved in the history of ancient world.^{5 1}

3) Self-sufficiency

A desirable goal of the United States is to be as self-sufficient as possible. Protection of our infant industries is a prerequisite. (Annals of Congress の場所が不明) Fitzsimons

4) Relief from the decline of trading and manufacturing

On April 11, William Smith of Maryland, a man of wide commercial experience presented a petition^{5 2} from the tradesmen, manufacturers, and asking relief from the supreme legislature of the United States as the guardians of the whole empire.^{5 3}

5) Import substitution urged

Smith(Maryland) also urged imposition of tariff on all foreign articles, which can be made in America.^{5 4}

6) National defense

Madison argued that whatever relates to the operations of war, no State ought to depend upon a precarious supply from any part of the world. Embargoes in times war may necessarily occur and shackle the freedom of commerce.^{5 5}

7) Hysteresis effect

Some of the States had already provided regulations and succeeded in producing establishments. They ought not to be allowed to perish, from the alteration which has taken place: it would be cruel to neglect them and divert their industry to other channels: for it is not possible for the hand of man to shift from one employment to

another without being injured by the change. Madison claims that legislative attention will be necessary to collect the proper objects for some manufactures which need the fostering hand of the government.^{5 6}

8) Sumptuary prohibition

Regarding the articles added by Fitzsimons, Madison observes that a sumptuary prohibition is within the view of some of the proposed articles, and forms another exception to the principles of free trade.^{5 7} In his view, sumptuary duties in some form or other will prevail and take effect, because in general, imposition of tariffs tend to depress the consumption, even it is not called sumptuary duties.

9) Development of a market for domestic farmers

If the duty on beer, ale and porter was high enough to effect a prohibition, its domestic manufacture would increase and at the same time, increased domestic production would advance agricultural interest, since the materials were produced in America.^{5 8}

8. How Individual articles were added to the list?

The result of divided counsels was a debate of seven weeks, devoted chiefly to the rates to be imposed upon molasses, distilled spirits, iron and steel, nails, candles, and cotton, and etc.

1) Glass

glass was put on the list of enumerated article by Boudinot of New Jersey. We are capable of manufacturing and almost all its materials are being produced in the United States.^{5 9}

2) Anchors, wool cards, wrought tin ware, every box of lemons, barrels of limes

In order to make the list as complete as possible, Mr. Goodhue of Massachusetts begged to add them to the list, and the committee of the whole agreed.^{6 0}

3) rum^{6 1}

rum is an article of great consumption and though it cannot be reckoned a necessity of life, yet it is un such a great use, that it may be expected to pay a very considerable sum into treasury.

Mr. Sherman of Connecticut moved that the article of rum should be charged with fifteen cents per gallon. Then, Mr. Smith was apprehensive fifteen cents would be too high, and therefore moved ten cents, which he thought would raise more revenue than the other.^{6 2} William Smith of South Carolina suggested that a lower tariff would generate even more revenue.^{6 3} On motion of Mr. Gale the word rum was changed into distilled spirits of Jamaica proof. In 1789, Jamaican rum cost about 45 cents a gallon.^{6 4} So a fifteen cent duty was a 33% tax. This is too high as a tariff. Fitzsimons

was in favor of the highest sum saying a difference between twelve and fifteen cents can only be matter of opinion. And The highest sum may be achievable from the previous experience. The highest sum proposed to the committee very little exceeds that collected in Pennsylvania. Madison agreed with a duty as high as can be collected. From what he has heard, in the sense of people of America, this article should have a duty imposed upon it weighty indeed. In his opinion the government of the Union is capable of collecting higher duties than the particular States did, because their purposes of collection of duties were not for the benefit of all the States but for individual State.^{6 5} Mr. Lawrence of New York expressed his fear that it can't be collected, because the sum proposed (fifteen cents) is higher than the duty collected in New York, which is about eight cents. A higher tax may lead mankind to an evasion of the law perhaps by smuggling, and they shall lose a great deal of revenue. As of April 14, 1789, the committee agreed to tax ardent spirits of Jamaica proof, fifteen cents; and all other spirituous liquors twelve cents.^{6 6}

In the bill passed by both houses, the duty on rum was 10 cents per gallon. That is to say, the duty on all distilled spirits of Jamaica proof, imported from any kingdom or country whatsoever, per gallon, is ten cents in the tariff act of 1789.^{6 7}

4) Molasses

The government protected the importation of molasses through protective tariffs going back to the first tariff in 1789.^{6 8} The duty was to be levied solely for revenue, because no sugar cane was being grown in the United States in 1789.^{6 9} Nevertheless the debate was bitter as long as industry interests were involved.

