

**Postbellum Protection and Commissioner Wells's
Conversion to Free Trade**

by

Stephen Meardon*

Williams College

*Department of Economics, Williams College, Williamstown, MA 01267. E-mail to smear-
don@williams.edu. I thank Douglas Irwin and Anthony Howe for comments that inspired this
paper, and William Barber, Bradley Bateman, Anthony Howe, James Wible, and participants in
the Williams College Economics Department seminar for suggestions that improved it.

Abstract

A moment of consequence to the postbellum U.S. tariff debate was the “conversion” of David Ames Wells, Commissioner of the Revenue from 1865-1870, to free trade. When he began his work Wells was a disciple of the eminent American protectionist Henry C. Carey. By the age of forty, however, he had become America’s answer to Britain’s Sir Robert Peel: a public figure of tremendous influence, who, having changed his mind on the issue, became the standard-bearer for free trade in both the intellectual and political arenas. Half a century and more in the past, when Wells’s name was better remembered in American economic and political history, several stories were told of the causes of his conversion: some attributed it ultimately to the force of ideas, some to interests. My purpose is to demonstrate that the unacknowledged but most important cause was Wells’s relationship with Edward Atkinson, and Wells and Atkinson’s mutual wish to grant effective protection, or net protection, to cotton manufacturers. The story of Wells’s conversion that unfolds in the demonstration is not one that disentangles and assigns weights to the contributions of theory and interests. It shows instead how each determined the other.

Key Words and Phrases: Wells, David Ames; Atkinson, Edward; free trade; revenue commission; effective protection; net protection. **JEL Classification:** B1, B31, F13, N71

1 INTRODUCTION

A moment of consequence to the postbellum U.S. tariff controversy was the conversion of David Ames Wells, Commissioner of the Revenue from 1865-1870, to free trade. When he began his work Wells was a disciple of the eminent American protectionist Henry C. Carey. Within five years, by the time of his commission's termination, Wells strove and was encouraged by notable others to be an American Richard Cobden: the standard-bearer for free trade in both the intellectual and political arenas of the United States, as Cobden had been in Britain.²

Wells's is not the only conversion story coloring nineteenth-century tariff history. Nor is it the most colorful one, much less the most celebrated. Before he inspired Wells's original embrace of protection, Henry Carey was a free trader. But in 1847, distressed by the Walker tariff reduction passed in Congress the previous year, Carey "jumped out of bed, and dressing [him]self, was a protectionist from that hour" (Dorfman 1946, p. 799). Better known and still provocative of debate is the conversion of Sir Robert Peel, at nearly the same time, to free trade. As Britain's Prime Minister at the apogee of agitation for repeal of the Corn Laws, Peel faced the task of balancing the claims of agriculturalists against those of manufacturers, the hungry, and the Anti-Corn Law League under the leadership of Cobden. From his elevation to Prime

²Edward Atkinson to Wells, undated 1867, Atkinson Papers, carton 16; Elihu Burritt to Wells, May 14, 1869, Wells Papers, reel 1, cited by Howe (2000, p. 146); see also Atkinson to Wells, November 8, 1884, cited by Sproat (1968, p. 179), and Joyner (1939, p. 203).

Minister in 1841 through 1844, Peel declared his support for the agricultural body and, on one occasion, led his fellow Conservatives to vote 308-1 against consideration of repeal (Irwin 1989, pp. 43-50). In 1845, when Cobden made his most forceful argument in Parliament against the Corn Laws and the moment arrived for Peel to reply, he crumpled his notes instead and said to the ally at his side, “*You* must answer this, for *I* cannot” (Morley 1881, p. 213). In 1846 Peel called for repeal and achieved it (McLean 2001, pp. 115-117).

To what force can such a momentous turn be attributed? A large literature traces the intellectual and political trajectory of the Conservatives under Peel in search of the causes of the policy change.³ William Grampp (1960) points to the role of politicians, most notably Peel, who promoted the common good as perceived through ideas like Cobden’s. George Stigler (1976, p. 352) suggests that such explanations flatter the politicians (and even more the economists) while disregarding the interests they serve: “if Cobden had spoken only Yiddish, and with a stammer, and Peel had been a narrow, stupid man, England would have moved toward free trade in grain as its agricultural classes declined and its manufacturing and commercial classes grew.”⁴ Somewhere between the poles of primacy of ideas or interests, Douglas Irwin (1989, p. 55) corroborates Peel’s importance and finds that “economic ideas, and not the

³Irwin (1989) reviews the literature through the 1980s, emphasizing work at the disciplinary intersection of history and economics. Political scientists have devoted more attention to the episode from the 1990s to the present: Schonhardt-Bailey (2003) offers an updated survey.

⁴Quoted by Irwin (1989, p. 41).

pressure of interests, were central to Peel’s conversion.” After parsing the Prime Minister’s own words, however, he qualifies the finding substantially: Peel drifted towards repeal by “experimentation and evidence” of the causes of food’s scarcity and the relationship of agricultural prices to wages, not by “abstract reasoning.” Cheryl Schonhardt-Bailey (2003) redirects attention from Peel to all of the House of Commons: she analyzes parliamentary roll call data using a logistic regression model in which parliamentarians’ votes on repeal are related to constituent interests, party, and a measure of ideology.⁵ Repeal succeeded in 1846, she argues, precisely because ideology ceased to matter: the Peelite Conservatives, who in prior votes had defied their constituents’ interests for party and ideology, at last began to represent them. Iain McLean (2001), using similar econometrics in combination with a rich survey of the historical moment’s politics, stakes out the precise middle ground. Those who would attribute the policy change to ideas, he concludes, do not show “how ideology is translated into action.” Those who attribute the change to interests fail to explain “why some prominent people” – most notably Peel, whose government fell in consequence of his achievement – “acted against their obvious material interests” (McLean 2001, p. 133).

The foregoing debate partakes of a larger and abiding one. At stake is more than a determination of the motives of Peel and his contemporaries in the matter of the Corn

⁵The measure of ideology is derived for each member from the extent that his “coordinate” in a one-dimensional political space is unexplained by either constituent interests or party.

Laws in mid-nineteenth century Britain. Can one presume that great policy changes are effected, either directly or indirectly, by ideas – a position that some authors (e.g. Goldstein and Keohane, 1993) have identified as the “reflectivist” approach? Or is the more tenable presumption, or at least the more fruitful, that policy changes are driven by agents’ rational responses to given interests and constraints – the “rationalist” approach? Supposing that one accepts some synthesis of both approaches (as one seems commonly to do when given exactly two of them), then what can be said about how ideas and interests interrelate?

A history of the Corn Laws controversy that maintains the importance to repeal of ideas as well as interests, and illustrates also their interrelation, is apt to treat Peel as a central figure and his conversion to free trade as a decisive episode. The history of America’s postbellum tariff controversy will benefit from similar treatment of David Wells.

Two likely objections come to mind. The first is that the American case is different from the British: the American agitation for tariff reform was not, on the whole, successful. But the postbellum tariff controversy’s imprint on nineteenth-century American thought and politics makes the reformers’ cause worth studying in its own right. In addition, Anthony Howe (2000, pp. 152, 156-157) has discussed how the reformers’ efforts, building upon those of Cobden and Peel’s generation, established an ideological tradition that ultimately (if posthumously) bore fruit. The 1913 Un-

derwood tariff reduction, and later and more enduringly the 1941 Atlantic Charter, prefigured a world commercial order manifesting their vision.

