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Other War Time Agendas: The Origin and Evolution of Republican Tariff and Railroad Policy

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Daniel Rustin Goodge

*Other War Time Agendas: The Origin and
Evolution of Republican Tariff and Railroad
Policy.*

Southern Scholars Research Project

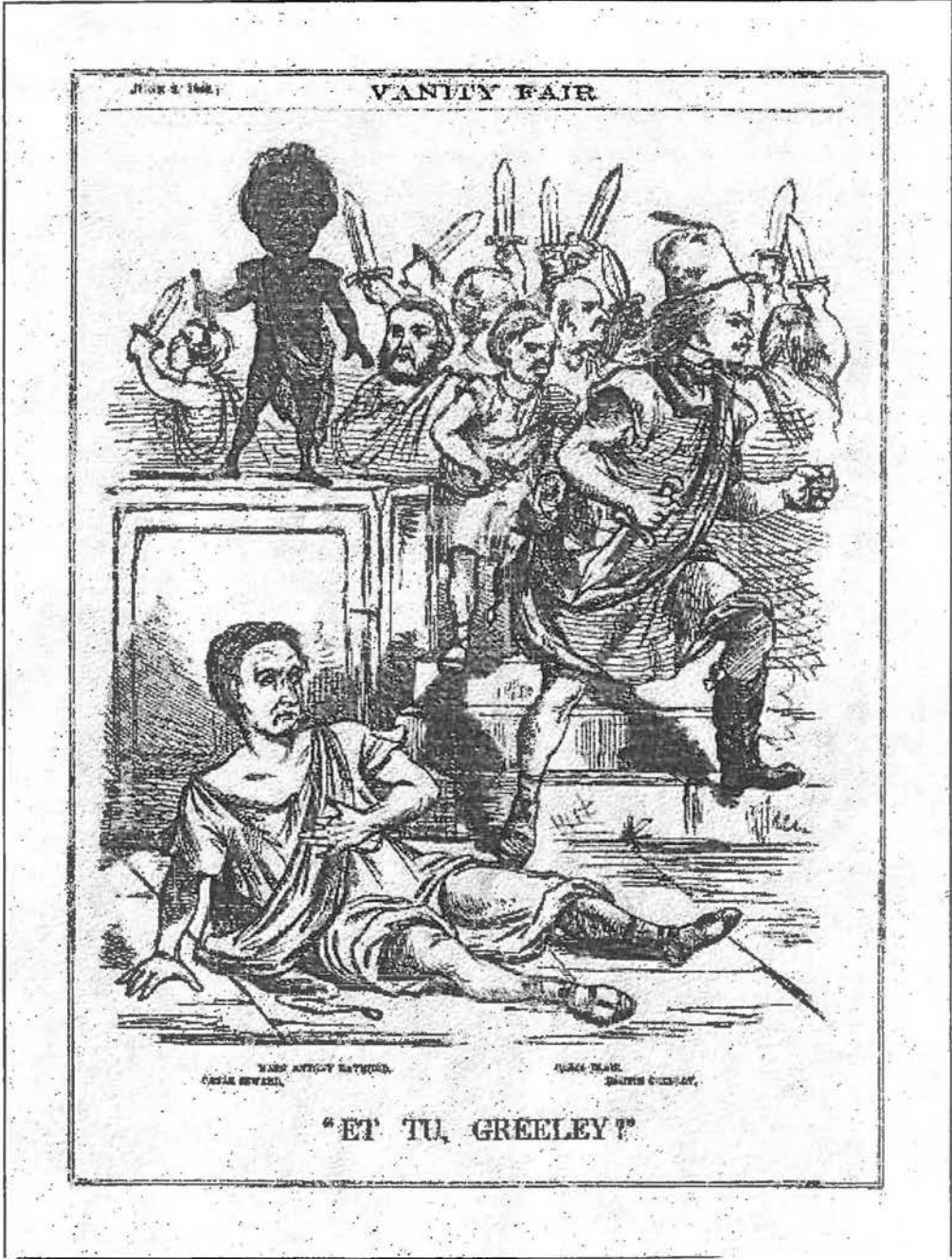
For Doctors Ben McArthur and Wilma McClarty.

April 20, 2001

Illustrations taken from:

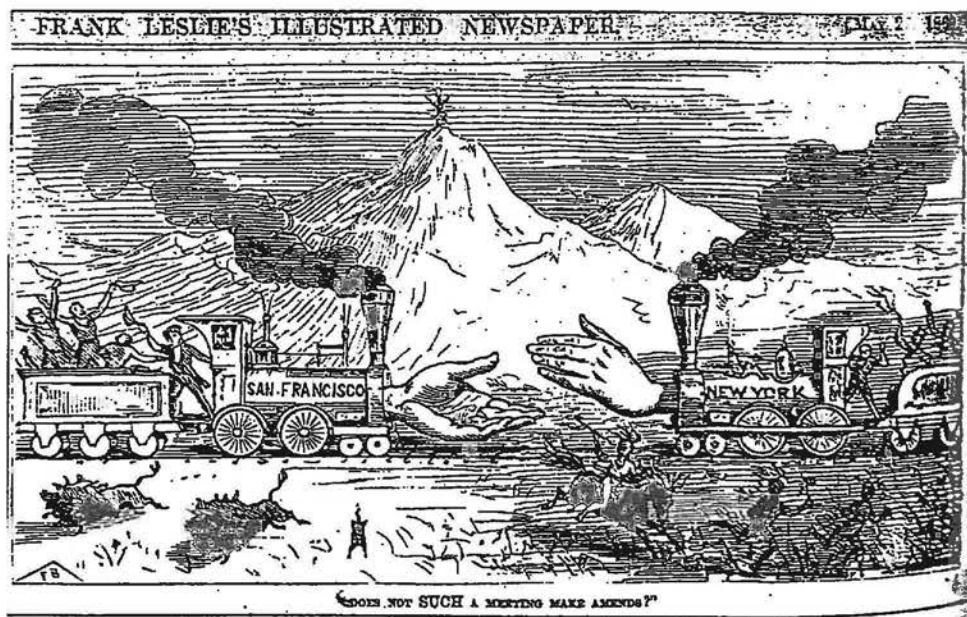
Vanity Fair

2 June 1860.



Frank Leslie's Illustrated Newspaper

2 May 1869



Introduction:

The bold-faced headline in the February 14, 1861, edition of the *New York Times* read, “It is now proposed to reenact a highly protective tariff, for both revenue and protection. To the adoption at this crisis of such a measure there are certainly grave objections.” With the secession of Texas from the Union just two weeks prior, and the fact that border states who “cherish [ed] the deepest aversion” to tariffs were themselves teetering on the decision to secede, many Americans cringed to think of the national fallout such a measure would bring. That was not to mention the strain on foreign relations that was sure to follow. “Such are some of the features,” argued the *Times*, “of this ill-timed, ill-advised, and if carried into effect, disastrous measure.”¹ Did Congress not understand that the passage of a tariff would do nothing but further escalate the already high tensions between North and South?² Just thirteen days later, the Morrill Tariff was signed into law.³

On June 11, 1862, while the Civil War raged, Senator J. A. McDougall took the

¹ *New York Times*. 14 February 1861. Page 4.