Mr. Madison thinks eight cents per gallon will allow a sufficient advantage to manufacturing of rum in America, but of this, he is not positive and shall not pertinaciously adhere to that sum.^{7 0} Mr. Parker of Virginia said "If the duty on molasses operated to discourage the consumption of New England rum, it would have very happy consequences." He therefore seconded the notion for eight cents. Mr. Lawrence was opposed to higher rate such as eight cents. First, molasses is an article of necessity for the poorer class of citizens, and higher tax would burden them heavily. Secondly, molasses is a raw material for manufacture, and when it is distilled, exported in considerable quantities. If heavy duty is laid, it will probably prevent the exportation.^{7 1} Mr. Madison responded saying, "The great exportation from New York is made to the different parts of the United States and not to the foreign countries; the duty, therefore will not be paid by our own citizens, because under the new constitution admission of that commodity into every State is perfectly duty-free.^{7 2} Others agreed with lower tariff and Madison proposed reducing the molasses tariff from eight to seven

cents. The question was put on seven cents and lost, and a tariff of six cents adopted. ^{7 3}

5) Madiera wine ^{7 4}

Mr. Sherman moved fifteen cents Mr. Gilman moved twenty cents and Mr. Hartley moved thirty cents. Mr. Fitzsimons moved fifty cents. He believes that Madeira wine is not a necessary of life at least to those whose incomes are only sufficient for a temperate subsistence and then the propriety of a high tax on wines is self-evident. Mr. Muhlenberg seconded the motion for fifty cents. Mr. Bland thinks that they shall not be able to obtain any revenue whatsoever if the tax is laid so high. Mr. Boudinot observes that there is a considerable loss attends keeping Madeira. He thinks it may be admitted that twenty or twenty-five per gallon is a sufficient tax. Also he believes that a higher tariff such as fifty cents tends to discourage the Madeira trade. Mr. Lawrence thinks a tariff of fifty cents would operate as a premium to encourage smuggling and therefore was not inclined to vote for more than twenty cents. Then Mr. Fitzsimons withdrew his motion for fifty cents and moved thirty-three and one-third cents. The question was put on thirty-three and one-third cents as the highest sum and agreed to. The tariff was adopted but only narrowly being twenty-one votes for it, and nineteen against it.

6) All other wines

There were a great variety of wines in that general expression, the prices of which were very different. Therefore, the propriety of discriminating and taxing them according to their value was proposed, which was rejected. It was agreed to lay twenty cents on all other wines. ^{7 5}

7) Sugar

The committee of the whole agreed to tax common sugar one cent per pound, loaf sugar three cents per pound and all other sugars one and a half cent per pound. Mr. Fitzsimons gave an explanation why the one cent tax is proper for common sugar; 1. one cent tax on sugar could be comparable to the duty of molasses (less than one cent per pound), 2. if the quality of both molasses and sugar are inferior, they are articles of general consumption, more or much of which accounts for the consumption of the poor, 3. Molasses will sweeten more, according to its weight, than even the best sugar. ^{7 6}

8) Beer, ale, and porter

Mr. Fitzsimons moved nine cents per gallon, citing the successful case of establishing breweries with the small protecting duties laid in Pennsylvania. Mr. Lawrence seconded the motion and preferred higher duties to give a decided preference to American beer; it would tend to encourage agriculture, because the molts and hops consumed in manufacture were the produce in America. Mr. Smith of Maryland was opposed to such a higher duty; he thought enough might be raised if the tax was lowered. Mr. Gale

thought a duty of nine cents would work as prohibitive tariff defeating the purpose of obtaining revenue and giving the brewers in America a monopoly. Namely He was against a nine cents duty. Mr. Sinnickson of New Jersey agreed with a prohibitive tariff to increase production of domestic manufactures, which would advance domestic agricultural interest, since the materials are produced in America. Then Madison moved to lay an impost of eight cents on all beer imported. He hoped it would increase both manufacturing and agricultural interests. He believes eight cent duty is all right. He gives a proof that in the State of New York, the article brought in foreign vessels takes eight cents as a duty and yet quantities of it were still imported. The committee agreed to charge it at eight cents. On all beer, ale or porter, imported in bottles per dozen, without debate they agreed to twenty-five cents.^{7 7}

