

The Political Power of Economic Ideas: Protectionism in Turn of the Century America

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Abstract

One of the main economic debates taking place in late-nineteenth and early-twentieth-century America was between supporters of protectionism and advocates of free-trade policies. Protectionists won this debate, as the 1897 Dingley Tariff raised tariff rates to record highs. An analysis of this outcome highlights the overlapping interests of Republican politicians and business groups. Both of these groups endorsed particular economic arguments in favour of protectionism. Contemporary studies by academic economists informed the debates surrounding protectionist policies at this time, and also analysed the impacts of these policies. Evidence from politicians, business owners, and economists provides a broad view of who favoured protectionist policies in turn-of-the-century America. This analysis also focuses on how the impacts of these policies were studied and presented in contemporary academic and public discourse.

Keywords: protectionism, free trade, economic policy, Republican Party, wool industry

1. Introduction

The turn of the century was characterised by major shifts in American politics and in the US economy. Politically, the Progressive Era began, while the 'merger movement' reshaped the economy. Though the late-nineteenth century is often characterised as epitomising *laissez-faire* capitalism, the very end of the century saw the shift toward some of the strongest protectionist policies to ever exist in the United States. This paper explores the political power of economic ideas in the late-nineteenth and early-twentieth centuries, focusing on the shift toward protectionism.

The political power of economic ideas was clearly on display in the United States at the turn of the century. This time period offers instructive examples of the connections between the economic ideas of economists, politicians and private business interests. Protectionist ideas won the economic debates of this time, and shaped the discourse of politicians and business owners, as well as economic studies in academic journals. While there were two sides to this debate, the focus here is on the political and business-oriented arguments in favour of protectionism at this time, as others have written in depth about the development of free-trade policies (e.g. Irwin, 1996, among many others). Thus the focus here is on the arguments made by Republican politicians and protectionism-favouring business owners, more than their counterparts in the free-trade camp. But in the analysis of academic studies of the economic implications of these policies, the discussion is broadened to include studies that focused on economic issues under both of the alternating free-trade

and protectionist policy regimes that existed over the course of the 1890s.

The US economy was hit by a severe depression in the mid 1890s. For several decades leading up to this time the Republican Party enjoyed national power and imposed their vision of protectionism on the economy. But when the Panic of 1893 led to the mid-1890s depression, the Democrats held the executive office and implemented their preferred free trade legislation. This allowed the Republicans to attribute the depression to the Democrats' endorsement of free trade.

Certain groups within the business community echoed these arguments, with the woollen manufacturing industry being a prominent example. When the Republicans returned to power in 1897, they imposed some of the strongest protectionist legislation the United States has ever seen. Though there are important subtleties underlying the political economy issues of this time, it is clear that politicians were very direct in their advocating of specific economic ideas in order to restructure the economy along partisan lines. The wool manufacturing industry was one of the major beneficiaries of this protectionist legislation. An analysis of the wool industry's trade journal offers examples of how these business owners engaged with the debate over free trade versus protectionism.

Contemporary academic economists studied these developments in detail. Multiple studies focused on how various economic issues were impacted by the shifts from protectionist to free-trade policies, and *vice versa*, through the first couple decades of the twentieth century. There are both differences and similarities between the ways that politicians, businessmen, and academic economists expounded upon these issues. This paper looks at evidence from each of these sectors – political, commercial, and academic – and traces the use of economic concepts by people from each of these groups. Protectionism was at the forefront of powerful economic and political concerns at this time, and this shaped the discourse of politicians, business owners and academic economists during this transformative period in US history.

The intention here is not to take sides in this debate, nor to explore the merits or problems with protectionist policies. Elsewhere I argue that expectations surrounding the Dingley Tariff did encourage renewed investment toward the end of the 1890s depression (Bent, forthcoming). In contrast, this paper is concerned with intellectual history and analyses the economic discourse on protectionism that was taking place at this time.