² Dates of Secession according to:
<http://www.iath.virginia.edu/vshadow2/outlines/secession.html>

State:	Date:	Votes:
South Carolina	Dec. 20, 1860.	169-0
Mississippi	Jan. 9, 1861.	85-15
Florida	Jan. 10, 1861.	62-7
Alabama	Jan. 11, 1861.	61-39
Georgia	Jan 19, 1861	208-89
Louisiana	Jan. 26, 1861	113-17
Texas	Feb. 1, 1861.	166-8

³ *New York Times*. 28 February 1861. Page 2.

podium of the United States Senate. "I have sought to avoid," he proclaimed, "argument and have asked action . . . I trusted that the senate was prepared to act upon it without extended argument . . . [but] I have lost faith in talking, I seek action." His fervent words reflected the frustration harbored by many present that day. Senator McDougall called for a railroad to the Pacific, and he desired immediate action. But many opposed such hasty legislation for a transcontinental railway. Their opposition centered on the rail's \$62,880,000 price tag. How was a nation fighting for its very existence to afford such an expenditure? Yet on July 1, 1862, a bill authorizing the construction of a railroad and telegraph line to the Pacific Ocean landed on President Lincoln's desk and was signed into law.⁴

How did legislation for such a provocative tariff and controversial railroad even reach the respective floors of the United States Senate and House of Representatives? Why would Congress, in a time of unparalleled crisis, consider these bills, much less, pass them? In my discussion, I will argue that the tariff and Pacific railroad questions strongly influenced the convention, and thus the election of 1860. Also, that the Republican Congress took the 1860 election as a mandate to transform these matters into political action which they commenced under the guise of war and transformed into lasting policy.

⁴ *Congressional Globe*, 37 Cong., 2nd Session., 11 June 1862, 307.; *U. S. Statutes At Large*. Vol. XII, p. 489 ff. 1 July 1862.

Political Environment:

The reformation of the American political system during the late 1850s directly impacted political activity in the 1860s. Thus, to understand the legislative practices during the great crisis, one must look at the political background in years preceding Southern secession. According to historian Arthur M. Schlesinger Jr., the Democratic Party, which had for so long been the voice of Southern conservatism in the United States, had split into two camps during the late 1850s over the issue of popular sovereignty. And the Whig Party, the voice of northern capitalists (the other national party in the two-party system), had in the 1850s “totally succumbed” to sectionalism over slavery; thus the Whig Party failed to exist as a national organization.⁵

This precarious political fallout of the two-party political system presented a surprisingly healthy environment for the blossoming of a new political organization. In 1860, the newly formed Republican Party, comprised mainly of disillusioned Whigs such as William Seward and Horace Greeley but which also included radical abolitionists and former Democrats such as Hannibal Hamlin, stared national dominance in the face. By late 1858 and early 1859, party leaders recognized that if this delicate alliance of political opposites could be maintained, a Republican would soon be walking the halls of the White House.

Ambition for the White House led the Republicans to nominate the relatively

⁵ The Democratic Party was split over the issue of Popular Sovereignty, or “squatter’s sovereignty” that was allowed through the Kansas-Nebraska Act. It allowed each state entering the Union to determine whether to be a slave state or a free state. Arthur. M. Schlesinger, edit. *History of American Presidential Elections*. Boston: Houghton Mifflin Publishing, 1963. Page 1116.; <http://www.tulane.edu/~latner/Background/BackgroundElection.html>

unfamiliar Abraham Lincoln at the 1860 Chicago Convention. Chosen over the more publicized candidates, William Seward and Salmon Chase, because of his moderation, “He [Lincoln],” historian Hans Trefousse argues, “had carefully avoided extreme statements.” Even on the volatile issue of slavery, “Lincoln was ready,” agrees Schlesinger, “to offer guarantees for slavery in the [southern] states; he was even willing to enforce the fugitive slave law, . . . [though] he would not brook any further extension of slavery into the territories.” Hence, it was Lincoln’s middle-of-the-road stance, which gave him the 1860 Republican Party nomination for President of the United States.⁶

But Republican leaders needed more than a moderate candidate to maintain their united front. Due to the multifaceted nature of the party organization they needed a platform that would appease all sides and maintain unity. Schlesinger points out that, “While the slavery issue was central to the party’s thinking, [sic] it alone could not guarantee success at the polls.” Conservatives from Pennsylvania and Maine pushed for legislation restricting foreign imports, radicals from Midwestern states desired free land for settlers, radicals from New England called for improvements in shipping, and almost all delegates sought a railroad to the Pacific.⁷

Thus to ensure unity and therefore a Republican victory in the 1860 election, the Convention adopted a platform including resolutions such as a call for a tariff, a call for free land to settlers, a call for improvements to rivers and harbors, and a call for a

⁶ Eric Foner. *Free Soil, Free Labor, Free Men*. New York: Oxford University Press, 1970. Pages 2, 18; The Republican Party was formed between 1854 and 1856. Hans Trefousse. *The Radical Republicans*. New York: Knopf Publishing, 1969. Page 133; Schlesinger. *History of United States Political Parties*. 1162.

⁷ Arthur M. Schlesinger Jr. *History of United States Political Parties*. 1160.

railroad to the Pacific. When the election was over, the Republican Congress enacted laws which mirrored most of these resolutions. Along with abolition of slavery, these achievements their legacy in history.⁸

⁸ 12. That, while providing revenue for the support of the General Government by duties upon imports, sound policy requires such an adjustment of these imposts as to encourage the development of the industrial interest of the whole country; and we commend that policy of national exchanges which secures to the working men liberal wages, to agriculture remunerative prices, to mechanics and manufactures an adequate reward for their skill, labor, and enterprise, and to the nation commercial prosperity and independence.