9) Coffee

America imports great quantities of coffee, tea, and produces none of them.^{7 8} Duties on coffee and tea were strictly for revenue and were passed without much debate. On coffee two and a half cents per pound was agreed.^{7 9}

10) Salt^{8 0}

Mr. Burke of South Carolina was against the tax since salt is a necessary of life for people and cattle. and for inhabitants of South Carolina and Georgia, the price is already oppressively great due to transportation cost and the burden of tax sustained by those who live remote from the sea-shore sufficiently unequal. Mr. Lawrence hoped a duty would be laid; it was in general use, and the consumption so regular; that it was much to be depended upon as a source of revenue. But it should not be so high as to make it oppressive. He moved to impose a duty of six cents per bushel. Thomas Tucker (SC) felt an aversion to laying a duty on salt, and said that the duty would bear hardest on the poor because a poor man consumes as much salt as a rich man. In this point of view, it operates as a poll-tax, the most odious of all taxes... but is heavier on the poor than the rich, because the poor consume greater quantities of salted provision than the rich. Thomas Scott of Pennsylvania declared himself decisively against the duty, and stated that in some parts of America, transportation cost makes the price of salt already higher, which is equivalent to a sufficient tax on consumer. Andrew Moore of Virginia didn't agree to the duty, because the tax appeared to him not only unpopular but unjust. Mr. Lawrence in favor of this duty responded that taxes, to be just, should affect all, and equally affect them, and not be left to fall partially upon a few. This is more the case with salt than any other article which has yet been taxed. He also defended the duty saying, "This article is of general consumption; perhaps it may be averaged at three

bushels to a family annually; the tax on this will be light, none can be oppressed, and yet it will bring into the treasury a very large sum. etc.” Madison said, “In order to determine whether a tax on salt is just or not, we must consider it as part of a system, and judge of the operation of this system as if it was but a single article; if this is found to be unequal, it is also unjust. Previously adopted tariffs would have a disproportionate effect on the wealthy; therefore, by adding this article, we shall rather equalize the disproportion than increase it.

The question on imposing six cents on salt was put and carried.

11) Candle

Mr. Fitzsimons moved to lay a duty of two cents on all candles of tallow per pound telling the successful case of import substitution in Pennsylvania with a duty of two pence per pound. Mr. Tucker of South Carolina observed that some States were importing considerable amount of this article while others had enough for their own consumption, therefore the burden would be partially borne by such States. The impost would bear unequally on South Carolina. Mr. Boundinot expected that domestic producers could make it cheaper than foreign producers with a small amount of encouragement from the government, as the materials were to be had in abundance in America. Mr. Lawrence seconded Mr. Fitzsimons’ motion for two cents, saying, “if the candles are an object of considerable importation, they ought to be taxed for the sake of obtaining revenue, and of they are not imported in considerable quantities, the burden on consumer will be small, while it tends to cherish a valuable manufacture.” The Fitzsimons’ motion for two cents was carried in the affirmative on the question being put.^{8 1}

12) Steel

Mr. Lee of Virginia move to strike out steel from the list. Its consumption is very great and essentially necessary to agricultural improvements. The Union could not fabricate enough of this article to answer the consumption. The tax would operate as an oppressive. Mr. Tucker agreed with him and told that it was better to give a bounty to increase domestic production than an impost which would lessen the consumption and make it dear also. In addition, he considered the smallest tax on steel to be a burden on agriculture, which ought to be considered an interest most deserving protection and encouragement. The manufacture of steel was described by Mr. Clymer as in its infancy, but likely to emancipate the country from the control exercised by foreign manufacturers. It had, however, been attended with considerable success. The materials necessary to make the article were the product of almost every State in the Union. Mr. Fitzsimons thought that five shillings per

hundred weight would not be oppressive, and that even if it were partial duty, the evil would be soon overbalanced by the establishment of an important manufacture with a small encouragement from the General government. Lee's motion to strike out was not carried and Mr. Boudinot's motion of fifty-six cents per one hundred and twelve pounds was adopted.^{8 2}

9. Several features of the tariff act of 1789

1) Emergency measure and protection insufficient:

Judging from the shorter period, namely 50 days between the appointment of the committee to consider the tariff matter and the approval of President Washington, the tariff act of 1789 was an emergency measure to secure government revenue. Moreover, the act of 1789 lasted only about one year and was replaced by the act of 1790. It was so short-lived that protection to some manufacture was not sufficiently given. The act of 1790 seemed to fill the deficiency. The duty on tarred cordage was increased from 75 cents to 100 cents; on untarred from 90 cents to 150 cents; all of which changes were in favor of the rope-makers.^{8 3} The duty on steel was raised from 56 to 75 cents per hundredweight. The higher rate was imposed on manufactured articles such as coach, chariot, and other four wheel carriage (See Table 4).