A second objection is that Wells was no Sir Robert Peel. He never held elected office – and not for lack of trying. On the occasions that he ran for U.S. Congress, he lost. One of Wells’s disadvantages was his running as a Democrat in a Connecticut district dominated by Republicans. Others were his high voice, nervous temperament, and sensitivity to hecklers (Joyner 1939, pp. 174, 203-174). Even if Wells had been appointed Secretary of the Treasury – as he twice anticipated (Joyner 1939, p. 89; Terrill 1969, p. 549) and was twice disappointed – he still would have exercised less political power than Peel. That the powers granted to him as Special Commissioner of the Revenue were considerably less goes without saying.

Nor, to push the last objection farther, was Wells even a Henry Carey. Joseph Schumpeter (1950, p. 524) wrote of Wells that “our analytic apparatus owes nothing to him.” If the same were said of Carey, the reason would be that his apparatus was either too early, or too quaintly folded into a sweeping historicist narrative, to be familiar to the late-twentieth century regional scientists who reinvented parts of it.⁶ Carey was a grand theorist and an original thinker. Although Wells displayed flashes of originality (Perelman 1995), most of the few authors who have devoted pages rather than sentences to him emphasize the past salience and influence of his

⁶Meardon (2005) offers a sketch of Carey’s thought that underlines his historicism.

ideas, not their inventiveness (Stanwood 1903; Tarbell 1911; Dorfman 1949; Sproat 1968; Terrill 1969; Cohen 2002). This is true even of his biographers (Joyner 1939; Ferleger 1942).

The onetime salience and sway of Wells's ideas, however, establishes his historical importance, and so too the importance of his conversion. Cohen (2002, p. 88) describes Wells as "the leading economic writer" among late-nineteenth century liberal reformers. Dorfman (1946, pp. 969-970; 1949, pp. 134-135) corroborates the enormous currency of some of his published writings. Sproat (1968, p. 179), amplifying Stanwood's (1903, p. 158) judgment, writes that Wells "exerted more 'potent influence' on American tariff thought in the late nineteenth century than any politician or academic economist of his time." Tarbell (1911, p. 29), an early twentieth century free-trade partisan, upholds him as one "to whom we owe more credit than he has ever received" for his "big influence on the country" during his tenure as Special Commissioner. And in the decades after the termination of his office, Terrill (1969, pp. 548, 552-544, 549-550, 550) documents his prominence among the Mugwumps; his leverage inside the first Cleveland administration through Secretary of State Thomas Bayard and Treasury Secretary Daniel Manning; his close alliances with congressional leaders including William R. Morrison of Illinois, Chairman of the House Ways and Means Committee from 1875 to 1887, whom he fed ideas and helped to devise plans for tariff reform; and his potency even as late as 1890, when he may have written, and

certainly shaped, the minority report in opposition the McKinley tariff bill. Wells was the man most crucial all at once to the rhetoric, popular understanding, and political strategy of the free trade position in the United States from the late 1860s to the 1890s. The question asked of Peel applies with equal relevance to Wells. How did he come to that position?

Wells's conversion affords an opportunity to revisit the subject of ideas, interests, and their interrelation with a new case study, and to emerge with new insight. The insight concerns the interrelation. Wells exemplifies how a practitioner's allegiance to certain interests stimulates his acceptance of economic ideas, and how a proselytizer adapts the ideas for interested ends. The practitioner and the proselytizer are, in this case, the same man, and the relation of ideas and interests is circular.

The circle is closed with a twist in Wells's story. His conversion was secured by an agent whose importance prior authors (e.g. Dorfman 1949, p. 9; Ferleger 1942, p. 195 and *passim*) have noted but not probed. The agent is Edward Atkinson, a Massachusetts cotton textile manufacturer, pamphleteer, and reform advocate. Under Atkinson's influence, Wells perceived his own interests and the nation's to be aligned with those of the cotton manufacturing industry. In numerous reports, articles, and books in which Atkinson and Wells articulated the case for free trade, they altered peoples' perceptions of their interests – including each other's perception of his own interests. What follows, then, is the story of David Wells's adoption and elaboration

of an economic theory supportive of tariff reform. But it is also the story of how the theoretical case for free trade in the United States transformed the interests and allegiances of its masters.

2 HENRY CAREY'S DISCIPLE

David Wells's path to prominence in nineteenth century political economy would have been difficult to foretell given the first thirty years of his life. After graduating from Williams College, in Western Massachusetts, in 1847 and returning to his hometown of Springfield to work as an assistant editor of the daily *Republican*, Wells was undoubtedly well acquainted with political economy by 1848. The Rev. Joseph Alden taught the course at Williams (Perry 1899, p. 692), and Wells was exposed to its application at the *Republican* under the guidance of its editor, Samuel Bowles. But there is no evidence that the subject interested him much. At Williams, Wells's favorite instructors were the college's president, Mark Hopkins, who lectured in the students' senior year on the topics in moral philosophy that political economy had not covered the year before, and the tutor in chemistry (Joyner 1939, p. 13). At the *Republican* he distinguished himself less in the art of editorial writing than in the mechanics of newspaper production: Wells invented a device for folding newspapers that was attached to the press, improving the firm's efficiency. When he quit the paper in 1848, he sold his rights to the invention and enrolled in the newly-founded Lawrence

Scientific School of Harvard College. The school was endowed by Boston cotton textile magnate Abbot Lawrence for the purpose of providing scientific knowledge for practical ends.

Wells earned his bachelor of science degree *summa cum laude* in 1851 and began a career as a lecturer in physics and chemistry at the Groton Academy and an assistant professor at the Lawrence School. He fused his scientific interests with his publishing acuity in the *Annual of Scientific Discovery*, a yearly volume detailing the progress of the sciences and new inventions for a general audience. As the *Annual* attracted attention and became more lucrative, he dropped his teaching to devote himself to it and other publishing enterprises exclusively. In 1855, with the expectation of buying a partnership in the publishing house of G. P. Putnam Sons, he moved first to New York and then to Philadelphia to edit Putnam's *Pennsylvania Farm Journal*.

He discovered at last that the publishing side of the business was less suited to his taste and talents than investigation and writing (Ferleger 1942, p. 2; Joyner 1939, p. 23). But his years with Putnam, particularly in Philadelphia, were not wasted. There he met the prominent economist and committed protectionist Henry C. Carey and was admitted as a junior member to his intellectual entourage. Wells's career as a political economist was not born at that moment, but it was gestated in his association with Carey. He had met a man of ideas and influence. Carey's ideas would soon be much in demand in Washington, and his influence would carry

Wells's talents farther than would the endeavors in scientific editing, publishing, and (of course) the academy.

By 1858 Wells was living in Troy and still at work with scientific writing. He was eager to make himself known and spread word of his two recent textbooks, *The Science of Common Things* (1857) and *Principles and Applications of Chemistry* (1858); his illustrious acquaintance from Philadelphia was a possible means. The texts related tangentially to Carey's interests – at least in parts – so Wells composed a letter. The texts might not have much to *teach* you, Wells wrote to Carey on May 1,

But in writing them I have kept steadily in view the principles of political economy as I have learned them from you and have endeavored to shape my teachings into consonance with them. This has been done indirectly and by examples, apropos with the subjects treated of, rather by any direct precepts. If you will allow me, I will forward them ... I shall be most happy to receive your last books, & have been meaning to order them. I have also read your letters in the Tribune with a great deal of pleasure. (Wells-Carey letters, May 1, 1858)

The impression one gets from Wells's correspondence with Carey during this time is of a young man eager to make a name for himself by hard work, pluck and solicitation. To curry attention from the great Pennsylvanian economist by presenting him with the fruit of Wells's work, even if that work could not have been of any great interest to him, and by adding a touch of flattery ("I hope you will find your reward

in the adoption and practical application of your views by the masses of our people” (ibid., April 8, 1858)) was to make at once a courteous gesture and an investment.