13. That we protest against any sale or alienation to others of the Public Lands held by actual settlers, and against any view of the Homestead policy which regards the settlers as paupers or suppliants for public bounty; and we demand the passage by Congress of the complete and satisfactory Homestead measure which has already passed the House.

15. That appropriations by Congress for River and Harbor improvements of a National character, required for the accommodation and security of an existing commerce, are authorized by the Constitution, and justified by the obligations of Government to protect the lives and property of its citizens.

16. That a Railroad to the Pacific Ocean is imperatively demanded by the interest of the whole country; that the Federal Government ought to render immediate and efficient aid in its construction; and that, as preliminary thereto, a daily Overland Mail should be promptly established.

Sections 12,13, 15, 16: 1860 Republican Party Platform.

The Tariff:

I.

According to historian Arthur Schlesinger Sr., economic issues, specifically trade issues, divided the nation along geographical lines for most of the antebellum era:

The political events of the "Middle Period" of American history (1800-1860) find their explanation very largely in the sectionalization of American life which, during this period, divided the nation into three distinct economic areas, a broad western zone of independent small farmers, a northern seaboard section in which manufacturing was becoming the dominant interest, and a southern seaboard area wedded to cotton and slave culture.⁹

These geographical boundaries increasingly became political boundaries: Whigs and later Republicans being prominent in the North and West, and Democrats being prominent in the South. "On the level of politics," states historian Eric Foner, "the coming of the civil war is the story of the intrusion of sectional ideology into the political system, despite efforts of political leaders of both parties to keep it out." As the years passed, the economic sectionalization of America brought an ideological sectionalization between the two political parties.¹⁰

As early as 1816, Whig and Democrat Representatives in both the U. S. Senate and House hotly debated legislation supporting protective tariffs. "The objective of protecting manufacturers was," according to Whig Senator Henry Clay, "that we might

⁹ Arthur M. Schlesinger, Sr. *New Viewpoints in American History*. New York: Macmillan Publishing, 1925. Page 58.

¹⁰ Eric Foner. *Politics and Ideology in the Age of the Civil War*. New York: Oxford University Press, 1980. Pages 35-36.

eventually get articles of necessity made as cheap at home as they could be imported, and thereby to produce an independence of foreign countries.” Yet many shared Senator Huger’s fears of duties “the consequence of which would be to tax the community to give a monopoly to a few large manufacturers.”¹¹

Arguments and legislation for and against duties were, according to historian and economist Frank W. Taussig, continuously brought to United States Senate and House floors between 1816 and the late 1830s. Prominent Whig leaders such as Senators Henry Clay and Daniel Webster supported strong tariff legislation for both revenue and protection of industry, while equally prominent Democrats such as Senators John C. Calhoun and Stephen Douglas opposed all duties beyond what was needed to cover federal expenditures. Over the next two decades, however, Clay and his followers gained the upper hand. Rates were dramatically increased in 1824, 1828, and 1832. But the 1833 Compromise Tariff Act, which was enforced until 1842, reversed this trend toward protection. After years of quarreling, it seemed that Clay, Calhoun, and President Jackson, who all publicly supported this monumental act which would lower tariff rates across the board, had come to a final agreement.¹²

¹¹ *Annals of Congress*, House of Representatives. 14 Congress. 1st Session. 1816, 1271-1279.

¹² “Clay, who drafted the act, probably had no expectation that the 20 per cent. [sic] rate ever would go into effect. He thought that Congress would amend before 1842, and intended to meet by his compromise the immediate emergency only.”

Year	Duty, per cent.
1834	87
1836	80
1838	72.5
1840	65
Jan. 1, 1842	42.5
July 5, 1842	20

Frank William Taussig. *Tariff History of the United States*. New York: Putnam Publishing, 1931. 110-112.

But just two months after duties had reached the Compromise's goal of twenty per cent, manufacturing interests lobbied Washington to raise tariff rates once again. To appease their manufacturing constituents, the Whig-controlled Congress then passed the Tariff of 1842, of which John C. Calhoun said "would act oppressively on those he represented, and the whole cotton-producing states." But Stephen Douglas, a Democrat Representative from Illinois, prophetically argued that "[this] system of prohibitory duties, whether adopted on the plea of protection, or for any other professed object, would lend necessarily to direct taxation."¹³

According to *New York Tribune* editor Horace Greeley, the 1840 and 1844 Democratic platforms reflected Douglas' ideals on the tariff and acted on their platform by lowering tariff rates. In 1846, the Democratic Congress and Democratic President James K. Polk implemented the Tariff Act of 1846, which lowered duties across the board. In 1857, Democratic President Franklin Pierce and a heavily Democratic Senate further reduced tariffs on goods from cotton to leather to "medicated roots," despite objections from Whig representatives such as Pennsylvania Senator Campbell, who called the 1857 bill, "a measure which strikes down the great industrial interests of the country." While they did lower duties considerably, neither act completely eliminated tariffs. But, "there is no doubt," says Taussig, "that the period from 1846 to 1860 was a time of great material prosperity . . ."¹⁴

¹³ Michael Cowan. <http://www.fujisan.demon.co.uk/USPresidents/plist1c.htm>; John C. Calhoun. *The Speeches of John C. Calhoun*. Vol. 4. 1854. 164; *Congressional Globe*. 28 Congress. 1 Session. 3 June 1844. App., 598.

¹⁴ "4. Resolved, That justice and sound policy forbid the Federal Government to foster one branch of industry to the detriment of another, or to cherish the interest of one portion to the injury of another portion of our common country--that every citizen and every section of the country has a right to demand and insist

The crisis of 1857, however, brought renewed protectionist economics into the political limelight. This was championed by Henry C. Carey, a Pennsylvania economist who urged that “the interests of the capitalist and the laborer, are . . . in perfect harmony with each other, as each derived advantage from every measure that tends to facilitate the growth of capital.” According to author Kenneth Stampp, many felt that industry “had suffered enough” and it was time to relieve their pain by raising duties. One of Senator Seward’s constituents wrote, “It is going to be the great question, now and will enter largely I think into the canvass of 1860.”¹⁵

II.