Table 4: Comparison of tariff recommended by Fitzsimons and adopted in the tariff acts of 1789 and 1790

Items	Act of 1789	Act of 1790
beer	5 ¢	5 ¢
ale	5 ¢	5 ¢
porter	5 ¢	5 ¢
candles of tallow	2 ¢	2 ¢
candles of wax or spermaceti	6 ¢	6 ¢
cheese	4 ¢	4 ¢
soap	2 ¢	2 ¢
cider	20 ¢	20 ¢
boots	50 ¢	50 ¢
steel	56 ¢	75 ¢
cables	75 ¢	100 ¢
cordage	75 ¢	100 ¢
untarred cordage	90 ¢	150 ¢
twine or pack thread	200 ¢	300 ¢
nails	1 ¢	1 ¢
spikes	1 ¢	1 ¢
salt	6 ¢	20 ¢
manufactured tobacco	6 ¢	6 ¢
snuff	10 ¢	10 ¢
blank books	7.5%	10.0%
writing, printing, and wrapping paper	7.5%	10.0%
pasteboard	7.5%	10.0%
cabinet ware	7.5%	7.5%
buttons	7.5%	7.5%
saddles	7.5%	7.5%
hats	7.5%	7.5%
millinery	7.5%	7.5%
castings of iron	7.5%	7.5%
slit or rolled iron	7.5%	7.5%
leather	7.5%	7.5%
shoes	7 ¢	7 ¢
slippers	7 ¢	7 ¢
golo shoes	7 ¢	7 ¢
coach	15%	15.5%
chariot	15%	15.5%
other four wheel carriage	15%	15.5%

Source: *Tariff Acts passed by Congress from 1789 to 1909*, pp.13-17

2) Logrolling:

Another feature of the tariff act is there seems to have been logrolling for the first time in Congress. Without substantial debate, several items were put on the tariff list. Mr. Carroll of Maryland proposed a tariff on window and other glass, because a manufacture of this article was begun in Maryland, and attended with considerable success; if the legislature were to grant a small encouragement, it would be permanently established. A desultory conversation arose in the committee respecting the propriety of receiving the motion at this time, when it was agreed to add on all window and other glass, ten percent ad valorem. Then Mr. Clymer of Pennsylvania called attention to the state of paper mills of Pennsylvania. Thereupon it was agreed to lay an impost of seven and a half per cent ad valorem on blank books, writing, printing, and wrapping paper, and pasteboard. Without debate, the same was laid on canes, walking sticks, whips, clothing ready made, on gold, silver, and plated ware, and on jewellery and metal, paste work; on cabinet ware, buttons of metal, saddles, gloves of all leather, all hats of beaver, fur, wool, or mixture of either, all millinery, castings of iron, or slit or rolled iron, all leather tanned or tawed, or manufactures thereof. On every coach, chariot, or other four wheel carriage, and every chaise, solo, or other two wheel carriage, or parts thereof, fifteen per cent ad valorem.^{8 4} Next day, on motion of Mr. Goodhue of Massachusetts, anchors at seven and a half per cent. ad valorem was added. On motion of Sherman of Connecticut, nutmegs, cinnamon, raisins, figs, currants, and almonds, were deleted. MR. Ames of Massachusetts proposed a tariff on wool cards. And a duty of fifty cents per dozen was imposed on wool cards.^{8 5}

3) Discriminating duties:

To encourage the China and India trade, the House reduced the tariff on tea imported from China and India rather than Europe. Also preference was given depending on whether it was made in America and owned by American or not (See Table 5). In addition to a few specific discriminating duties such as those on tea, the tariff law provided in general that a discount of 10 per cent of the authorized duty should be allowed on all goods, wares and merchandise imported in American vessels.^{8 6}

Table 5 : Specific duties on tea by the ownership of the vessel (unit: cent per pound)

Owner:	American vessel made in America		Non-American-made vessel
import source:	China, India	Europe	Anywhere
Bohea tea	6	8	15
Black tea	10	13	22
Hyson tea	20	26	45
Green tea	12	16	27

Source: *Tariff Acts passed by Congress from 1789 to 1909*. p.14.

