

**TOPICS AND REFERENCES IN  
POLITICAL ECONOMY VI,  
HARVARD  
COLLEGE: TARIFF LEGISLATION  
OF THE UNITED STATES, PP. 1-27**

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TOPICS AND REFERENCES

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POLITICAL ECONOMY VI.

HARVARD COLLEGE.

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TARIFF LEGISLATION IN THE  
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## POLITICAL ECONOMY VI.

### PART I. IMPORTANT DOCUMENTS AND PAPERS.

#### 1. Hamilton's Report on Manufactures.

Read Hamilton's *Works*, ed. of 1810, I, 157-196; ed. of 1850, III, 192-223; ed. of 1885, III, 294-335.

#### Summary of the Report:

1. The relative productiveness of agriculture and manufactures. Rent, as a sign of the productiveness of agriculture.
2. Circumstances rendering manufactures productive: (1) division of labor; (2) use of machinery; (3) employment of women and children; (4) promotion of immigration; (5) greater diversity of talent; (6) more various field for enterprise; (7) greater demand for products of the soil, "home market."
3. Peculiar circumstances of U. S.: (1) absence of reciprocity; (2) cultivation of land not retarded; (3) force of habit opposes manufactures; (4) improbability of success, from (a) scarcity of labor, (b) dearness of labor, (c) scarcity of capital (remedied by funded debt).
4. General arguments again: (1) will encouragement of manufactures cause a rise in prices? (2) independence in time of war; (3) charge of transportation saved; (4) no opposition of interest between North and South.

5. Means for encouraging manufactures enumerated and discussed ; *e. g.* duties on imports, prohibitions of importation, prohibitions of exportation, bounties (commended, and constitutionality maintained), premiums, drawbacks, encouragement of inventions, etc.
6. List of industries existing, and recommendations in regard to them.

### 2. Gallatin's Memorial of 1831.

Read Gallatin's *Memorial on Free Trade*, pp. 1-47 ; the same passages in *Congressional Documents*, 1st session, 22nd Congress, *Senate Doc.*, vol. I, No. 5, pp. 1-30, and in *The Banner of the Constitution*, vol. III, pp. 97-101.

#### Summary of the Memorial :

1. The needed revenue, and the average duty which would secure it.
2. The general principles of free trade.
3. Compensating advantages from protection, as the employment of female labor [compare Mill, *Political Economy*, Book I, ch. V, § 1, note], the stimulus to producing some raw materials, the creation of a home market.
4. Certain arguments for protection : high wages ; that foreign trade stimulates foreign industry ; the relation of imports and exports ; reciprocity and retaliation ; the experience of other countries.
5. The reduction of prices by domestic competition.
5. Careful and detailed examination of duties then in force.

### 3. Walker's Report of 1845.

Read Report of the Secretary of the Treasury for 1845, *Executive Documents*, 29th Congress, 1st session, vol. II, No. 6, pp. 3-14. Printed also in *Niles's Register*, vol. 69, pp. 233-235.

1. Noteworthy principles laid down :



- (a) No duty should be imposed above the lowest rate that will yield the largest revenue. What does this mean? (b) Below this rate discrimination may be made. What sort of discrimination would Walker favor? (c) The maximum rate may be imposed on luxuries. (d) All specific and minimum duties should be abolished.
2. How far the reasoning and the proposals of the report are consistent with the principles of free trade.
  3. The treatment of the effects of a protective tariff on wages and on profits.
  4. Specific and ad valorem duties. The warehousing system.
  5. The general merit of the Report; the praise it has often received. *Report of the Tariff Commission of 1882*, pp. 1423-1427.

## PART II. HISTORY OF TARIFF LEGISLATION.

### 4. Period before 1789.

General References: Adam Smith, *Wealth of Nations* (Rogers's ed.), II, 156-166. Pitkin, *Statistical View*, ch. I.

In general, read on the period till 1816, H. C. Adams, *Taxation in the U. S.*, 1789-1816.

1. Policy of England. The Mercantile System.
  - (a) The Navigation Laws and the Colonial System.
  - (b) Bounties. (c) Prohibitions. (d) History of the iron manufacture, as a type. Bishop, *Hist. Manuf.*, I, 623-629.
2. Policy of the Colonies.
  - (a) Bounties. Bishop, vol. I, *passim*. (b) Effect of war of revolution. Non-importation agreements. Bishop, I, 365-396.
3. Industrial state of the Colonies. How far affected by legislation. H. C. Adams, *Taxation*, etc., 5-13. Thompson, *Social Science*, 353.



4. Tariff acts of individual States before 1789, e. g. Pennsylvania act of 1785, Hoyt's *Protection versus Free Trade*, Preface, p. xii; Adams, *Taxation in U. S.*, 27.
5. Scheme of a Federal Impost (5% duty) under the Confederation. The effect of its failure on the formation of the Union. Elliot, *Debates*, 92-106. Pitkin, *Statist. View*, 26-29.

#### 5. Tariff Act of 1789.

General References: Hamilton, *Life of Hamilton*, IV, 2-7. Sumner, *Protection in U. S.*, 21-25. Young, *Report on Customs Legisl.*, p. xv.

1. Debate of 1789.
  - (a) Madison's position. Young, Report, p. vii, viii. Madison, *Writings*, I, 466, 468. (b) Protectionist views advanced. (c) General tendency of the debate to look mainly at the revenue.
2. Act of 1789.
  - (a) The preamble. (b) Modelled on 5% scheme of confederation. General 5% duty. (c) Duties of 7½, 10, 15%, on certain articles. (d) Specific duties on cordage, hemp, nails, steel, etc. Hamilton, *Works*, II, 56.
3. A common account of the significance of the act of 1789. Blaine, *Twenty Years of Congress*, I, 182-186.
4. Tonnage act of 1789.
5. Revenue Collection act of July 31, 1789.

#### 6. 1789-1816.

General References: Bolles, *Fin. Hist.*, II, 73-87. Taussig, *Young Ind.*, 14-21.

1. Tariff Acts from 1789 till 1816. Gradual increase of duties. Act of 1804 (Barbary Powers act) as an example. Young's *Report*, xxxi, xxxii.