From the late 1830s through 1860, political organization in the United States endured upheaval the likes of which had not been seen to date. This turmoil can in no better way be exemplified than by the merciless caning of the Democratic Senator Charles Sumner from Massachusetts by Democratic Representative Preston S. Brooks

upon an equality of rights and privileges, and to complete and ample protection of persons and property from domestic violence or foreign aggression.

5. Resolved, That it is the duty of every branch of government to enforce and practice the most rigid economy in conduction our public affairs, and that no more revenue ought to be raised than is required to defray the necessary expenses of the government.”

The above resolutions are taken from the Democratic National Conventions of 1840 and 1844.

Horace Greeley. *The Political Text Book for 1860*. New York: Tribune Association, 1860. Pages 18-25.; *New York Times*. 4 March 1857. Page 7.; *New York Times*. 5 March 1857. Page 2.; Taussig. *The Tariff History of the United States*. Pages 155-170.

¹⁵ F. W. Taussig. *The Tariff History of the United States*. Pages 155-170;

Steven Douglass, a prominent Democratic Senator from Illinois, “Charged that the Whig tariff bills discriminated against agriculture, favored the rich at the expense of the poor, and were injurious to western interests.” Robert W. Johannsen. *Stephen A. Douglas*. New York: Oxford University Press, 1973. Page 121; Carey. *Political Economy*. Vol. I. 339. As quoted by Eric Foner. *Free Soil, Free Labor, Free Men*. Page 19. Letter from Myron H. Clark to William Seward, as quoted by Kenneth M. Stampp. *America in 1857*. New York: Oxford University Press, 1990. Page 233.

from South Carolina. For politicians of this time, regional ties were stronger than was party affiliation.¹⁶

Regional politics aided in the appearance of fringe parties, who in boom-and-bust form then faded from the American Political scene. In 1839, the Liberty Party, made up of radical northerners who called for the total abolition of slavery, was formed. While the Liberty Party was a political failure, it was a pattern for other fringe parties to follow. These followers included the Know Nothing Party which originated in 1844, and the Free Soil Party of 1848. Other groups such as the Barnburners (who also called for free land) also followed, however, these groups were never considered “parties.”¹⁷

In 1854, another fringe party, calling itself the Republican Party, evolved. “The *Mo. [Missouri] Democrat* of August 20.,” early Republican Edward Bates records in his diary, “contains a circular address of the Republican National Committee . . . It declares

¹⁶ “An aggressive abolitionist, Sumner attacked the fugitive slave laws, denounced the Kansas-Nebraska Act of 1854, and on May 19-20, 1856, delivered his notable antislavery speech called ‘The Crime against Kansas.’ A master of invective, he singled out as his special victim Senator Andrew Pickens Butler of South Carolina, who was not there to reply. Two days later he was assaulted in the Senate chamber by Preston S. Brooks, Butler’s nephew.” <http://www.encyclopedia.com/articles/12468.html>;

“Sumner, a descendent of New England Puritans, was a graduate of Harvard College and Harvard Law School. He was a scholar of the law and briefly taught at Harvard. Impressive in both voice and appearance, he was a classic, elegant nineteenth-century orator who, while sometimes insensitive to the impact of his words, composed his Senate speeches with meticulous care . . . Sumner’s assailant, Preston Brooks, was a handsome young man of thirty-seven, the son of an Edgefield, South Carolina, planter, a graduate of South Carolina College, and a veteran of the Mexican War . . . On the evening of January 27, [1857] . . . he was suddenly stricken with ‘spasmodic paroxysm’ that impaired his breathing, and within a few minutes, after ‘violent heaving of the chest and lungs,’ his breathing stopped.” Kenneth M. Stampp. *America in 1857*. Pages. 15-17.;

In the fourth resolution of the 1856 Whig National Convention Platform we see that Whigs state an “absolute necessity for avoiding geographical parties.” As quoted from Horace Greeley. *Political Text Book for 1860*. Page 25.

¹⁷ These Free Soilers were mainly midwesterners who wanted the government to give, or at least offer at nominal cost, free land to farmers. Joseph G. Rayback. *Free Soil, the Election of 1848*. Lexington: University Press of Kentucky, 1970. Pages 58-59.; The “Know Nothings” originated under the name the “Native American Party” and called for people who were not born in the United States to be limited in their political influence. Thurlow Weed Barnes. *Memoir of Thurlow Weed*. New York: Houghton Mifflin Publishing. 1884. Page 224.

that ‘the Republican party had its origin in the obvious necessity for the *resistance to the aggression of the slave power* and maintaining for the states respectively their reserved rights and sovereignties.’” Grandson of Thurlow Weed, Thurlow Weed Barnes agrees calling the formation of the Republican party, “an organized protest against the repeal of the Missouri Compromise and the wrongs inflicted upon free soil settlers in ‘bleeding Kansas.’”¹⁸

The origin of the Republican Party was pointed and specific to slavery to be sure. This fact is reflected in their 1856 platform and nomination of John Fremont for the Presidency. The party’s scope expanded, however, in the ensuing four years by absorbing planks of the Liberty, Free Soil, and Know Nothing parties by 1860. While absorbing the ideas of other fringe groups was helpful, without the conversion of a majority of prominent Whigs and northern Democrats to the Republican faith, the Republican Party would have never reached political prominence.¹⁹

One cannot overstate the importance that Whig deserters played in the formation

¹⁸ Howard K. Beale, editor. *The Diary of Edward Bates*. New York, Da Capo Press, 1971. Page 43.; Thurlow Weed Barnes. *Memoir of Thurlow Weed*. Page 241.

¹⁹ 2. Resolved: That, with our Republican fathers, we hold it to be a self-evident truth, that all men are endowed with the inalienable right to life, liberty, and the pursuit of happiness, and that the primary object and ulterior design of our Federal Government were to secure these rights to all persons under its exclusive jurisdiction; that, as our Republican fathers, when they had abolished Slavery in all our National Territory, ordained that no person shall be deprived of life, liberty, or property, without due process of law, it becomes our duty to maintain this provision of the Constitution against all attempts to violate it for the purpose of establishing Slavery in the Territories of the United States by positive legislation, prohibiting its existence or extension therein. That we deny the authority of Congress, of a Territorial Legislation, of any individual, or association of individuals, to give legal existence to Slavery in any Territory of the United States, while the present Constitution shall be maintained.