The investment yielded returns in the final year of the Civil War. Wells had established a reputation as an author who excelled in presenting scientific argument to nonscientists; the Union was in need of exactly that skill in 1864. The year before had seen draft riots in New York City amidst a climate of heated criticism, in the public and the press, of the war effort. Copperhead organs like the *World*, the *Express*, and the *Journal of Commerce* sought an armistice with the South in the face of mounting deaths and commercial losses. Their editorial strategy, according to William Cullen Bryant, editor of the *Evening Post* – another newspaper critical of the government, but on the grounds that it was not prosecuting the war vigorously enough – was to fix their attention on rebel successes in the battlefield and bankruptcies and high prices at home (Brown 1971, p. 450). To counter the anti-war propaganda Bryant and several others formed the Loyal Publication Society, intended to disseminate knowledge favorable to continuation of the war and directed towards “counteracting the efforts of the advocates of a disgraceful and disintegrating Peace” (Wells 1864, p. i). The Society needed someone to confront conclusively – if possible, scientifically – the claim that the Union could not long bear the costs of war. George P. Putnam, Wells’s employer in Pennsylvania a few years before, was on the Society’s Publication Committee and knew just the right man (Ferleger 1942, pp. 8-9).

“It has occurred to the writer,” Wells wrote in “Our Burden and Our Strength,” which proved quickly to be the most popular of the Society’s pamphlets, “that good and timely service might now be rendered to the country, by instituting a large and accurate inquiry concerning our national ability – present and prospective – to pay our maximum future debt, interest and principal.” That such a dry subject held the interest of enough readers to warrant the printing of a quarter of a million copies in six months is a testament at once to how much was at stake and to Wells’s power of written persuasion. Optimism was necessary to sustain the war notwithstanding enormous casualties. Optimism sent soldiers to the battlefield and sold war debt. Wells’s power to instill it rested in his capability, rare at the time, to marshal reams of statistical data to convey with simplicity and force apparently objective, scientific, irrefutable fact. If the national debt reached three billion dollars by 1865, an estimate that raised alarm among Copperheads, Wells demonstrated that the country’s circumstances would still be far from dire. He estimated the per capita wealth of the restored Union would be \$634.52; the per capita debt, \$82. “Large though these proportions may seem, yet applying them, practically, we should not consider the case of an individual as particularly one for commiseration, whose debts and liabilities were less than *one seventh* of his available assets,” he assured; “and if not the individual, then certainly not the country, restored, renewed, reinvigorated, as it must be with the termination of the rebellion and extinguishment of Slavery” (Wells 1864, pp. 6-7).

Still less should a rapidly growing population – including immigrants attracted by the high wages resulting from a “permanent protective tariff” – whose productivity would be bolstered by the accumulation of capital and labor-saving technological progress, panic over such a manageable debt (Wells 1864, pp. 13, 36). Following thirty-eight pages of detailed proof of the point, he summed up,

Enough of statistics (which no partisan zeal can wrest from their true meaning) have been given, to satisfy our readers that the country cannot be destroyed, or even crippled, by any probable future debt; and to induce every loyal man, as he reflects upon our resources as a nation, to “*Thank God and take courage.*” (Wells 1864, p. 38)

In retrospect one error in Wells’s pamphlet stands out, and it is the parenthetical remark above. Within five years Wells would be at the center of controversy that is an exemplary case study of how partisanship – and corresponding differences in theoretical affinities – may bring the meaning of statistical evidence into dispute. But in 1864 the only partisanship that mattered concerned the war; and with Republicans mostly united on the war and unopposed in government, Wells’s pamphlet in support of the war effort was not only uncontroversial in Washington. It was widely applauded, and Wells universally appreciated.

By spring of the next year Wells was made chairman of the newly-constituted United States Revenue Commission, appointed to inquire into the best method “of raising by taxation such revenue as may be necessary to supply the wants of the

Government” (U.S. Revenue Commission 1866a, p. 2). As the war drew to a close, the immediate wants of the government diminished and the entire system of internal and external revenue required revisiting. With respect to the external taxes, however, revisiting them did not imply dismantling them, or even necessarily adjusting them downward. From 1861 to 1865 the average tariff, measured in Figure 1 as the ratio of duties to all imports or the ratio of duties to dutiable imports, rose sharply from 14% or 19% to 38% or 48%. One purpose of the rise was war finance, but another was protection for domestic manufactures (Taussig 1892, p. 162). Notwithstanding the war’s end, therefore, adjustment of the tariff would be bitterly controversial. Wells’s charge, Secretary of the Treasury Hugh McCulloch insisted, was “of more important character than those which have been devolved upon any commission ever enacted by this Government” (McCulloch to Wells, 24 March 1865, Wells Papers).

[INSERT FIGURE 1]

3 WELLS’S COMMISSION AND HIS CONVERSION

Wells’s first task was to find two fellow commissioners. He turned to Carey to ask advice. He was also eager to signal his abiding commitment to protection. The commission would generate a wealth of statistics and testimony that “would be worth millions to the country”; but it would also “furnish arguments in favor of our views, which it would be impossible to set aside by any mere declamation” (Wells-Carey

letters, April 8, 1865). Wells wrote seven more times in the spring and summer of 1865 as he was preparing the ground for the Commission. On April 10 he mentioned more candidates for the other two seats – and then, acknowledging receipt of Carey’s recent book, added, “Please accept my thanks for the book – and fully believing in you and your doctrines I shall endeavor to serve the country by carrying them out.” On April 19 he wrote, “Now it does seem to me you ought to be able to recommend some one from Penn.” And on May 9: “I have the pleasure of announcing to you that the Secretary has offered the appointment to Mr. [Stephen] Colwell, and I trust you will see that he accepts it.” Colwell was another member of Carey’s Philadelphia intellectual circle, an even more devoted adherent to his “American system” of political economy than was Wells, and an eminent author on political economy in his own right. Thus, as Wells began his work in 1865, his commitment to protection and to Carey were firm, and Carey’s influence to the work of the Commission was secure.

Wells and Colwell were joined by Samuel S. Hayes, Comptroller of the city of Chicago. Hayes was intended to balance regional interests: because he was an acknowledged copperhead, he would represent both the West and the South. Wells expected him “to be of no account anyway” (Wells-Carey letters, May 27, 1865) – an expectation that was also the fervent hope of committed protectionists. Their hope was mostly realized. The Commission solicited testimony, gathered data, and wrote through the summer and fall of 1865. In January of 1866 the commissioners

produced a report with specific recommendations for reform of the revenue system, accompanied (in some cases shortly afterward) by thirteen “special reports” on the conditions in and needs of particular sectors: cotton, sugar, distilled spirits, and so on. Wells was responsible for the overall report and at least seven of the thirteen special reports. Colwell authored four of the reports, including, most notably, those of wool and woolens, iron and steel, and foreign trade. Hayes produced just one, on petroleum. In consequence the report came to protectionist conclusions, albeit moderately so.