4) Tariff rate:

The duties were partly ad valorem and partly specific. Even then, British merchants supposed that by and large the duties are not higher than those on the British goods imposed by individual States before the new Constitution.

Tariff rate of average 7.5% ad valorem embodied in an Act of 1789 was not regarded as protection-intended comparing to the 1816 tariff, where import duties were about 35% for almost all manufactured goods(See Table 6).^{8 7}

Table 6: Comparison of tariffs in 1789, 1790 and 1816

Articles enumerated	Act of 1789	Act of 1790	Act of 1816
Ale, porter, and beer, in bottles	Dozen 20 cents	Dozen 20 cents	Dozen 40 cents
otherwise	Gallon 5 cents	Gallon 5 cents	Gallon 16 cents
Almond			Pound 4 cents
Anchors, and parts of	7.5 per cent	7.5 per cent	Pound 3 cents
Aniseed		10 per cent	30 per cent%
Antimony, reguns of			Free
Ams, fire and side, n.o.p			35 per cent
Articles, growth or product of the U.S. reimported		Free	Free
Bonnets			35 per cent
Books, blank	7.5 per cent	10 per cent	35 per cent
Boots	Pair 50 cents	Pair 50 cents	Pair \$ 1.50
Brass, old, fit for remanufacturing only		Free	Free
wire	Free	Free	Free
in pigs or bars	Free	Free	Free
manufactures of, n.o.p			35 per cent
Bricks		10 per cent	35 per cent
Brimstone			Free
Bristles			Free
Brushes	7.5 per cent	7.5 per cent	35 per cent
Buckles, shoe and knee	10 per cent	10 per cent	35 per cent
Buttons	7.5 per cent	7.5 per cent	35 per cent
Cabinetware	7.5 per cent	7.5 per cent	35 per cent
Calicoes		7.5 per cent	35 per cent
Candles, tallow	Pound 2 cents	Pound 2 cents	Pound 4 cents

wax and spermaceti	Pound 6 cents	Pound 6 cents	Pound 12 cents
Candy		10 per cent	Pound 23 cents
Canes, walking sticks, and whips	7.5 per cent	7.5 per cent	35 per cent
Capers		10 per cent	35 per cent
Caps			35 per cent
Cards, playing	Pack 10 cents	Pack 10 cents	Pack 50 cents
Wool and cotton	Dozen 50 cents	Dozen 50 cents	Dozen \$1.00
Carpets and carpetings		7.5 per cent	35 per cent
Carriages, and parts thereof	15 per cent	15.5 per cent	45 per cent
Cassia, Chinese			Pound 8 cents
Cheese	Pound 4 cents	Pound 4 cents	Pound 14 cents
Chinaware	10 per cent	12.5 per cent	35 per cent
Chintzes		7.5 per cent	35 per cent
Chocolate			pound 6 cents
Cider, in bottles	Dozen 20 cents	Dozen 20 cents	Dozen 40 cents
Cinnamon		10 per cent	Pound 40 cents
Clay, unwrought			Free
Clocks, and parts of		10 per cent	35 per cent
Clothing, ready-made	7.5 per cent	7.5 per cent	30 per cent
Cloves		10 per cent	Pound 40 cents
Coal	Bushel 2 cents	Bushel 3 cents	Bushel 10 cents
Cocoa	Pound 1 cent	Pound 1 cent	Pound 4 cents
Coffee	Pound 2.5 cents	Pound 4 cents	Pound 10 cents
Colors, painters' dry or in oil		10 per cent	35 per cent
Comfits		10 per cent	35 per cent
Copper, in bars or pigs			Free
in plates (sheathing)	Free	Free	Free
old			Free
manufactures, n.o.p		7.5 per cent	35 per cent
Cordage, tarred	Cwt 75 cents	Cwt \$1.00	Pound 4 cents
untarred and yarn	Cwt 90 cents	Cwt \$1.50	Pound 5 cents
Cork bark, unmanufactures			Free
Cosmetics			35 per cent
Cotton, unmanufactured	Free	Pound 3 cents	Pound 6 cents
goods not print'd, stain'd or col'd (muslins)			35 per cent
manufactures, n.o.p		7.5 per cent	35 per cent
Currants		10 per cent	Pound 4 cents
Dates		10 per cent	35 per cent
Dolls			35 per cent
Drugs, medical		7.5 per cent	35 per cent
exclusively for dyeing	Free	Free	Free
Dye-woods, Nicaragua and other	Free	Free	Free
Earthenware	10 per cent	10 per cent	35 per cent
Fans			35 per cent
Feathers and flowers, ornamental and artificial			35 per cent
Figs, in jars or boxed		10 per cent	Pound 4 cents

