

TARIFF WARS



An antitariff cartoon from the late 1800s. The policeman's belt has "Republican Party" on it; his billy club says "Protection," and the wealthy people he is protecting are walking into a location with "Monopoly Building" on the arch.

Robert Walker, Polk's Secretary of the Treasury (1845-49), issued a report in 1845 strongly encouraging Congress to lower the Tariff of 1842 (tariff rates had doubled from roughly 20% to 40%, and both imports from and exports to Britain fell dramatically). His tariff cut rates by $\frac{1}{4}$ to $\frac{1}{3}$, and *revenues increased from \$28m in 1845, to \$40m in 1850*. That might be surprising, but he implied this would be the case in his 1845 report. Among the many points in his report are the following:

There are 10,000 manufacturers who benefit from the tariff, whereas 20 million people have to pay the high taxes to support them. And exports from our farmers to the 800 million people around the world are curtailed, to benefit 10,000 Americans. And there would be much room for US exports. "We have more fertile lands than any other nation, can raise a greater variety of products, and, it may be said, could feed and clothe the people of nearly all the world. The home market, of itself, is wholly inadequate for such products." A high tariff "is nearly equivalent to a decree excluding most of our agricultural products from the foreign markets." If we were to keep tariffs low, other nations would follow suit (at least with us), and allow more imports from the US than they do now.

"If the marshall were sent by the Federal Government to collect a direct tax from the whole people, to be paid over to manufacturing capitalists... It would be the same in effect as the protective duty." Walker argued that domestic producers increased their prices also, when they saw the prices of imports increasing.

An appeal to the poor, to support the 1842 tariff, was made on the basis of wage increases; Walker noted that wages had not risen, and in some instances, had fallen—and this was while the price of goods had risen.