Colwell’s contributions were the most unmistakably protectionist. In his Special Report No. 10, “Upon the Relations of Foreign Trade to Domestic Industry and Internal Revenue,” Colwell emphasized the necessity of sustaining manufacturing industry, promoting the diversification of all industry, and achieving the attendant technological externalities and productivity growth. “If diversity of production adds so much to the productive power of a people,” he wrote, “and, by consequence, so much more to their purchasing power, ... it is proper to consider what policy, on the part of the government, will most promote diversified industry, and secure its activity and continuance” (U.S. Revenue Commission 1866a, p. 279). Colwell’s reasoning was an unmistakable echo of Carey’s, and so was his prescription: heightened tariff protection for manufacturers. The need for such medicine, he believed, was urgent:

What it would have been always politic for the country to do has become

indispensable now – a financial necessity. Our tariff must now not only be adjusted to the difference between the cost of labor abroad and at home, but also to the burden of the internal duties levied upon home products. This is now a pressing duty. The complications and duplication of taxes, arising from the great number of articles and occupations taxed, has not only neutralized the foreign or custom duties, but in many cases produced a heavy discrimination in favor of foreign labor. (U.S. Revenue Commission 1866a, p. 283)

Wells agreed entirely with Colwell's ends; he agreed, too, with the privileged place reserved by Colwell for manufacturing industry; and he agreed with Colwell's protectionist principles. But he argued that protection could be achieved by different means. He made the point by way of a brief review of the revenue system of Great Britain. Wells acknowledged that the repeal of the Corn Laws had contributed to British well-being. In his view, though, such acknowledgment upheld rather than undermined protectionist principles. The Corn Laws contributed to the high price of raw materials and of food, and so increased the cost of production of manufactured goods, benefiting foreign competitors. When the Laws were repealed, manufacturers were able to combine domestic labor with cheap foreign raw materials, and thereby produce and export goods at lower cost than could their foreign competitors. "This principle is the key to British free trade ... but it may be gravely questioned whether it is not protection in a more subtle form" (U.S. Revenue Commission 1866a, p. 7).

In making his recommendations, therefore, Wells suggested that protection could be achieved similarly in the United States by reducing costs of domestic manufac-

turers; and *that*, he argued, could be achieved best, not by raising import tariffs, but by eliminating most of the labyrinthine system domestic excise taxes. “The remedy, therefore, ... must, in the opinion of the commission, be sought for in such a revision of the present internal revenue system as will look to an entire exemption of the manufacturing industry of the United States from all direct taxation” (U.S. Revenue Commission 1866a, p. 17). He and his fellow commissioners recommended accordingly some changes to the tariff schedule – for instance, an increase in the tariff on cotton fabrics to compensate for one of the few proposed increases in excise taxes, namely, the tax on raw cotton (U.S. Revenue Commission 1866a, p. 83). But in general they favored little revision of tariff rates. Instead they directed most of their recommendations towards repeal of several particular excise taxes and a reduction by fifty per cent of all others (U.S. Revenue Commission 1866a, pp. 37-41).

Two bills were drawn up in Congress in the Spring of 1866 based on the Commission’s report: first, a revision of internal revenue, and second, a tariff bill (Stanwood 1903, p. 146). The internal revenue bill was signed into law on July 13. The tariff was the subject of greater controversy. Once tariffs entered the debate in Congress, congressmen brought to the floor petitions “praying for an increase of the tariff” on imported wines (by California and Illinois grape growers), imported wool (by citizens Dutchess and Geneses Counties, New York), imported cigars (by Cornelius Cline, an Ohio tobacco manufacturer) imported flax (by several citizens of Ohio and New

York), imported manufactured goods in general (by Philadelphia manufacturers), imported “time paper” (by the Milwaukee Chamber of Commerce), imported steel (by several citizens of Ohio), and so on (House Journal, 39th Cong., 1st sess., pp. 74, 156, 177, 244, 252). The resulting bill, H. R. 718, was titled “An Act to Provide Increased Revenue from Imports, and Other Purposes.” Most germane were the “other purposes”: protection for the distressed petitioners.

In the midst of this debate over H.R. 718, Wells was caught in the horns of a dilemma. He was, ostensibly, a protectionist, and must have been loath to alienate himself from his allies in Pennsylvania and the administration that had appointed him. Besides, the impetus for the bill was his own report. Yet in its specifics the bill departed substantially from his recommendations. In his next report Wells would have to comment, favorably or not, on the pending legislation: Secretary McCulloch instructed him to make the tariff the principal subject of his report to be submitted in December of 1866. Nor could he delegate responsibility for the tariff work to another commissioner, as he had done before: by a further act of Congress, the other commissioners had been removed and Wells was appointed sole “Special Commissioner of the Revenue” (Wells 1867, p. 1).

Wells responded in a manner that would become characteristic of him over the next two years. He stated as diplomatically as possible his disagreement with his erstwhile allies over certain practical details, while avowing unflinching allegiance to

their principles. “As respects the House bill No. 718, now before the Senate,” he wrote,

the commissioner respectfully asks of Congress its reconsideration, inasmuch as he believes it to be exorbitant in its rates, tending to further inflation of prices, destructive of revenue and of what little or foreign commerce yet remains, and prejudicial to the general interests of the country. And, in confirmation of these conclusions he would add that admissions have been made to him by representatives of many of the producing interests of the country likely to be affected by this bill, that the rates of duty imposed by it are higher than are necessary for the adequate protection of their interests. (Wells 1867, p. 42)

Instead, he reiterated that “the relief now unquestionably needed and sought for by the producing interests of the country, should be mainly given by Congress through a deduction of taxation on the raw materials indicated, and on the machinery and results of domestic industry, rather than by an extensive and large increase of the rates of duty on importations” (Wells 1867, p. 41). But “the question at issue,” he insisted, “is not one legitimately involving any discussion of the principles of either protection or free trade. On these points the policy of the nation may be considered, for the present at least, as definitely settled” (Wells 1867, p. 40).

In the event, Wells’s wish for the tariff bill’s failure was granted – due not to his persuasiveness but rather to a blunder by its proponents. The bill had been passed by the House in late June of 1866, and passed by the Senate, with amendments, in early February of 1867. In both instances large majorities favored it. By February,

however, only one month remained in the 39th Congress, and the necessary two-thirds majority could not be mustered in the House to cease the lengthy discussion of each separate amendment. The bill was dropped and a less sweeping one, concerning tariffs only on wool and woolens, was passed in its place (Stanwood 1903, pp. 151-158).

At least two contrary notions of Wells's position on free trade versus protection circulated in the spring and summer of 1867, and Wells was responsible for both of them. His reaffirmation of protection in general, while he urged reconsideration of its particular manifestation in H.R. 718, came in late December, 1866. One month later, at a special meeting of the American Social Science Association in Boston, Wells was cited approvingly by the meeting's two featured speakers, both of whom spoke out for free trade: Williams College's Arthur Latham Perry, the postbellum generation's foremost academic exponent of *laissez-faire*, and Edward Atkinson, the Boston cotton goods manufacturer who had furnished Wells with valuable testimony and data for his reports (New York Evening Post, Jan. 31, 1867). Atkinson presented a paper in which he reported of Wells, "his convictions are evidently changing somewhat, and I believe that a man of his ability, and with the opportunity which he has for observing the evils of legislation for special interests, cannot long avoid being a convert to the doctrine that free trade and not protection is the proper basis from which to enact a tariff law for the collection of revenue" (Atkinson 1867, p. 13). Privately corroborating Atkinson's observation, Wells wrote to Perry in March to say that "I

have been intending to write you for some time past and tell you confidentially of the change which my recent intimate connection with tariff legislation has produced in my opinions, in respect to free-trade and protection. Frankly, I have become thoroughly disgusted with the extreme views, which I once, and as you know quite recently, thought it heresy to disbelieve” (Wells to Perry, March 11, 1867, cited by Ferleger 1942, p. 178).