2. Protectionist Politicians

Turn-of-the-century politicians tended to adhere to an overly-simplified dichotomy of free trade versus protectionism, filling speeches with grandiose rhetoric but not publicly working through the implications of these ideas in a rigorous way. An interesting counterexample, however, is offered by Representative Dingley, who developed the protectionist tariff legislation of 1897. A contemporary *New York Times* article, for example, discussed Dingley's estimates of the revenues that the tariff would generate for the federal government, providing quantitative support for the rhetoric employed by his party (Anon, 1897). Tariffs provided a significant source of income for the government at this time, since there was no federal income tax. Academic studies on the effects of tariff legislation in the early twentieth century also complemented the Republicans' protectionist rhetoric. For example, the Dingley Tariff Act is argued to have supported the interests of prominent businesses, as discussed in detail below.

Stern (1971) highlights the connections between the interests of the Republican Party and the business community at the turn of the century. This was seen to be a mutually beneficial relationship, as business leaders helped fund the Republican Party while the

Republicans returned the favour by enacting tariff bills that shielded American businesses from foreign competition:

‘Contributing to the growing harmony of the party and to its growing efficiency as a vote-garnering machine were the augmented financial resources available to Republican leaders increasingly inclined to view the G.O.P. as primarily a business-enterprise-promotion agency dedicated to the determination of tariff schedules by the protectionist beneficiaries themselves’ (Stern, 1971, p. viii).

The relationship between the turn-of-the-century Republican Party and the business community can also be seen in the economic ideas espoused by Republicans. While Democrats advocated the implementation of free-trade policies – seen with the lower tariff rates under President Cleveland from 1894-96 – Republicans had an economic worldview that more directly favoured particular business interests. ‘Espoused by protectionist Republicans was a type of *laissez-faire* economic philosophy conceding a plentitude of government power for intervention in the operation of the highly esteemed free-enterprise system through the imposition of tariff duties for the enrichment of industrialists’ (Stern, 1971). The Republicans promoted tariffs in order to protect American industries from foreign competition. They also argued that protectionist policies would decrease the federal deficit through increased tariff revenues (Anon, 1897).

As economic recovery followed the Republicans’ return to the White House in 1897 and the signing into law of the strongly protectionist Dingley Tariff Act, Republicans were able to claim the recovery as being due to their policies. This enthusiasm was captured by contemporary observers following the Republicans’ victory in the 1896 election:

‘A crushing weight has been lifted and rolled away, and the business world has begun to adjust itself to a state of freedom and security which it has not known for years. Dread of immeasurable disaster no longer locks up reserves and paralyzes enterprise, and new contracts involving many millions have become binding since the election’ (*Dun’s Review*, 1896, as quoted in Faulkner, 1959, p. 161).

The Republicans were able to harness this renewed confidence in the American economy and argued that the recovery was due to their tariff legislation (White, 1939, p. 14). ‘As the years succeeding [the Panic of] 1893 grew blacker and blacker, the staunch protectionists had the opportunity to cry: “We told you so; let us return to the policy of prosperity”’ (Taussig, 1964, p. 323). After the Republicans returned to the White House and implemented the protectionist Dingley Tariff, the economy did indeed begin to recover. These connections between the actions and rhetoric of politicians and the commercial goals of businessmen highlight the political power of protectionist ideas during the late nineteenth century.

3. Protectionist Business Owners in the Wool Manufacturing Industry

Business leaders in the late nineteenth and early twentieth centuries advocated economic policies that would advance their narrowly focused interests. The wool industry offers a useful example of how this translated into the drive toward protectionism under McKinley’s Republican administration. Woollen manufacturing was a major industry at this time, with

powerful and politically-active mill owners located throughout the most important industrial centres of the United States. Under the contentious 1897 Dingley Tariff Act, wool was the item that was expected to bring in the most tariff revenue for the federal government (Anon, 1897). The interests of Republican politicians and of the wool industry overlapped in this respect at this time.