Fish, dried or smokes	Quint 50 cents		Quint \$1.00
pickled, n.o.p	Barrel 75 cents		
mackerel, herrings, pickled or salted			Barrel \$ 1.20
Fish, salmon, pickled			Barrel \$ 2.00
all other, pickled in barrels			Barrel 80 cents
Floor cloth			35 per cent
Fruits, n.o.p		10 per cent	30 per cent
Furs, undressed	Free	Free	Free
Gauzes		7.5 per cent	30 per cent
Ginger		10 per cent	35 per cent
Girandoles			45 per cent
Glass, all manufactures, n.o.p. except black quart bottles	10 per cent	12 per cent	45 per cent
bottles, black			Gross \$1.20
window			
not above 8 by 10 inches			100 sq. feet \$3.20
above 8 by 10, not 10 by 12 inches			100 sq. feet \$3.50
10 by 12 inches			100 sq. feet \$4.50
Glauber, salts			Cwt \$4.00
Gloves, leather, men's, &c	7.5 per cent	7.5 per cent	35 per cent
Glue			Pound 8 cents
Gold and silver coin and bullion		Free	Free
leaf	10 per cent	10 per cent	80 per cent
lace and tassels	10 per cent	10 per cent	35 per cent
plated ware	7.5 per cent	10 per cent	35 per cent
Gunpowder	10 per cent	10 per cent	Pound 8 cents
Hair powder			Pound 8 cents
Hats	7.5 per cent	7.5 per cent	35 per cent
Hemp, unmanufactured	Cwt 60 cents	Cwt 54 cents	Cwt \$2.00
Hides and skins	Free	Free	Free
Indigo	Pound 16 cents	Pound 25 cents	Pound 50 cents
Iron, sheets			Pound 3 cents
cut, hoop, slit, rolled	7.5 per cent	7.5 per cent	Pound 2 cents
rolled or hammered	7.5 per cent	7.5 per cent	35 per cent
cables or chains	Cwt 75 cents	Cwt \$1.00	Pound 4 cents
castings, n.o.p	7.5 per cent	7.5 per cent	35 per cent
manufactures, n.o.p		7.5 per cent	35 per cent
Jewelry and pastework	7.5 per cent	10 per cent	35 per cent
Laces		7.5 per cent	35 per cent
Lampblack		10 per cent	30 per cent
Lapis calaminaris			Free
Lawns(cotton)		7.5 per cent	30 per cent
Lead	Free		
bars and pigs and manufactures		Pound 1 cent	Pound 2 cents
white and red			Pound 4 cents
Leather, tanned and tawed, sole and bend	7.5 per cent	7.5 per cent	35 per cent
Leather, manufactures, n.o.p	7.5 per cent	7.5 per cent	35 per cent

Lemons		10 per cent	35 per cent
Lime			Cask \$1
Limes		10 per cent	35 per cent
Linens			30 per cent
Mace		10 per cent	Pound \$2.50
Malt	Bushel 10 cents	Bushel 10 cents	Bushel 20 cents
Marble, and utensils of		10 per cent	35 per cent
Mats and mattings			35 per cent
Millinery, ready-made	7.5 per cent	7.5 per cent	35 per cent
Mits and mittens, wool	7.5 per cent	7.5 per cent	35 per cent
Molasses	Pound 2.5 cents	Pound 3 cents	Gallon 10 cents
Mortars, marble or slate		10 per cent	30 per cent
Muskets			35 per cent
Mustard, flour		10 per cent	35 per cent
Nails, iron	Pound 1 cent	Pound 1 cent	Pound 4 cents
Nankeens		7.5 per cent	35 per cent
Nutmegs		10 per cent	Pound \$1
Ochres or ochery earth, dry			Pound 2 cents
ground in oil			Pound 3 cents
Olive		10 per cent	35 per cent
Oranges		10 per cent	35 per cent
Paints, all in oil, excluding for dyeing	10 per cent	10 per cent	30 per cent
Paper	7.5 per cent	10 per cent	30 per cent
hangings	7.5 per cent	10 per cent	35 per cent
for sheathing			35 per cent
Parchment		10 per cent	30 per cent
Pepper, black		Pound 6 cents	Pound 12 cents
Perfumery, &c.,			35 per cent
Pewter, old or unmanufactured	Free	Free	Free
manufactures, n.o.p	7.5 per cent	7.5 per cent	35 per cent
plates and dishes		10 per cent	Pound 8 cents
Philosophical apparatus specially imported for any seminary of learning		Free	Free

Source: Committee of Finance, United States Senate, *The Existing Tariff on Imports into the United States*, pp.124-7.