Resolution 2 from the 1856 Republican Party Platform as quoted from Horace Greeley’s *A Political Text Book for 1860* (Page 22.) shows that the Republican Party of the day had an especially strong emphasis on preventing the spread of slavery. Their calls for free land, nativism, and tariff protection were not present until their platform in 1860 (see introduction).

of the Republican Party Platform of 1860. Edward Bates, William Seward, Abraham Lincoln, Horace Greeley, and Thurlow Weed, all prominent figures in the 1860 Republican Convention, were all former Whigs. In fact, Edward Bates was the president of the 1856 Whig Convention in Baltimore.²⁰

III.

The importance of Whig converts to the 1860 Republican National convention lends to the assumption that Whig ideals were equally important. Indeed, with the crisis of 1857 still fresh in their minds, Whigs fought hard to make sure the protection of manufacturing interests played an important role in the 1860 Republican National Convention. Delegates from New York, Maine and Pennsylvania (New York and Pennsylvania were then, as now, crucial Electoral College states) insisted on a tariff resolution. “‘Let our motto be,’ said a Pennsylvania Congressman in 1860, ‘protections to everything American against everything foreign.’” Less extreme supporters of the tariff plank pointed out that higher duties were needed to reflect higher governmental expenditures because tariffs were the only source of governmental income.²¹

Economically liberal ex-Democrats and radicals in the Republican Party disagreed with former Whigs on how to deal with the tariff issue. Senator Charles Sumner of Massachusetts and Ohio Governor Salmon P. Chase were both vocal advocates of free trade. William Cullen Bryant, a former Democrat, believed there was

²⁰ Horace Greeley. *A Political Text-Book for 1860*. Page 25

²¹ Eric Foner. *Free Soil, Free Labor, Free Men*. Pages 175-176; The fact that Whigs made a large contribution to the 1860 Republican convention is seen in that the Republican National Platform of 1856 did not call for a protective tariff. The Whig Nation Platform of 1852, however, did call for protective tariff, and the wording of that 1852 Resolution is very similar to the wording used in the 1860 Resolution of the Republican National Platform. Horace Greeley. *A Political Text-Book for 1860*. Pages 18-19, 25.

“a ‘conspiracy . . . to pervert the Republican Party for the purposes of the . . . coal and iron mines.’” Many conservatives in the Republican Party did attempt to “refashion the party platform entirely” by downplaying the issue of slavery and refocusing on economic issues, the tariff being most important. Former Whig and editor of the *New York Tribune* Horace Greeley was accused of “‘trying . . . to get up a clamor for protection.’” William Seward and Thaddeus Stevens both supported Greeley’s sentiments. The issue was so divisive that many moderate politicians such as Lincoln believed that tariffs should be avoided entirely in the convention.²²

Oddly, it was radical John Kasson, whose beliefs least supported protection, who wrote the resolution, frustrating the Pennsylvania delegation. His resolution called for governmental duties on imports, to “encourage the development of industrial interest of the whole country . . . which secures to the working men liberal wages . . . to mechanics and manufactures an adequate reward for skill, labor and enterprise, and to the nation commercial prosperity and independence.” This call for a tariff, however, was so ambiguous that even though the Pennsylvania contingent at the Convention publicly applauded its reading; they privately expressed grave disappointment in its lack of content.²³

²² Kenneth Stampp. *America in 1857*. Pages 234-235. Eric Foner. *Free Soil, Free Labor, Free Men*. Pages 105, 168, 174-6, 202-3.; William Cullen Bryant as quoted by Eric Foner. *Free Soil, Free Labor, Free Men*. Pages 175-176.; William Cullen Bryant was a poet by nature, attorney by training, and editor/owner of the *New York Evening Post* by trade.

<http://encarta.msn.com/index/conciseindex/39/03904000.htm?z=1&pg=2&br=1>

²³ John Kasson was a congressman from Iowa. Howard K. Beale, editor. *The Diary of Edward Bates*. Page 649;

“12. Providing revenue for the support of the General Government by duties upon imports, sound policy requires such an adjustment of these imposts as to encourage the development of the industrial interest of the whole country; and we commend that policy of national exchanges which secures to the working men liberal wages, to agriculture remunerative prices, to mechanics and manufactures an adequate reward for their skill, labor, and enterprise, and to the nation

But moderation was the overriding theme of the 1860 Chicago Convention, not only in with regard to Kasson's tariff resolution, but also in the nomination of candidates. "Although the Republican Party of 1860," states author John Taylor, "was hardly the political juggernaut it would later become, the opposition appeared to be hopelessly disorganized." And because the Democratic Party in 1860 was divided, Republican Party managers knew their nominee would most likely be the next President of the United States.²⁴

Indeed the Republican Party was on the road to the White House, but party leaders needed a moderate candidate who could maintain unity. Chase and Sumner had both been outspoken proponents of free trade making them almost non-factors in the nomination election. William Seward, while a strong protectionist, was also a strong abolitionist and thought by many to be unelectable. "A large section," writes Bates, "of the Republican Party . . . think that Mr. Seward's nomination would ensure defeat." Lincoln, who had avoided any extreme statements, benefited from his moderation. Political maneuverings by Horace Greeley and others also helped. And when the dust settled, Lincoln was selected to be the Republican Party's 1860 presidential nominee.²⁵

IV.

On March 4, 1861, Abraham Lincoln was inaugurated our Nation's sixteenth

commercial prosperity and independence." Resolution 12: *Republican Party Platform* of 1860.; Eric Foner. *Free Soil, Free Labor, Free Men*. Page 203.

²⁴ John M. Taylor. *William Henry Seward*. New York: Harper Collins Publishing, 1991. Page 2.

²⁵ Hans Trefousse. *The Radical Republicans*. Pages 132-3.; Howard K. Beale, editor. *The Diary of Edward Bates*. Page 28. Horace Greeley. *A Political Text Book for 1860*. Page 28.

President. Douglass and Breckenridge had indeed split the Democratic vote, and Lincoln won almost the entire North.²⁶ Soon after the election, Republicans in the 35th Congress, led by Justin Morrill, taking the election results as a mandate by the American People, began working on protective legislation. This legislation came to be known as the Morrill Tariff Bill.²⁷

Less than one month before South Carolina seceded from the Union, Republican Congressmen innocently began to transform governmental economic policy, creating what Taussig refers to as the “War Tariff” (all congressional legislation dealing with tariffs during the Civil War).²⁸ Beginning with the “Morrill Tariff,” the Republicans revolutionized financial policy. This Tariff’s original purpose was primarily “to raise revenue.” Morrill claimed, “no prohibitory duties have been aimed at” while admitting that some manufacturing interests like iron and wool would be protected.²⁹

When, by early February, the Morrill Tariff Bill was brought to the respective floors of Congress for discussion, seven Deep South states had seceded. Of course, Pennsylvania Congressmen led the fight to pass the bill. Mr. Kunkel of Pennsylvania

²⁶ <http://www.historyplace.com/civilwar/>;
Arthur M. Schlesinger Jr. *History of American Presidential Elections*. Pages 1116, 1117.