Wool manufacturers pushed for protectionist policies that would raise the duties levied on imported woollen goods. At face value, the logic behind this was simple: tariffs increased the prices paid for imported woollen goods, thus assuring domestically produced woollen goods' protection from foreign competition. However, in their pleas for duty increases, wool manufacturers did not simply press politicians to implement stronger protectionist measures. Instead, the evidence offers numerous cases when wool manufacturers called for *stable*, not prohibitively high, tariff levels. Still, the overall goal of mill owners was to get politicians to implement protectionist policies.

The most useful primary source for analysing the position of the wool industry *vis-à-vis* protectionist policy issues raised during the 1890s is the *Bulletin of the National Association of Wool Manufacturers*. Founded in 1864, this association was composed of the owners of wool manufacturing mills, mainly in the industrial centres of the northeastern United States. Their quarterly bulletin, published in Boston, Massachusetts (near wool manufacturing centres such as Lynn, Lowell, and Haverhill), included analyses of current tariff legislation, transcripts of presentations to Congress, and discussions of economic issues as pertained to the wool industry.

This *Bulletin* offers detailed descriptions of how wool manufacturers felt about protectionist policies during the 1890s and the early twentieth century. As mentioned above, they framed their concerns as centering round uncertainty regarding tariff policy, rather than simply advocating elevated levels of protection for their industry. This is seen, for example, in a statement given by Secretary S. N. D. North of the National Association of Wool Manufacturers to the Ways and Means Committee of the United States House of Representatives (North, 1897, pp. 63-64). North's arguments demonstrate both the association's adamantness that free-trade policies would harm its interests, and the fact that uncertainty regarding tariff policy was harming their ability to effectively run their businesses.

The anti-free-trade stance taken by the wool manufacturers aligns with the economic arguments made by the Republican Party. During this period of relatively extensive international trade, wool manufacturers perceived free-trade policies as an 'evil,' while Republicans saw free trade as denying the government the opportunity to balance its budget through increased tariff revenues (North, 1897, pp. 63-64).

4. Economists' Studies of the Impact of Protectionist Policies

Economic ideas provoked intense debate during the politically and economically volatile decades of the late nineteenth and early twentieth centuries. This is apparent from the political record, where economic ideas – free trade versus protectionism – were at the forefront of the debates over tariff policies. The business community also weighed in by debating particular arguments put forth by economists.

Many of the contributions to this debate were empirical studies, analysing the impact of particular policies on specific industries or regions. Case studies were a preferred methodology for these types of studies, as discussed at length below. But there was the theoretical concept of pure free trade in economists' minds at this time, which is useful to note as it provides a reference point from which to gauge the degrees of protectionism that

economists were arguing for or against. Taussig (1905) presents a detailed overview of the state of free-trade thinking in the first years of the twentieth century.¹ He describes how, during the first half of the nineteenth century, economists were more consistently in favour of liberalised trading regimes. Later in that century, countries from the United States to France to Russia increasingly implemented protectionist policies. In the mid nineteenth century, of all the issues economists studied 'the one least open to doubt seemed to be that, between nations as between individuals, free exchange brought about the best adjustment of the forces of production; and international free trade was regarded as the one most potent means of increasing the efficiency of labor' (Taussig, 1905, p. 29). But over the latter half of that century protectionism gained strength, and countries adopted policies that were 'inconsistent with a strict adherence to free trade' (Taussig, 1905, p. 30).

Taussig's approach to discussing these issues highlights the way that some economists envisioned a theoretical situation in which free trade shaped economic activity. In this view, protectionist policies are aberrations from this more perfect system. Free traders wanted to liberalise trade regimes to move toward such a system. But even Taussig suggested that: 'No doubt also the free-traders do not squarely face the difficulties of a transition to their system: the slowness with which capital and labor would have to be withdrawn from protected industries, and the prolonged period of unsettlement which would have to be undergone before final readjustment' (1905, p. 37). This suggests a theory-reality spectrum, with the ideal of free trade at one extreme and the economic, political, and social forces calling for protectionism at the other end.