In April, on the other hand, Wells wrote to Philadelphia to complain peevishly to Carey about “a most persistent and determined effort on the part of some to draw me in with the ranks of the free traders,” and to express his determination “not to be read out of the ranks of my old friends and supporters” (Wells-Carey letters, April 26, 1867). Two months later his determination was the opposite: he wrote to Atkinson in Boston to give notice that “I have changed my ideas respecting tariffs & protection very much since I came to Washington & am coming over to the ground which you occupy. I am utterly disgusted with the rapacity and selfishness which I have seen displayed by Penna. people ...” (Wells to Atkinson, July 17, 1866, Atkinson papers). And two months after that, he declared to his distinguished Pennsylvanian mentor that, notwithstanding a recent trip to England (the citadel of “British free trade,” as Carey put it disdainfully) “you may be assured however that I have not turned free trader” (Wells-Carey letters, Sept. 17, 1867).

Wells prepared Perry, at least, for his singular duplicity:

The time has not however come from me to distinctly avow my sentiments. I am accumulating a store of facts, which private individuals could not obtain, and which when made public will I think go very far towards settling our future commercial policy. To provoke opposition now, would probably close the door to some important investigations; so for the present I must work on silently. (Wells to Perry, March 11, 1867, cited by Ferleger 1942, p. 178)

What facts were Wells expecting to collect, and how long would he wait to come out with them? His letter to Perry might be interpreted to mean that in his report for 1867 he planned to contrast the information on high prices and exorbitant profits that he would gather from protectionists, who still confided in him, with data describing more favorable economic conditions that he would observe during his fact-finding mission to free-trade England. With that possibility in mind, it is instructive to read the Report for 1867.

In the Report, Wells avoided the tariff question – even obfuscated it – as never before. The tariff was the central question of the report for 1866; in the Report for 1867 it is hardly mentioned in forty-nine pages of text. It appears on the eleventh page, as follows:

In determining, moreover, for the future what shall be the average rate of the tariff, it is important to bear in mind that the practical question presented is not so much what the respective advocates of free trade and protection may desire, or what abstract economic science may teach, but rather what under existing circumstances is most expedient. And, viewed in this light, it seems certain that, with all its objectionable features, we

have as yet devised no system, as a whole, which operates with so much of certainty and equality as the system of taxation levied through the tariff. (Wells 1868, p. 11)

In the context of the emerging tariff debate Wells's comment was a platitude, and an evasive one at that. Neither free traders, led by Perry, Atkinson, and Bryant, nor protectionists, led by Carey, disputed that the tariff was, for the moment, the most expedient means of raising revenue. The tariff question was two-fold: Should tariff rates be set above the minimum required to meet the revenue needs of the government? Should they be set above the rate which would maximize revenue? Protectionists answered "yes" to at least one of those questions, and more commonly both; free traders answered "no" to at least one, and more commonly both. Wells's foregoing comment in the report for 1867 addressed neither. In returning to the tariff in the report's final paragraphs, he remarked only that he had originally intended to address the tariff, but begged leave to set the matter aside and consider it in a later report (Wells 1868, pp. 48-49).

When at last he did so, the resulting reports for 1868 and 1869 were very different from his earlier ones. In the Report for 1868, Wells argued that free trade was, *a priori*, salutary. "In fact," he wrote, "our present tariff is in many particulars apparently based upon the old fallacy that, in the exchange of commodities between nations, which constitute commerce, what one gains the other loses. It needs but a moment's thought to be convinced that there can be no permanent trade or commerce

unless it is for the gain of both nations” (Wells 1869a, p. 80). In the report for 1869 he found that the prevailing tariff, which reflected “the will of highly organized and aggressive associations of capitalists,” was “excessive and unnecessary, and opposed alike to the highest interests of civilization and humanity” (Wells 1869b, p. 72).

Wells had come out unambiguously for free trade. Perry wrote him a congratulatory letter assuring that the report of 1869 “will be our Bible in our future onslaughts on the monopolists” (Wells Papers, 31 Dec. 1869). Carey published a scathing rebuttal of the report, impugning Wells as a betrayer of American interests (and protectionist principles, and Carey himself) for “British gold.” He opened with an epigraph:

Then one of the twelve, called Judas Iscariot, went unto the chief priests, and said unto them, 'What will ye give me, and I will deliver him unto you?' And they covenanted with him for thirty pieces of silver. And from that time he sought opportunity to betray him. . . . And forthwith he came to Jesus and said 'Hail, Master,' and kissed him. – St. Matthew, chap. xxvi. (Carey 1870, p. 1)

Like Carey, the protectionist majority in Congress felt double-crossed. After the Report for 1869 Wells’s position was not renewed.

What caused Wells’s conversion to free trade? The question was discussed widely at the time. His conversion became part of a story that Wells himself told, beginning in 1870 and continuing until his death in 1898, as he proselytized for tariff reform. The cause to be advanced here is not the most-cited one. Before the case for it is made,

the others deserve a hearing. They will be designated (1) persuasion by evidence of trade and wages; (2) aversion to special interests; (3) persuasion by economic theory; (4) bribery; and (5) flattery.⁷

3.1 Evidence of trade and wages

In 1882, in a lecture in Brooklyn on the benefits of free trade, Wells recalled his conversion in the late 1860s. “In 1867,” he said, “as Commissioner of the Revenue of the United States, and a full believer in the doctrine of protection, growing out of early training in a family of New England manufacturers, I personally visited and studied the leading industries in Europe.” One of the most widely understood arguments for protection at the time – and one to which, we have seen, Wells alluded in “Our Burden and Our Strength” – was that protection supported high wages; or, put differently, that protection prevented American labor from suffering the impoverishment of the

⁷There is, arguably, a sixth: persuasion by evidence of trade and technology transfer. Henry George, in his *Protection or Free Trade* ([1886] 1941, p. 168), observed that “Cases have occurred in which British manufacturers, compelled by competition to adopt the latest improvements, have actually sold their discarded machinery to be shipped to the United States and used by protected Americans. It was his coming across a case of this kind that led David A. Wells, when he visited Europe as Special Commissioner of Revenue, to begin to question the usefulness of our tariff in promoting American industry.” George appears to have meant that protection induces Americans to adopt hand-me-down foreign technologies rather than up-to-date foreign technologies, and so keeps Americans a step behind the British. A different interpretation is that adopting hand-me-downs is a means for Americans to keep close on British heels technologically – but the greater is American protection, the more expensive are the hand-me-downs, so Americans are induced to buy fewer of them. Protection therefore keeps Americans a long step behind the British instead of merely a short step. Whichever of the meanings George intended, this sixth conversion hypothesis is not as noteworthy as the aforementioned five. The evidence supporting it consists of only the briefest mention by Wells (1869a, p. 74).

“pauper labor” of Europe. Wells claimed that his fact-finding mission to Europe in 1867 brought about his conversion to free trade by refuting the “pauper labor” argument with hard facts. “It exposed the falsity of the plea so constantly urged in this country that American labor, by reason of its ability to earn higher wages than the competitive labor of Europe, needs to be shielded and protected,” he explained.