	Lincoln	Douglass	Breckenridge	Bell
Popular Votes:	1,766,452	1,376,957	849,781	588,879
Electoral Votes:	173	12	72	39

²⁷ Until 1860, tariffs had been the sole source of income to the Federal Government. Revenue, though the Democrats had lowered rates in 1846 and 1857, had been sufficient to cover Federal expenditures. But protectionists in Congress such as Mr. Justin Morrill and Mr. David Wells (who has been quoted as saying, “Whenever you see a head, hit it; whenever you see a commodity, tax it.”) took advantage of this opportunity to significantly raise the tariff rate. F. W. Taussig. *Tariff History of the United States*. Pages 155-170.

²⁸ <http://www.iath.virginia.edu/vshadow2/outlines/secession.html>

²⁹ Statements of Justin Morrill as quoted by Eric Foner. *Free Soil, Free Labor, Free Men*. Page 174.

argued that incidental protection was acceptable because the benefit of the manufacturer is to the benefit of the entire country, aiding all American consumers.³⁰

There were significant objections to the Tariff, but these objections were quickly shot down by protectionist Congressmen. Though there were no legislators from the Deep South, many U. S. Senators from the border states and radical leaders spoke against the measure. Douglas of Illinois pointed out that it was not the proper time to push such issues that might further “alienate affections for the Union of the Southern people.” In a vote, Senator Powell’s amendment to the Morrill Tariff was defeated 37 to 18. Mr. Bigler, speaking for the majority, rebutted Douglas’ statement, claiming that it was evident to all, even border state Representatives, that revenue must be raised.³¹

The Morrill Tariff, to many protectionists such as Mr. Bigler, Mr. Morrill, and Mr. Davis, was just a foot-in-the-door technique that allowed the raising of protective duties to still a higher level. Only a month had passed after the signing of the Morrill Tariff when Fort Sumter was fired upon and the Civil War began. Cards could not have fallen into the hand of the protectionists any better. In late July of 1860, “need for revenue” resulted in the first ever direct federal tax legislation in United States history. Thus fulfilling Stephan Douglas’ prophecy that high tariff rates would necessitate direct taxation.³²

A revolving-door tariff and tax policy began to evolve. The Tariff had raised the price of foreign goods in order to make domestic goods more attractive to domestic

³⁰ *Congressional Globe*. 35 Congress. 2 Session. 24 February 1859. App. 234.

³¹ *New York Times*. 21 February 1861. Page 4.

³² F. W. Taussig. *Tariff History of the United States*. Pages 155-170;

consumers. But the tax on domestic goods made foreign goods competitive once again. Hence, the Tariff and the Tax worked to counterbalance to each other. Because of increased demands for military funding, the Internal Revenue Act of July 1, 1862, which created the office of Internal Revenue, was passed.³³ Because the tax would make foreign goods competitive once again, the Tariff Act of July 14, 1862, immediately followed to appease protectionist manufacturers.³⁴

Under the pretext of the War, this spiraling motion continually raised tariffs and taxes higher and higher. The most prominent examples of this are the Tariff and Revenue Acts of 1864. Each time, protectionists such as Wells and Morrill headed of the battle to raise the Tariff and Tax. Each time they said that was for the good of the war effort and for the good of the country.³⁵

Protectionist Congressmen probably did not purposefully raise tariffs in order to fulfill their economic theory, fiscally help themselves, or financially aid their friends, but their actions did create a highly protective trade policy. Though it seemed as if “Mr. Morrill, Mr. Stevens, and other gentlemen who shaped the revenue laws” used the

³³ *New York Times*. 31 July 1862. Page 4.; *U. S. Statutes at Large*. 37 Congress. 2nd Session. 1 July 1862. Chap. 119: Page 432.

“The first income tax was moderately progressive and ungraduated, imposing a 3% tax on annual incomes over \$800 that exempted most wage earners. These taxes were not even collected until 1862, making alternative financing schemes like the Legal Tender Act critical in the interim. The Internal Revenue Act of 1862 expanded the progressive nature of the earlier act while adding graduations: it exempted the first \$600, imposed a 3% rate on incomes between \$600 and \$10,000, and a 5% rate on those over \$10,000. The Act exempted businesses worth less than \$600 from value-added and receipts taxes. Taxes were withheld from the salaries of government employees as well as from dividends paid to corporations (the same method of collection later employed during World War II). In addition, the “sin” excise taxes imposed in the 1862 act were designed to fall most heavily on products purchased by the affluent. Thaddeus Stevens lauded the progressivity of the tax system.” rtibar@aol.com

³⁴ *U. S. Statutes at Large*. 37th Congress. 2nd Session. 14 July 1862. Chap. 163. 543.

³⁵ *U. S. Statutes at Large*. 38th Congress. 2nd Session. 30 June 1862 Chap. 171. 202.

government's need of money to support the war effort as a way to carry out their personal protectionists theories, or to using tariffs to promote "private ends for themselves or others," it would be unfair to say they did any such thing on purpose. But the end result of their dealings with tariff rates was by all accounts significant protectionism.

This protectionism lasted until 1883 and beyond, blossoming northern industry. When at last revisions were made, many manufacturers and capitalists considered high tariffs to be permanent policy and lobbied hard to protect the gains that they had won twenty years earlier. Their efforts were successful, and indeed, protective trade policy remained the norm well into the twentieth century, allowing for the expansion of manufacturing in the North, specifically the steel industry in Pennsylvania and the textile industry in New England.³⁶

Hence, Republicans utilized the tariff issue to help unite the party in a coalition to elect Mr. Lincoln. They then took his election as a mandate to put their protection plank into action. Under the guise of raising revenue to pay for the War, they were able to obscenely increase tariff rates, and keep them high for more than thirty years.

³⁶ This section was taken from F. W. Taussig. *Tariff History of the United States*. Pages 155-170.

The Transcontinental Railroad:

I.

