

**TAXATION IN THE
UNITED
STATES 1789-1816**

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Taxation in the United States 1789-1816 by Henry Carter Adams

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V-VI

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"The *salus populi* should be the prime consideration in regard to all taxes."—*McCallister*.

"Money is with propriety considered as the vital principle of the body politic; as that which sustains its life and motion, and enables it to perform its most essential functions."—*Hamilton*.

"Security of property, freedom of industry, and moderation in public expenditure, are the only means by which society can constantly advance in the career of wealth and civilization."—*John McVicker*.

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HERBERT B. ADAMS, Editor

History is past Politics and Politics present History.—Freeman

SECOND SERIES

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TAXATION
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I.—CUSTOMS DUTIES AND TONNAGE ACTS.

It necessarily follows from the nature of the taxing power that its exercise among free peoples involves much besides securing revenue to States. Questions of general policy, of social purpose, of commercial and industrial interests are found so closely intertwined with questions of tariff, impost, and rates, that a study of the latter group of topics is impossible without entering, to some extent at least, into a consideration of the former. In the history of our own country, this has been especially true since 1816, because of the employment of tax machinery for other than tax purposes; yet even prior to that date, while the protectionist idea from the American standpoint was still in flux, it is found quite difficult to separate revenue questions from current history.

There is one point of marked contrast between the two periods here brought into comparison. Previous to 1816, all

¹ The following essay was written in the winter of 1878, while its author was a student at the Johns Hopkins University. During the year 1879, it was translated into German and appeared in the "*Zeitschrift für die gesammte Staatswissenschaft*," published at Tübingen. The first chapter has been modified, but, in the main, the essay is here presented in its original form. In addition to the facts which it contains, a point of peculiar interest will be found in a new interpretation of the relation which protection held to general politics in 1789.

revenue discussions were largely influenced by considerations of external policy and foreign intercourse, and the workings of revenue laws were, to a considerable degree, affected by the actions of England and France; since the close of the second war with England, however, the politics of the United States have taken their tone and color from questions centering in domestic interests. The treaty of Versailles did not make us a people independent in fact as well as in name. England had no intention of loosening her grasp upon America, or of abandoning, in any essential feature, her traditional colonial policy. Colonial commerce was then of much greater relative importance than at present, and entered more largely into the control of foreign affairs; and the United States, being the first of dependent peoples to deny the claims of the colonial system, found that they had undertaken the solution of a problem demanding radical modification of long-established relations. From one point of view—it may be a narrow point of view—the first twenty-five years of national life may be said to have been devoted to the realization of that independence for which the first great war had been undertaken. In turning our attention, then, to a study of the customs tariff legislation in the United States previous to 1816, we must be prepared for extensive excursions into what at first may appear to be fields of inquiry altogether foreign to financial investigation.

Immediately upon the organization of the House of Representatives, the question of ways and means was introduced as the most pertinent which could engage the attention of Congress. It appears to have been assumed that indirect taxes through duties and imposts should be accepted as the main reliance of the government for revenue, and a plan for the establishment of a system of customs duties was submitted accordingly. This plan received the attention of the House from April 8 to May 17; a formulated bill was then sent to the Senate which, amended by that body and amended by a committee of conference, received the approval of the president July 4, 1789. This was the first revenue

act under the new government. As finally approved, this law embraced a long list of specific duties, and five classes of goods imposed with *ad valorem* rates. It also contained a short free list, made provision for the repayment of all duties upon goods again exported, and admitted the principle of discrimination in favor of commodities imported in vessels built or owned by citizens of the United States. The details of the act are as follows:

SPECIFIC DUTIES.

Articles taxed.	Rate.	Units of measure.
Spirits, according to proof	.8 to 10 cts.	Per gallon.
Wines, according to quality	.10 to 18 cts.	" "
Beer, Ale, and Porter in Casks.	.5 cts.	" "
Beer, Ale, Porter, and Cider in Bottles.	.20 cts.	Per dozen.
Molasses.	.2½ cts.	Per gallon.
Sugars.	.1 to 3 cts.	Per pound.
Teas, from China in American vessels.	.6 to 20 cts.	" "
Teas, from Europe in American vessels.	.8 to 26 cts.	" "
Teas imported in any other manner.	.15 to 45 cts.	" "
Candles of wax or spermaceti	.6 cts.	" "
Tallow candles and soap	.2 cts.	" "
Cheese.	.4 cts.	" "
Boots	.50 cts.	Per pair.
Shoes of leather.	.7 cts.	" "
Shoes of silk.	.10 cts.	" "
Cables and tarred cordage.	.75 cts.	Per 112 pounds.
Untarred cordage.	.90 cts.	" " "
Twine and packthread	\$.200	" " "
Unwrought steel.	.56 cts.	" " "
Nails and spikes.	.1 ct.	Per pound.
Manufactured tobacco.	.6 cts.	" "
Snuff	.10 cts.	" "
Indigo.	.16 cts.	" "
Hemp	.60 cts.	Per 112 pounds.
Cotton	.3 cts.	Per pound.
Wool and cotton cards	.50 cts.	Per dozen.
Coal.	.2 cts.	Per bushel.
Pickled fish	.75 cts.	Per barrel.
Dried fish.	.50 cts.	Per quintal.
Salt	.6 cts.	Per bushel.
Coffee	.2½ cts.	Per pound.
Cocoa	.1 ct.	" "