For,

As I went – note-book in hand – straight from the factories and machine shops of England to the factories and machine shops of the continent, I found that, just in proportion as wages decreased, the demand for protection to domestic industry and the dread of British competition increased; and that this was especially the case, when through commercial depression and scarcity of employment a supply of labor to the continental manufacturer was available at less than average rates. The revelation of this fact was equivalent to a knock-down blow, planted right between the eyes, to many of my previous economic ideas . . . and I then and there took my first step in conversion from protection to free trade. (Wells 1882, p. 20)

Because this was Wells’s own explanation of his conversion it warrants particular attention. But it also warrants skepticism. Ferleger (1942, p. 192) testifies that Wells was prone to misremember the chronology and significance of events in his own life even when doing so was not particularly opportune. In this case it certainly was opportune. For Wells to claim that he was converted to free trade by “just the facts” was to project exactly the image of himself that had established his reputation for rectitude. Wells’s professional success – and his ambitions – depended on his

being viewed as a meticulous chronicler and impartial analyst of statistical evidence, regardless of the position it supported.

3.2 Aversion to special interests

Edward Stanwood, whose two-volume history of American tariff controversies (1903) remains authoritative, wrote that in the period of Wells's service "Washington had come to be filled with as fine a band of plunderers as ever besieged a National Congress: tax swindlers, smugglers, speculators in land grants, railroad lobbyists, agents of ship companies, mingled with the representatives of industries seeking protection, until it seemed as if Congress was little more than a Relief Bureau" (p. 52). The comment comes from a historian who exhibited sympathy with protectionist arguments and the legislators who made them. Free traders took greater notice and expressed more alarm. Upon the formation of the American Free Trade League in January, 1866, its president, William Cullen Bryant, petitioned Congress against protective duties in these terms:

Protective tariffs are carried through Congress by a combination of private interests; the sugar planter is won over by a duty greater than the cost of producing sugar elsewhere; the iron-master, the cotton and woollen manufacturers, receive severally their separate advantage in the way of special favor to their occupations; and joining forces, they roll the unjust law through to the wrong of all the rest of the people. . . . Every farmer, every planter, every laborer, every carpenter, mason, sewing women, every worker in this country, every consumer, in fact, except the few who derive

a profit from these petted occupations, is robbed daily and hourly, and their earnings are put into the pocket of the favored few. (Bryant 1866, p. 2).

Arthur Latham Perry, for reasons identical to Bryant's and in the rhetorical tradition of Cobdenism, referred to the beneficiaries of protection as "monopolists." We have already seen evidence in the correspondence between Perry and Wells that Wells was being won over by the same view.

3.3 Persuasion by theory

"Theory" was a term of special opprobrium in the American tariff debate of the mid to late nineteenth century. An argument was persuasive if it was believed to be "practical," built on hard facts, and discounted if it hanged on "deductions." By this standard, Wells, given his aptitude for statistics, was a singularly persuasive author. But as his conversion became apparent he was attacked increasingly by protectionists on the grounds that he had been seduced by pie-in-the-sky theory. After Wells departed for Britain and the continent in the summer of 1867, Secretary McCulloch relayed the fears of protectionists about the trip and presaged the arguments that would be wielded against Wells upon his return. "Some of our high-tariff men are very apprehensive that you will become too much indoctrinated with free trade notions by a visit to England, " related McCulloch (Wells Papers, 12 July 1867). England was the land of Cobden and Bright, those popularizers of free trade political economy

who had brought about the repeal of the Corn Laws a generation earlier.

The reaction that McCulloch foreshadowed was delayed, but within a couple of years it came in storm. In Congress William D. Kelley of Pennsylvania, chairman of the House Ways and Means Committee, denounced Wells's report for 1868. He railed against "the Commissioner's *theory* that our legislation is making the rich richer and the poor poorer." "His traveling expenses are at the cost of the Treasury," Kelley continued, "and he is surrounded by a competent clerical force, and that he should have rested all his *theories* upon an array of facts so meager and so easily disproved is, to say the least, not creditable to his industry and judgment." But "happily for the country they are so flagrantly and absurdly false that Mr. Wells deductions and conclusions will be received but as the vain imaginings of a *dreamy and indolent theorist*" (Cong. Globe, 40th Cong., 3rd sess., pp. 118-120, italics mine).

Wells had anticipated the form of Kelley's denunciation and had already prepared his defense. He began his report for 1868 by insisting that he wrote it "with a view not of establishing or confirming any particular *theory*, but rather of determining, through the collection of positive data, what policy in legislation is likely to prove hereafter most advantageous to the revenue" (Wells 1869a, p. 1). But that was not forceful enough. More so was the preface to his report for 1869: "these issues do not at present involve either the *theory* of free trade or the fact of protection. The questions arising are *practical questions purely*" (Wells 1869b, p. 71, italics mine).

Like his claim that his conversion was brought about solely by the statistical evidence, however, Wells's disavowal of theory cannot be accepted on his word. His reports contain ample traces of the theory whose influence he denied.

3.4 Bribery

Carey likened Wells to Judas not only because he felt betrayed. He believed the betrayal was bought. While William D. Kelley denounced Wells's report for 1868 in Congress, Carey did so in Horace Greeley's *New York Tribune* in a series of thirteen open letters to Wells. In the penultimate letter Carey asked,

Why is it that your report is so precisely in accordance with the views and wishes of those great British 'capitalists,' who are accustomed, 'in their efforts to gain and keep foreign markets,' to distribute money so very freely among those of our people who are supposed to be possessed of power to influence public opinion? (Carey 1869, p. 55)

The editors of the *New York Times*, among others, understood that the question was hardly innocent.

Now if this paragraph means anything it is intended to insinuate, if not openly to charge, that the money of British capitalists has been distributed in this country to influence legislation, and that Mr. Wells made his recent report under and by reason of such influence. ... If British gold is flowing around in our midst, if Commissioner Wells has had his pockets lined with it, we should like to know it. ... And if such evidence cannot be produced, the public will surely be warranted in pronouncing

that cause most weak, which needs to be supported by the use of such groundless and contemptible insinuations. (March 22, 1869, p. 4)

History has taken the side of the *Times* in presuming Wells to be innocent of the charge. British conspiracy was a common nineteenth-century trope, fed by the memory of antebellum conflicts between the United States and its former colonizer, by the Civil War disputes over the *Alabama* and the *Trent*, and increasingly by competition for commercial supremacy in foreign markets. It was employed not only by Carey (although he was the master of it), and not only against Wells (Crapol 1973, p. 22). Even Stanwood (1903, pp. 160-161), who considered the accusation of bribery “not altogether inexcusable,” ultimately dismissed it. “No one,” he concluded, “after the first outburst of anger and annoyance had passed, either then or subsequently has doubted his perfect sincerity and probity.”

3.5 Flattery

A possibility less frequently entertained – because less damning – is that Wells was bought neither by thirty pieces of silver nor by “British Gold,” as Carey believed, but instead by a different currency. I have in mind Paul Samuelson’s (1962, p. 18) aphorism that “the economic scholar works for the only coin worth having – our own applause.”

In the letter that Rep. Griswold sent to Secretary Fessenden recommending Wells

for a seat on the commission, he speculated that Wells's motives were to do good for the country and to "achieve some reputation for himself" (Ferleger 1942, p. 20). It is likely that the reputation Wells might have achieved among protectionists, whose ranks included many men of industry but few renowned intellectuals save Carey, could not have satisfied him as much as the reputation he earned among free traders. Wells distributed his reports to men of influence in Britain: W. E. Gladstone's secretary expressed the Prime Minister's appreciation; the Cobden Club's honorary secretary, Thomas Bayley Potter, did likewise for his associates. Wells was invited during his 1867 trip to a dinner of the Political Economy Club, whose august membership included, for the most part, devout free traders (Wells Papers, undated, reel 8; Howe 1997, p. 115). All this must have made an impression on Wells. If he had once been eager to please Henry Carey, it is plausible that he became at least as eager to earn the appreciation of this larger and more distinguished company. Wells was further encouraged, after his conversion, by his election in 1870 to the Cobden Club; by the Club's publication of several of his works; by his being lauded before its members as "the leader of American Free Traders"; and by his appearance as the guest of honor at the Club's dinner of 1873, where, according to the minutes, he was "greeted with loud cheers" (Cobden Club 1873, p. 40; 1874, p. 16; 1875, pp. 126-129).