Like the Tariff, the issue of a transcontinental railroad divided the nation along geographical lines during the late antebellum era. “Throughout the 1850s, Californians were repeatedly disappointed by the failure of Congress to pass legislation to establish a Pacific Railroad.” Congress received several “sensible” proposals, yet no progress was made because “Congress was not ready yet to act, hamstrung as it was by the slavery question.”³⁷

Northerners wanted the Railroad to follow a northern route and Southerners wanted the railroad to follow a southern route. Northerners feared a southern route would give slavery a connection with newly acquired territory from Mexico, “including California.” Southerners would not support a northern route because they were afraid that Northerners would use the railroad to spread out and claim all public lands along its path. “The Pacific Railroad is not only but begun,” Edward Bates wrote in 1859, “but its very location is scabbled for by angry sections, which succeed in nothing but mutual defeat.”³⁸

Unlike a protective tariff, while Northerners and Southerners disagreed on the details of a transcontinental railroad, “all party platforms favor [ed] a Pacific Railway.”

³⁷ George Kraus. *The High Road to Promontory*. Palo Alto, Calif., American West Publishing. 1969. Page 17. [The Transcontinental Railroad was often called the Pacific Railroad].

³⁸ “The Iron Road” was a PBS special produced by Goodwin. Excerpts can be found online at [HTTP://www.pbs.org/wgbh/amex/iron/index.html](http://www.pbs.org/wgbh/amex/iron/index.html).; George Kraus. *The High Road to Promontory*. Page 17.; From Howard K. Beale, editor. *The Diary of Edward Bates*. Page 8.

President Buchanan (a Democrat) highly favored the railway, and Republican Representative Campbell agreed, stating, “the road is a necessity.” In fact, the Democratic platforms of 1856 and 1860, and the Republican platform of 1856, all included resolutions calling for a railroad to the Pacific.³⁹

While the tariff resolution necessitated special attention to maintain party unity, the railroad resolution merely needed to be addressed. Ex-Democrats, former Whigs, and radicals strongly debated the need for and wording of the tariff resolution. But all groups agreed on the need to call for a railroad. Wording only held peripheral importance. This can be seen in the resolution’s complete ambiguity: “That a Railroad to the Pacific Ocean is imperatively demanded by the interest of the whole country; that the Federal Government ought to render immediate and efficient aid in its construction; and that, as preliminary thereto, a daily Overland Mail should be promptly established.” This non-specific wording of the Railroad resolution to the *1860 Republican Party Plank* was enough. Party leaders needed only to have such a resolution on the books.⁴⁰

II.

The Morrill Tariff Bill breezed through Congress not only because of the secession of seven Southern States (and thus its fiercest detractors), but also because it

³⁹ *New York Times*. 30 January 1861. Page 2.

Its original goal was to quicken the carrying of mails across the country, to aid in commerce between the East and West and most importantly help fulfill the American ideal of Manifest Destiny. George Kraus. *The High Road to Promontory*. Page 17.; Horace Greeley. *A Political Text Book for 1860*. Pages 22-30.; That a Railroad to the Pacific Ocean is imperatively demanded by the interest of the whole country; that the Federal Government ought to render immediate and efficient aid in its construction; and that, as preliminary thereto, a daily Overland Mail should be promptly established. Resolution 16: *1860 Republican Party Platform*.

⁴⁰ David Haward Bain. *The Empire Express*. New York: Viking Publishing, 1999. Page 106.; Eric Foner. *Politics and Ideology in the Age of the Civil War*. New York: Oxford University Press. Page 175.; Resolution 16: *Republican Platform of 1860*.

produced revenue. Unlike a tariff, building a railroad requires capital instead of creating it. The *New York Times* claimed that both bills were ill-timed and ill-advised.⁴¹ But in contrast to the Morrill Tariff became law almost immediately, the Transcontinental Railroad Bill upon making it to the floor of Congress, it was “put over for consideration until the next session,” due to its costs.⁴²

On January 31, 1862, however, freshman Congressman A. A. Sargent “interrupted an afternoon’s drone on the state of the Union with a stirring speech for action on, ‘Federal aid to the Pacific Railroad.’” He proclaimed that the war demanded it. With an authority unknown to freshmen Congressmen, he argued that the Union needed a quick form of troop and supply transport to aid in the Western Theater. His words stirred the Railroad Committee into action. They nominated Sargent to take charge of drafting the bill. Sargent then enlisted Theodore Judah, chief engineer for Central Pacific Railroad to manage the details. The fruit of their labor was a bill “that satisfied the local interest of the most aggressive and politically influential railroad concerns.”⁴³

But representatives from other railroad companies adamantly lobbied to have this bill amended. Congressman James E. Wilson echoed their concerns, criticizing the bill because it favored Judah’s Central Pacific Railroad Company over other railroad companies. However, as southern legislators were not present to lobby for a southern route, and popular sentiment favored immediate action, the arguments surrounding the

⁴¹ *New York Times*. 30 January 1861. Page 7.; *Ibid.* 14 February 1861. Page 4.

⁴² George Kraus. *The High Road to Promontory*. Page 21.

⁴³ Robert West Howard. *The Great Iron Trail*. New York: Bonanza Books, 1962. Pages 119-120.; George Kraus. *The High Road to Promontory*. Pages 40-42.; *Congressional Globe*. 37th Congress. 2nd Session. 31 January 1862. 599-603.

Central Pacific Railroad Company did not keep the legislation from going to vote. On June 20, 1862, the Senate version of the bill passed with a margin of “31 to 8.” Four days later, the House passed the bill and sent it to President Lincoln. Eleven days later he signed the Pacific Railroad Bill into law.⁴⁴

III.

Republican Congressmen, as they did with the “War Tariff,” continued to pass additional railroad legislation throughout the War. This set an economic policy precedent, which was followed for years to come. Representative Hiram Price, who “pledged to advance the cause of Iowa railroads,” introduced two bills intended to amend the 1862 Pacific Railroad Act. The U. S. Senate passed these on July 1, 1864. Republicans pushed them through the House to President Lincoln. Having just been re-nominated by the Republican Party and heading for an election in the fall, he eagerly signed them the next day.⁴⁵

There is a similarity in the readiness and speed of the Republican Congress during the War in introducing and passing tariff and railroad legislation, but there is an even stronger contrast between reasoning and purpose laying behind the two. According to Taussig, the major supporters of Tariff legislation were not out for personal gain. If personal gain did occur, it was incidental and not the result of a conscious effort on their part. This was not the case for Congressmen supporting railroad issue. While easily

⁴⁴ David Haward Bain. *The Empire Express*. Page 115; *Congressional Globe*. 37th. Congress. 2nd Session. 17 April 1862. 1704.; *New York Times*. 30 January 1861. Page 7.; *Ibid*. 14 February .1862. Page 4; *U. S. Statutes at Large. Pacific Railroad Act*. 1 July 1862. Vol. XII, page 489 ff.; *Congressional Globe*. 37th Congress 2nd Session. 20 June 1862. 2830.