Revenue was insufficient and rates were raised about 2.5 per cent, in the tariff act of 1790. The purpose was mainly revenue, and not protection, because the preamble of the act of 1790 clearly states that “And whereas the support of government and discharge of the said debt, render it necessary to increase the said duties.”^{8 8}

10. Concluding remarks

The tariff of 1789 had a protective purpose, partly because its preamble clearly

states its purpose, and partly because the tariff debates in the Congress showed the protectionist intentions of the representatives of the country. It reflected the basic compromise between Madison and Fitzsimons, it had two express purposes: one was "the support of government and the discharge of the debts of the United States," the other "the encouragement and protection of manufactures."

Achieving two goals at the same time is not easy task to take. Too much attention to protection hurts revenue: the prohibitive tariff fills no coffers. An interesting example is Britain's free trade era between 1846 and 1860. They retained revenue tariffs on only a few articles of consumption, sugar, tobacco, tea, spirits, wine and beer and the total revenue from the tariff rose sharply.^{8 9}

When we use a partial equilibrium analysis, a tariff for revenue only is one where the protective and redistributive effects are missing. The consumption effect will be eliminated only under the limiting assumption that prices abroad fall by the full amount of the tariff, so that the tax is in effect borne by the foreign producer. A tariff for revenue only can be on goods which are not produced at home at all; or one where an equal tax is imposed on domestic production to eliminate the protective and the redistribution effects. So it is generally expected that imposition of a tariff includes protective effect, i.e. increase of domestic production, regardless of the ideas or intention of tariff-makers.

But there was not sufficient information on how far it would go to achieve the goal of protection or the Congressmen did not really bother much about theory. If the sections they represented dealt only in raw materials for export, they were free traders and they learned what Adam Smith had to say. But if their sections manufactured goods that needed protection from imports, they were for raising the tariff without bothering why. If the section he represented changed its character, the Congressman changed his theory. The end result was that the tariff act of 1789 lasted only for about one year and was revised to increase revenue from tariff.

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¹ Miller, J.C.p.15.

² Carey. pp49-51.

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- ³ Taussing (1914). pp14-5.
- ⁴ Rowe.p.53.
- ⁵ Public Statutes at Large, vol. I. p.24.
- ⁶ Thompson was regarded as a protectionist by Rabbeno, p.119.
- ⁷ Department of State. p.29.
- ⁸ Knowles. pp.288-9. The industrial characteristics of the United States in 1790 are given in a *Report of a Committee of the Lords of the Privy Council on the Trade of Great Britain with the United States* (pp.29-31).
- ⁹ In 1820, percent of agricultural pursuit 10 years and over is 71.8. Bureau of Census.p.63.
- ¹⁰ Hill (December, 1893). pp.54-5; Hill(November, 1893), pp107-9.
- ¹¹ Bishop. p.16.
- ¹² Bishop. p.15; Gales and Seaton's Annals of First Congress, First Session, pp.120-1.
- ¹³ Mason. p.70
- ¹⁴ Ely.p.41, p.45.
- ¹⁵ Adams,
- ¹⁶ Harriman, pp.18-9.
- ¹⁷ Bastable, p.70.
- ¹⁸ Ashley, p.135.
- ¹⁹ Taylor,p.1.
- ²⁰ Ford, pp.1569-1570.
- ²¹ Rabbeno, p.126.
- ²² Smart. p.495.
- ²³ Sumner, p.24.
- ²⁴ Crompton, p.30.
- ²⁵ Miller, p.14 Of all the exigencies confronting the Federal government in 1789, revenue was the most critical. The lack of an adequate and dependable source of income was mainly responsible for the collapse of the government established by the Articles of Confederation.
- ²⁶ Goss. p.24.
- ²⁷ Bates. pp.86-7.
- ²⁸ The Articles of Confederation, however, required that the tariff be ratified unanimously by the 13 states.
- ²⁹ Ferguson, pp.152-3.
- ³⁰ Journals of the Continental Congress, Volume 24, p.261.
- ³¹ Journals of the Continental Congress, Volume 24, p.258.
- ³² It was virtually identical to the unimplemented Confederation tariff, imposing a five-percent tariff on all imports, with higher rates on 13 selected items.
- ³³ Gales and Seaton's Annals of First Congress, First Session, p.113.
- ³⁴ Miller, p.14.
- ³⁵ For other reasons why internal taxation is impossible, See Thompson. p.49.
- ³⁶ Dewey, p.80.
- ³⁷ Gales and Seaton's Annals of First Congress, First Session, p.103.
- ³⁸ Gales and Seaton's Annals of First Congress, First Session, p.107.
- ³⁹ The bill imposed specific duties on a few enumerated articles of general consumption and an ad valorem duty of five percent on others. Bolles, p.74.
- ⁴⁰ Dewey, p.80.
- ⁴¹ Gales and Seaton's Annals of First Congress, First Session, p.107.
- ⁴² Northrup and Turney Vol.I. p.238.
- ⁴³ Gales and Seaton's Annals of First Congress, First Session, p.107.