The speech Wells gave to the Club while in the spotlight of its admiration lends support to the hypothesis that his conversion was influenced by flattery. Notwith-

standing the pains he had taken to disavow, to an American audience, his fealty to any “theory,” he was now pleased to report to his approving British audience on “the recent progress in the United States in the direction of *true economic theories*” (Cobden Club 1873, p. 41, emphasis added).

4 EDWARD ATKINSON AND THE COTTON TEXTILE INTEREST

All of the foregoing accounts of Wells’s conversion are true to some degree. Wells was indeed persuaded by theory, as one of the conversion stories has it. He was also persuaded by evidence, repelled by the interested appeals of some parties, flattered by others, and even bribed (albeit trivially, as will be shown) by yet another. Rather than adjudicating among the various accounts – or, more simply, letting the matter rest there – an alternative will be suggested. It has the advantage of casting light on the other accounts and showing where each is lacking. It illustrates how interests may shape the development and acceptance of economic theory, and how, in turn, theory shapes the interpretation of evidence and thereby the perception of interests. It centers on Wells’s relationship with Edward Atkinson.

Atkinson requires a more thorough introduction. He was Wells’s senior by only one year, but by 1865 was already well established in Massachusetts business and politics. In 1851, at the age of twenty-four, he was appointed treasurer of Ogden Mills, a cotton goods manufacturer. He worked his way up to part-ownership in several mills. At

the same time he became an active pamphleteer: an early and widely-distributed work was “Cheap Cotton by Free Labor” (1861), in which he sought to demolish the claim that cotton could only be raised in sufficient quantity by slave labor, and so to remove that particular source of reluctance to go to war. He formed a bond with the president of the Loyal Publication Society, John M. Forbes, a Massachusetts railroad executive and organizer of troops bound for service in the War. Forbes was also a man of voice in the Republican Party and Atkinson’s channel to Washington. Through Forbes, Atkinson anticipated the formation of the Revenue Commission and sought to influence its composition.

In early 1865 Atkinson’s correspondence with Forbes had mostly to do with two things: cotton, and the appointments for Lincoln’s second term that would best serve the interests of cotton manufacturers and the nation. So he complained to Forbes about the excessiveness of duties on raw cotton; he also speculated about the possibility of having George S. Boutwell appointed Secretary of the Treasury. Boutwell, a Van Buren Democrat and Governor of Massachusetts before the organization of the Republican party, had afterwards been appointed by Lincoln to be the first Commissioner of Internal Revenue in 1862. He served as such until 1863, when he resigned to serve as a Republican congressman from Massachusetts. Atkinson thought Boutwell would be a good choice for the Treasury: his experience and competence were valuable, of course, but equally so was his identification with Atkinson’s interests. As an

erstwhile Democrat, Boutwell was among those Republicans with an a skepticism of high protection. Atkinson wished that Treasury officials would be skeptical of at least some trade barriers: the war had interrupted the supply of cotton from the South to New England cotton mills, increasing their reliance on imported Indian (or “Surat”) cotton (Atkinson 1863, p. 5; U.S. Revenue Commission 1866b, pp. 20, 23). Iron and steel for construction of mills, and machinery for the mills manufactured from iron and steel, were also commonly imported from England and faced high import tariffs.

It would be too much to say that, in 1865, cotton goods manufacturers were free traders. It would be too much to say that even Atkinson was then a free trader. Two years earlier, in his report on cotton manufactures to the Board of Trade in Boston, Atkinson had said that “A steady tariff, adjusted to the exact revenue point, is certain for many years. More than this no skilful manufacturer desires or asks” (Atkinson 1863, p. 21). At the time, in other words, Atkinson sought no more, but also no less, than the “incidental protection” obtained from a revenue-maximizing tariff. His interest in installing a free trader in the Treasury Department was less to obtain free trade than to ensure that, by way of low tariffs levied on the inputs to cotton manufactures, incidental protection would amount to effective protection. One year later, in a letter to the Hon. James G. Blaine of Maine, Atkinson stated his position clearly:

Upon the general question of protection, my position is this. If we had

never framed a tariff except for the simple purpose of collecting revenues, I would never do so, but inasmuch as we have in the past had tariffs, framed for protection, and our industry has thereby been forced into channels which it would not have naturally followed, any change in policy must be very gradual.

Second, no change should be made toward a reduction of duties upon cotton manufacturers or any other article unless a general change is made; because in order to compete with England we must have access to her machine shops and buy cheap machinery. We cannot make cotton goods with machinery, in the manufacture of which the iron master and the machinist have been protected, unless the cotton fabric be also protected. Neither can we compete with England unless we have all our raw material free of duty as she has.

Third, all our internal taxes must be offset by corresponding duties before the duty begins to be effective even to the point of the incidental protection offered by a revenue tariff. (Atkinson to Blaine, May 30, 1866, in Williamson 1934, pp. 64-65)

In fact Atkinson lobbied for higher tariffs on cotton manufactures. He just denied that the increase would constitute “technical protection” if one accounted for internal taxes on domestic inputs and output and for tariffs on imported inputs. As a complementary strategy, in order to prepare for the possibility that tariffs on cotton manufactures would not be raised, he also sought lower excises on raw cotton and lower tariffs on machinery. His advocacy of Boutwell for Secretary of the Treasury was part of that complementary strategy.

Boutwell did not get the position, which went instead to Hugh McCulloch. But there would be more positions to fill. Once in office McCulloch was solicitous of Atkinson, writing to him to welcome his suggestions for appointments to the Rev-

enue Commission. As with the top Treasury post, Atkinson did not see his first choice appointed; but Wells, after his appointment as chairman, dutifully sought Atkinson's advice and opinions, and thereafter was even more solicitous of him than McCulloch had been. From April 6, 1865 until the publication of Wells's final report as Special Commissioner in December 1869, Wells sent Atkinson no fewer than one hundred letters. From the end of 1869 until the end of his life in 1898, the letters numbered an additional two hundred and ninety-one. Atkinson became Wells's constant correspondent and confidant.

Atkinson also became Wells's chief source of information and adviser on cotton and cotton manufactures. In October 1865, under the auspices of the Commission, Wells took testimony from Atkinson and fifteen other cotton planters, traders, and manufacturers, and compiled the transcripts in a fifty-page appendix to his "Special Report on Cotton," one of the thirteen specific reports that accompanied or followed shortly after the Commission's general one. Atkinson's testimony is by far the longest and most detailed, consuming eleven and a half pages of text. Wells borrowed directly from it to compose his report.⁸ The result was a report favorable to cotton manufacturing interests.