Taussig was dismissive of calls for protection: 'As to most of the familiar arguments for protection, either all the economists are hopelessly in the wrong, or else the protectionist reasoning is hopelessly bad' (1905, p. 32). Still, Taussig (1905) engaged with protectionist arguments in detail. Much of this discussion was theoretical. But some of the claims of protectionists, Taussig argued, were especially suited to analysis through concrete examples, or case studies. The infant industry argument was an example of this reasoning (Taussig, 1905, pp. 46-47). Taussig argued that some issues in the protectionism versus free-trade debate were of general concern in economic theory: 'The benefits of imports and exports, the relations of domestic and foreign industry, wages, foreign cheap labor, surplus products, over-production, dumping' (Taussig, 1905, p. 47). In contrast to these general concerns that could be theorised, infant industry arguments were case-specific. When studying the impacts of protectionism on economic activity in the turn-of-the-century United States, other contemporary economists used case studies and undertook in-depth empirical analyses rather than keeping the debate at the level of theory.

Turn-of-the-century economists often studied the effects of economic policies by employing case-study methodologies. The lack of national-level statistics available at that time often restricted economists' analyses to more narrowly defined subjects. But this does not diminish the effectiveness of these studies. The debate over the impact of free-trade and protectionist policies required an appreciation of the nuanced effects that these policies have. This was the case even within particular industries, such as woollen manufacturing. Carpet wool, for example, was not produced domestically, so manufacturers who used this input argued that it should be imported freely (Taussig, 1934, pp. 300-301). But political pressure from wool producing states led to carpet wool being a dutiable good along with other categories of wool. Taussig (1934) discusses these types of tensions within particular industries, from wool to silk to sugar. While he expresses a clear preference for more open trade policies, his detailed case studies highlight the divergent interests and views even within certain industries.

¹ I am grateful to Eithne Murphy for directing me to Taussig (1905).

Other researchers at this time also employed case-study methodologies to analyse how different trade regimes affected particular parts of the US economy. For example, in order to study the impact of the mid-1890s low tariff rates on wool, Line (1912) narrows the focus of his study to the northwestern United States. Line's brief paper underscores how case studies can yield insights beyond the limitations of aggregate level analyses. Broader studies of wool production in western states observed that output remained high even during the low tariff years of the mid 1890s. Line looks beyond the aggregate-level statistics and argues that wool output was high even under the free-trade regime because farmers anticipated that Republicans would soon return to the White House and reinstate protectionist policies. Here the case study methodology offers deeper insights into economic behaviour than can be gleaned from broader statistical measures. This fits Morgan's (2014) definition of case studies, which offer 'a complex, often narrated, account that typically contains some of the raw evidence as well as its analysis, and that ties together the many different bits of evidence in the study,' thus offering analyses of particular depth and detail (p. 291).

Another study of the wool industry during the 1890s highlights how difficult it is to ascertain precisely what impact trade policy has on industries as complex as the growing and manufacturing of woollen products. Wright (1905) argues that:

'The extent to which our wool-grower is protected against the foreign wools by the tariff duties is a question often asked, but most difficult to answer. Ordinarily, the mere fact that a commodity is imported and the duty paid is taken as evidence that the price of the article in this country is raised to the full extent of the duty. This, however, presupposes that the article produced here and that imported are identical in quality. Yet it would be difficult to find another article which varies in so many respects as do different clips of wool. Fineness, elasticity, length, and strength of the fibre, working quality, and shrinkage, all enter into the question. Each separate fleece even may be sorted into six or eight different grades. It is obvious that under the circumstances the effects of system of duties like ours are not simple or easily analysed' (p. 619).

Wright goes on to argue that the complexity of the issues surrounding tariff policies and the wool industry '...must render any deductions uncertain. The attempt has been but to point out certain dominant tendencies, and the results to which, under given conditions, they lead' (1905, p. 645). He concludes that while the tariff did help producers of raw wool, other changes in domestic and global agricultural conditions negatively impacted wool producers. Ultimately, Wright concludes that 'The deeper one studies this industry of wool-growing, the better he will realize how varied is the guise which its competitors assume, how manifold are the factors which determine its course, and, above all, how difficult it is to control that course artificially' (1905, p. 645).