4 4 Gales and Seaton's Annals of First Congress, First Session, p.110.
4 5 He had helped Madison design the second confederation revenue package in 1783.
4 6 Gales and Seaton's Annals of First Congress, First Session, p.111.
4 7 Gales and Seaton's Annals of First Congress, First Session, p.111.
4 8 Gales and Seaton's Annals of First Congress, First Session, p.120.
4 9 Gales and Seaton's Annals of First Congress, First Session, p.115.
5 0 Gales and Seaton's Annals of First Congress, First Session, p.155.
5 1 Gales and Seaton's Annals of First Congress, First Session, p.114.
5 2 According to Evans, this is the first recorded example of lobbying.
5 3 Gales and Seaton's Annals of First Congress, First Session, pp.120-1.
5 4 Gales and Seaton's Annals of First Congress, First Session, pp.121.
5 5 Gales and Seaton's Annals of First Congress, First Session, p.118.
5 6 Gales and Seaton's Annals of First Congress, First Session, p.117-8.
5 7 Gales and Seaton's Annals of First Congress, First Session, p.118.
5 8 Gales and Seaton's Annals of First Congress, First Session, p.151.
5 9 Gales and Seaton's Annals of First Congress, First Session, p.120.
6 0 Gales and Seaton's Annals of First Congress, First Session, p.121.
6 1 In Massachusetts and Rhode Island, it became the largest manufacturing industry in the eighteenth century and an important article in both domestic and overseas trade. Northrup, vol.I, p.329.
6 2 Gales and Seaton's Annals of First Congress, First Session, p.126.
6 3 Gales and Seaton's Annals of First Congress, First Session, p.126.
6 4 Benson, p.13.
6 5 Gales and Seaton's Annals of First Congress, First Session, p.132.
6 6 Gales and Seaton's Annals of First Congress, First Session, p.134.
6 7 Tariff Acts passed by Congress, p.13.
6 8 Northrup and Turney Vol.III. p.261.
6 9 Benson, p.12.
7 0 Gales and Seaton's Annals of First Congress, First Session, p.134.
7 1 Gales and Seaton's Annals of First Congress, First Session, pp.134-5.
7 2 Gales and Seaton's Annals of First Congress, First Session, pp.135-6.
7 3 Gales and Seaton's Annals of First Congress, First Session, p.144.
7 4 Gales and Seaton's Annals of First Congress, First Session, pp.144-7.
7 5 Gales and Seaton's Annals of First Congress, First Session, p.147.
7 6 Gales and Seaton's Annals of First Congress, First Session, p.148.
7 7 Gales and Seaton's Annals of First Congress, First Session, pp.150-1.
7 8 Walker, p.141; Benson, p.12.
7 9 Gales and Seaton's Annals of First Congress, First Session, p.148.
8 0 Gales and Seaton's Annals of First Congress, First Session, pp.165-74.
8 1 Gales and Seaton's Annals of First Congress, First Session, pp.152-3.
8 2 Gales and Seaton's Annals of First Congress, First Session, pp.153-5.
8 3 Stanwood, p.75.
8 4 Gales and Seaton's Annals of First Congress, First Session, p.174.
8 5 Gales and Seaton's Annals of First Congress, First Session, p.175.
8 6 Frederick, p.75; Tariff acts passed by Congress from 1789 to 1909, p.15.
8 7 Between the tariff of 1789 and that of 1816, a period of twenty-six years, seventeen acts were passed affecting duties, generally and steadily raising them.
8 8 Tariff acts passed by Congress from 1789 to 1909, p.16.
8 9 Kindleberger, p.138.