⁴⁵ *Congressional Globe*. 38th Congress. 1st Session. 1 July 1864. 3459.; Robert West Howard. *The Great Iron Trail*. 1962. Pages 169-170.

rationalized that it was for the good of the country, “there was the constant congressional companion of self-interest . . .” Of these, “most notably, old Thaddeus Stevens of Pennsylvania, partner in an iron works that made track rails, insisted on an amendment stipulating that only American iron could be used on the road.” According to records from 1861 and 1862, LP&W (a railroad company) handed out stock certificates to United States Representatives and Senators with a face value totaling \$4,137,000. And Theodore Judah, the chief engineer for Central Pacific, passed out over \$60,000 in Central Pacific stock on Capital Hill in 1861. Hence, lobbyists enticed legislators with personal financial gain when deciding the future course of railroad legislation.⁴⁶

IV.

Though created under shady circumstances, this Congressional railroad legislation brought the completion of the transcontinental railway, allowing American industry to blossom and flourish.

In 1869, after a long, bitter and often terrifying struggle against Indian attacks, brutal weather, floods, labor shortages, political chicanery, lawlessness and a war, the first transcontinental railroad finally became a reality. Now the way was open for vast expansion and social changes that would make America the industrial giant of the world . . . one of the great engineering feats of history and . . . a fascinating chapter in the development of our country.⁴⁷

⁴⁶ David Haward Bain. *The Empire Express*. Page 108.; *Congressional Globe*. 37 Congress. 2 Session. 1 May 1862. Page 1909.

⁴⁷ *Rails Across the Continent: The Story of the First Transcontinental Railroad* by Enid Johnson. Text Courtesy Walt Winter. <http://cpr.org/index.html#Promontory>

Hence, though railroad issues did not have as much political importance as the issue of the Tariff, it was an important legislative issue soon after Lincoln's first election. Also, like the Morrill Tariff, the Pacific Railroad Act was passed swiftly through Congress over minority objection. But while the supporters of protective legislation met their political goals without being swayed by personal gain, the supporters of railway legislation met their political goals by being swayed by personal gain.

Conclusions:

The election of 1860 took place during the greatest crisis that the United States had ever seen. Secession seemed inevitable. So why would the Republican Party hold resolutions that were so anti-conciliatory? Why did they not give up party politics in order to save the Union?

Abraham Lincoln hit the nail on the head when he said “a house divided will not stand.” The slavery issue was going to pull the entire country in one direction or all the other. There could be no lasting compromise. Hence, so long as the Democratic South held views apologetic to slavery there would never be a longstanding reconciliation. In 1860, knowing that reconciliation was not likely, Republican leadership sought to take advantage of the political vacuum that had developed. But they knew that in order to win the election, unity within the Republican Party was critical. Protectionists from Pennsylvania, New York, and Maine needed to be appeased, and a railroad to the Pacific needed to be called for. Hence, Republican Party had no choice but to call for action in these and other areas.

After having won a landslide decision in the 1860 election, the Republican Party saw the victory of Abraham Lincoln as a mandate by the people of the United States. Hence, they set to work toward tariff and railroad legislation even before Lincoln was inaugurated and before the new Congress came into power.

Whigs, and later Republicans had held both the tariff and railroad issues as important for many years. South Democrats had thwarted action in the case of the railroad and even enacted opposing legislation as in the case of the tariff. This had been a continual frustration to Whig and later Republican legislators. The secession of the Deep

South had given the Republican Party an opportunity to enact these bills that they held close to their hearts.

It was terrible for the nation, but the Civil War was a terrific opportunity for the passage of the Tariff and Railroad Acts. The country needed revenue and needed a way to transport troops and supplies across the country with haste. What better guise could protectionists such as Henry Carey or rail-expansionists such as Theodore Judah have asked for? The War opened the way for the original passage of the Tariff and Railroad Acts. It also provided the political means necessary to expand and amend these acts over time. From their wartime foundation these acts formed the basis for Federal Policy in both areas for years to come.

SOUTHERN SCHOLARS SENIOR PROJECT

Name: Daniel Goodge Date: Aug 28 Major: History

SENIOR PROJECT

A significant scholarly project, involving research, writing, or special performance, appropriate to the major in question, is ordinarily completed the senior year. The project is expected to be of sufficiently high quality to warrant a grade of A and to justify public presentation.

Under the guidance of a faculty advisor, the Senior Project should be an original work, should use primary sources when applicable, should have a table of contents and works cited page, should give convincing evidence to support a strong thesis, and should use the methods and writing style appropriate to the discipline.

The completed project, to be turned in in duplicate, must be approved by the Honors Committee in consultation with the student's supervising professor three weeks prior to graduation. Please include the advisor's name on the title page. The 2-3 hours of credit for this project is done as directed study or in a research class.

Keeping in mind the above senior project description, please describe in as much detail as you can the project you will undertake. You may attach a separate sheet if you wish:

A critical research paper evaluating the civil war (on a, still to be determined, sub topic) utilizing original documents.

Signature of faculty advisor [Signature] Expected date of completion 14 Dec 00

Approval to be signed by faculty advisor when completed:

This project has been completed as planned: ✓

This is an "A" project: ✓

This project is worth 2-3 hours of credit: ✓

Advisor's Final Signature [Signature]

Chair, Honors Committee _____ Date Approved: _____

Dear Advisor, please write your final evaluation on the project on the reverse side of this page. Comment on the characteristics that make this "A" quality work.

Daniel Goodge
"Other War Time Agenda"
Honors Senior Project
final evaluation

This project was originally done in fall semester for Research Methods in History. At that time it did not rise to the level of an honors project. Danny has since done considerable work on improving it in a couple of ways. He has added more primary research, especially from the *Congressional Globe*. He has improved his prose. And he has added rigor to his analysis. With these changes I can give my approval to the paper's submission as an honors project.

Ben McArthur, advisor