Other turn-of-the-century economists were more directly critical of the protectionist rates under the Dingley Tariff Act. Referring to the imposition of high duties on coarse wool, such as carpet wool, Taussig (1897) argued that this was '...a sop to states politically in doubt' (p. 596). Overall, Taussig argues that the Act was 'a source of sad disappointment' (1897, p. 598). Taussig was a perhaps the most prominent advocate of free trade at this time. But other economists were also critical of the extent of protection offered by late-nineteenth-century tariff rates. In his analysis of the turn-of-the-century paper industry, for example, Hess (1911) notes that 'The formation of the [paper] trust so soon after the enactment of the protective tariff act of 1897 has not been overlooked by those who are prone to regard the

tariff as the cause of all evil' (p. 660). Thus the ability of some industries to gain monopoly power under protectionism was another concern some economists had with the contemporary tariff policy. Studies like those of Taussig and Hess contrast with the findings of Line, for example, and demonstrate that economists' findings fell on both sides of the free-trade versus protectionism debate.

It is also important to underscore the observation that there was no perfectly dichotomous split between advocates of pure free-trade policies and those in favour of much higher tariff rates. Taussig was clear about his pro-free-trade views. Other economists supported liberalising trade policies, but also argued in favour of certain aspects of protectionism. Atkinson (1903), for example, argued that luxury items were 'suitable subjects for revenue duties' while goods used in manufacturing should be exempt (p. 291). An across-the-board and sudden adoption of free trade, Atkinson argued, would be '...a change which no one proposes and which very few would advocate' (p. 281). Similarly, Beardsley (1901) argued that protectionist policies can be useful for promoting underdeveloped industries, but policymakers should be careful that industries do not use their favoured positions to become monopolies: 'The object of tariff legislation should be to furnish adequate protection to such industries as require it, without providing the opportunity for monopoly abuses. This object is certainly not fully attained by the present [Dingley] tariff law' (1901, p. 380).² Beardsley goes on to argue that '...if a protective tariff is to be maintained at all, those industries in which the costs of production for any reason are higher in this country than abroad furnish its proper field' (p. 386). Thus some economists held the view that protectionist policies did have a role to play for generating revenue and helping domestic industries, but it was counterproductive to push these policies too far.

While case studies were used to analyse the impacts of different trade regimes in the late nineteenth and early twentieth centuries, nationwide economic studies were also undertaken but were limited to subjects for which data was available. Willoughby (1901), for example, was able to study the integration of US industries at the national level because there were examples of companies that had nationwide reach and which could therefore be representative of national-level trends. That said, the limited data that were available led to Willoughby's adopting a methodology of extrapolating from several examples in order to paint a picture of national-level trends. Jenks' (1900) analysis of trusts exemplifies the barriers faced by this type of economic analysis as was undertaken at that time. After analysing the development of several trusts in the US economy over the preceding 20 years, he concludes that it is not feasible to draw broader lessons from national-level analyses. He concedes that 'Each case still needs to be studied by itself before any specific conclusion can be reached. No general conclusion is possible' (1900, p. 74).

Closson (1894) offers another example of the challenges facing economists who wanted to study nationwide economic trends. He analysed the unemployment situation faced by different regions of the United States following the Panic of 1893, when proponents of protectionism (e.g. Republicans and the National Association of Wool Manufacturers) argued that the depression was deepened and prolonged by the Democrats' more liberal trade regime. To study unemployment during this depression, Closson presents data produced from a '...circular of inquiry sent to public officials and other citizens of all cities of over twenty thousand inhabitants, and of many smaller places' (1894, p. 168). Despite the limitations of this approach, Closson's study yields useful regional insights. In order to gain a sense of the unemployment situation in Massachusetts alone, for example, Closson had to aggregate estimates from a range of sources, yet the overall unemployment situation in Boston could

² I am grateful to Eithne Murphy for directing me to the work of Atkinson (1903), Beardsley (1901), and Hess (1911).

still only be summarised as 'The number of the unemployed in Boston is uncertain' (1894, p. 168). Still, Closson's study offers insights into how unemployment was experienced and mitigated at this time, with descriptions of unemployment relief schemes organised by charities and municipalities. Such details are lost in aggregate-level analyses of historical unemployment rates (e.g. Romer, 1989).

While studies such as Closson's were undertaken by academic economists and published in specialised journals, business groups also participated in these economic debates. One of the more in-depth examples of this comes from the National Association of Wool Manufacturers' response to Émile Levasseur's *L'Ouvrier Américain*. Published in Paris in 1898, Levasseur's study covered the 'general industrial situation in the United States' at the end of the nineteenth century (Anon, 1898a, p. 224). His two volume study, '...comprising more than one thousand pages, are a monument to the painstaking industry, the ripe scholarship, and the scientific spirit of their distinguished author,' and presents 'the most complete picture that has yet been written of the contemporaneous social and industrial life and forces of this country' (Anon, 1898b, p. 205). These descriptions come from an overview of Levasseur's work presented in the *Bulletin of the National Association of Wool Manufacturers*. The September 1898 *Bulletin* contains an 18-page summary of Levasseur's study of US workers and their position in the economy at large. The *Bulletin* presents Levasseur's work as being an economic study of unparalleled depth and scope: 'Indeed there exists no more comprehensive exposition of the present industrial status of any country in any language. He has done for us what no one of our students or statisticians has attempted on any scale at all comparable in comprehensiveness' (Anon, 1898b, p. 206). The study is based on qualitative data collected during a five-month trip Levasseur took to the United States. Levasseur also employs quantitative data from sources such as the US census, and he covers issues as diverse as industrial concentration, the determining factors of wage rates, and the appeal that socialism holds for workers.

Following the synopsis of Levasseur's work, the 1898 *Bulletin* contains a more critical analysis of a particular point touched upon by Levasseur: protectionism. As discussed above, protectionism was one of the main concerns of US wool manufacturers at this time. They argued that unanticipated fluctuations in tariff rates made it difficult for them to foresee how competitive their products would be compared to imported products. If there was too much of this uncertainty, the wool manufacturers argued that they were unable to make sound investment decisions, thus undermining their ability to run their businesses profitably.

Levasseur was not sympathetic to such views. Instead, he openly advocated the adoption of free-trade policies. In the *Bulletin's* critique of Levasseur's work, he is characterised as belonging to '...that school of economists which depreciates all restraint upon the freedom of international trade; and he believes that whatever may have been the case in the past the time has now come when protection is no longer necessary or advantageous to the United States' (Anon, 1898a, p. 224). Free trade advocates are said to cite Levasseur's work selectively in order to support their own political agenda, with the following line of reasoning when questioning the necessity of protectionism: if US manufacturers are producing enough goods such that exports are increasing, why is it necessary to continue to protect US manufacturers from foreign competition? But here it is not with the free-trade supporters that the *Bulletin* is most concerned – instead, its criticisms focus mainly on Levasseur's treatment of wages under protectionism.

The *Bulletin* begins its critique of Levasseur's argument by suggesting that he got his ideas about protectionism from radical elements of the proponents of protectionism. These sources included '...certain extracts from campaign speeches and documents, [which are] highly colored and charged for immediate effect upon an excited electorate' (Anon, 1898a,

p. 226). The more extreme proponents of protectionism, it is argued by the *Bulletin*, are emotionally charged in order to win votes, but 'average American protectionist[s]' are more reasoned in their support of protectionist policies (Anon, 1898a, p. 226). The *Bulletin* argues that the populist protectionists go too far in attributing the high wages of American workers solely to the protectionist policies put in place by the federal government. It is then suggested that if only Levasseur would listen to the more informed and sober protectionists, such as the wool manufacturers represented by the *Bulletin*, then he would see that they actually '...sympathize with M. Levasseur's impatience with those protectionists who attribute the whole of this advantage to the tariff policy of the government' (Anon, 1898a, p. 225). The *Bulletin* does, however, argue that US tariff policies supported the economic conditions which allowed for the relatively high wage rates seen at the turn of the century.

The basic argument set forth in the *Bulletin* is that protectionism does not explain the high wages in the United States, but it does help maintain them. 'A high tariff in the United States...makes permanently possible the highest standard of wages, in industries open to the competition of countries paying the lowest wages' (Anon, 1898a, p. 227). The assumption underlying this argument is then laid bare: 'The truth of the matter is that with the lapse of time and the spread of civilization the tendency is strongly towards the equalization of the conditions of production in all machine-using countries' (Anon, 1898a, p. 227). While this assumption of the convergence of wage rates in industrialised countries is simply asserted by the *Bulletin*, it is then argued that the '...chief advantage which we possess to-day over competing countries is our superior wage and the inducement to harder work which it carries' (Anon, 1898a, pp. 227-28). Other than high wages, '...the United States possesses no advantage which other nations cannot attain by the mere process of imitation' (Anon, 1898a, p. 228). Thus protectionism was argued to be necessary for the good of American workers as well as for manufacturers.

These passages present some of the key economic ideas underlying the reasoning put forth by American wool manufacturers as they argued in favour of protectionist policies at the end of the nineteenth century. These arguments are certainly being made in support of the interests of the wool manufacturing industry. But they also shed light on how economic debates surrounding free trade versus protectionism were taken up by the business community at this time, and even had a populist appeal.

5. Conclusions

The debates between advocates of free trade versus supporters of protectionism were defining features of economic thought at the end of the nineteenth century. This was a time of significant economic change in the United States. The merger movement resulted in the large-scale reorganisation of American industry (Lamoreaux, 1985), and the progressive era saw widespread social and political changes (Weinstein, 1968). The protectionist Dingley Tariff legislation grew out of the conditions facing the US economy during the mid to late 1890s. Republicans argued that this tariff act would promote stability in the economy through raising revenues for the federal government, thereby allaying fears that the government's deficit position was becoming untenable. Also, as discussed above, the Dingley Tariff was meant to protect American industries from foreign competition, with the intention that this would encourage businesses to invest and expand their economic activity more broadly.

The Smoot-Hawley Tariff Act of 1930 was also implemented during a time of economic and financial distress. Then and now observers linked the Smoot-Hawley Tariff to the worsening of the Great Depression. 'As a score of writers have pointed out, the world

depression and the Smoot-Hawley Tariff are inextricably bound up one with the other, the latter being not only the first manifestation but a principal cause of the deepening and aggravating of the former' (Jones, 1934, p. 2, quoted in Eichengreen, 1986, p. 1). Many continue to argue that the Smoot-Hawley Tariff exacerbated the problems of the Great Depression (Bernanke, 2013, p. 4). Future research can explore what changes in US economic thought led to the different reactions toward protectionist policies from the 1890s to the 1930s.

It would also be useful to know more about what workers thought of these developments. Levasseur and the wool mill owners wrote about the effects that protectionism had on wages, but it would be interesting to know unions' thoughts on these issues. Friedman (1998) discusses how the '...strike wave of 1894 also came during a major political upheaval, as a severe depression and a powerful Populist challenge threatened the established political parties' (pp. 45-46). Then the '...strikes around 1900 came after this challenge was met, but they may have been encouraged by the readiness of Presidents McKinley and Roosevelt to support unions and collective bargaining' (Friedman, 1998, p. 46). It would be interesting to know whether unions saw protectionism as encouraging businesses to expand production and hire more workers, and how unions viewed the evidence that free trade lowered the prices of consumer goods for workers. This paper focuses on the views of politicians, business owners, and academic economists, but for a more complete understanding of this time period it would be necessary to say more about the views of workers and farmers.

What is clear from the above analysis is that politicians, business owners, and economists were all deeply concerned with the implications of trade policies, as the more liberal trade regime of 1894-96 gave way to the high-tariff years following McKinley's election. It is significant that the advocates of protectionism won these debates, such that their policies directed American stances on trade through the first decade of the twentieth century. Future research can study in greater depth the effects that these policies had on the US economy at this time, when mergers and progressivism began to reshape the American economy, and society more broadly.

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