In one respect Wells's recommendations were even more favorable to cotton manufacturers than Atkinson requested or wished. Wells was intrigued by the possibility

⁸Compare, for example, the data on p. 77 of the U.S. Revenue Commission's report (1866a) with those on p. 21 of the testimony (1866b).

of an export tax on raw cotton. Atkinson's and others' testimony indicated that the United States had substantial market power in the market for raw cotton, especially high-quality cotton. Approximately 88% of England's imports of over one billion pounds of cotton came from the U.S. in 1860. Three years after the war's outbreak, U.S. shipments had declined by 93%. Despite a tripling of the Egyptian supply, a quadrupling of the Indian supply, and the cultivation of new crops in China, Japan, Turkey, and elsewhere in Asia Minor, England was able to consume only half as much cotton in 1864 as it had in 1860. The hindrance was not only that alternative sources were difficult to generate quickly on the necessary scale. The alternatives were imperfect substitutes for American cotton, which was of high quality and to which English mill machinery had been specially adapted (U.S. Revenue Commission 1866b, pp. 6-7). Given the evidence of U.S. market power it was reasonable to anticipate that, if the Constitutional ban on export taxes could be overcome, then such a tax would at once decrease the domestic price of raw cotton paid by cotton manufacturers, raise the foreign price and thereby improve the machinery-to-cotton terms of trade, and garner revenue for the Treasury. Atkinson feared that an export tax would lead to "sectional jealousy," (U.S. Revenue Commission 1866b, p. 27) and therefore opposed it. But Wells was enthusiastic about the idea and gave it a prominent place among the recommendations in his report (U.S. Revenue Commission 1866a, p. 81). Less imaginatively, but more realistically, he also suggested that the excise tax on cotton

should be compensated by an increase in the tariff on cotton manufactures.

In short, Wells attended assiduously to cotton manufacturers in the Report for 1865. But with the tariff bill stalled in the summer of 1866, and with Wells's mandate from McCulloch to study the tariff schedule and the pending tariff bill for the report for 1866, his efforts could not cease there.

A new contact in the summer of 1866 was Amos A. Lawrence, another cotton manufacturer and member of the illustrious family that had endowed the school where Wells received his scientific training. Wells's handful of letters to Lawrence in 1866 sought advice for a tariff on cotton manufactures that would be acceptable to the industry. On June 20, Wells wrote that the bill reported most recently gave, "on knit cotton hosiery, a specific as well as an ad valorem duty. I think 30 cts per lb. & 35 p.c. ad valorem. If this is not satisfactory, write to me ..." (Wells to Lawrence, June 20, 1866, Amos A. Lawrence Papers).

On July 9, Wells updated Lawrence on the progress of the tariff bill:

[T]he tariff bill now before the House will never become a law. ... If it passes the House, it can only be saved by a complete revision in the Senate committee – with the rates largely reduced. With a desire to serve your interests, I wish you would draw so much of the bill as relates to cotton hosiery anew, pushing the rates down to the very lowest you can stand ... (ibid., July 9, 1866)

The correspondence is evidence of Wells's commitment to cotton manufacturing interests – but even stronger evidence is found in his Report for 1866. As stated

previously, Treasury Secretary McCulloch instructed Wells to devote special attention in his report to the tariff question in order to guide Congress in debate over H.R. 718. In preparation, Wells solicited more information and suggestions from Atkinson and Lawrence. One solicitation came in the form of a printed, but unsigned, six-page document titled “Manufacture of Cotton.”

To a reader of the Report for 1866, the document is recognizable as a pre-print of that section of the report concerning the tariff on cotton manufactures. What is notable in it is what is missing. Wells left a few blanks in the pre-print that, in the Report, are filled in with data – most importantly, the data of his recommended tariffs on cotton fabrics. Specifically, the second paragraph reads in part,

In view of these facts, after providing for the imposition of specific duties upon all woven cotton goods, a clause has been added providing that these specific duties shall amount to at least ___ per cent upon brown, ___ per cent on bleached, and ___ per cent on printed cottons ...

The pre-print is found among Atkinson’s papers with a handwritten date (1866, Sept.) and a message at the top of the front page: “Will Mr. Lawrence please make any comments or suggestions and return to [signed] Edward Atkinson” (Atkinson Papers, carton 14, folder "n.d. - Oct. 12, 1866"). The blanks are pencilled in with “30,” “33 1/3,” and “25,” respectively.

It is impossible to tell whether Atkinson or Lawrence made the pencil marks. But it hardly matters: what is at issue is the importance of cotton manufacturing

interests to Wells's thinking about the tariff. Whichever of Wells's confidants made the marks, he must have been entirely satisfied three months later with the final form of the Report, which suggested that "these duties shall amount to at least thirty per cent. upon brown, thirty-three and a third per cent. on bleached, and thirty-five per cent. on printed cottons" (Wells 1867, p. 46). We may assume that Lawrence, whom Wells had asked particularly about hosiery (and received a free sample for his inquiry), was especially pleased:

A moderate specific duty is recommended in addition to the ad valorem rate upon cotton hosiery. This manufacture has been lately established in the United States, and now employs a large number [of] operatives and of capital. It has been started, moreover, upon machinery mostly imported at very high cost, and requires such attention as the interest of the revenue will allow. (ibid., p. 49)

Wells proposed these few increases in the context of a report arguing that, overall, the tariff rates under consideration of Congress in H.R. 718 were "exorbitant ..., destructive of revenue and of what little or foreign commerce yet remains, and prejudicial to the general interests of the country" (Wells 1867, p. 42). The gravest problems were the duties on raw materials and machinery. Wells's report included the form of a bill that the Senate Finance Committee took immediately under consideration in early January, 1867, towards revision of the House legislation. Upon the substitute bill, and the possibility of the Finance Committee's wholesale adoption of it, hung the hopes of his supporters.

Table 1 presents the tariffs on unbleached cotton fabrics (which Wells took to exemplify cottons in general) and machinery in years of significant tariff revision prior to 1867. It also includes the tariffs proposed in H.R. 718 as passed by the House of Representatives in 1866; the tariffs of Wells's counterproposal to H.R. 718 as detailed in his report for 1866; those of the amended version of the bill passed by the Senate on February 1, 1867; and those of the House Ways and Means Committee's proposed changes to the Senate version. Juxtaposing Wells's bill with the tariff law then in existence, and with the version of H.R. 718 that he had before him, reveals how modest were his aims and how consistent they were with the protective system as it had evolved to 1866.

[INSERT TABLE 1]

Wells mostly agreed with H.R. 718 concerning the nominal protection to grant to unbleached cotton goods. A lower duty of four cents rather than five should be levied on fabrics of fewer than 100 threads per square inch, he determined – but the difference hardly mattered. Coarse fabrics did not constitute the bulk of cottons consumed domestically (Wells 1867, p. 47), and they had long been an even smaller share of imports (Irwin and Temin 2001, p. 791). Where Wells disagreed importantly with the House bill was in protection for machinery. In 1866 the rate applying to most machinery was 35%. H.R. 718 would have raised it to 45%; Wells wanted it to remain at 35%. On January 3, 1867, Wells's report was referred to the Finance

Committee, which began to rework the legislation based on his design.

It is possible to pinpoint the moment at which Edward Atkinson became a committed free trader. On January 15, Wells reported to Atkinson on how the Finance Committee was getting along with his bill.

Dear Atkinson,

Things do not look very satisfactory here. I am affraid [sic] the extremists & inflationists will have it pretty much their own way. The machinery people are here asking 80 p.c. duties on machinery. The Com. have raised from 35 to 45. The bill will probably come up in the Senate on Thursday. With the best part of Congress my views find great favor but special interests over ride all other considerations. ... (Wells to Atkinson, Jan. 15, 1867)

Two weeks after receiving the letter Atkinson was in the company of Arthur Latham Perry in Boston, at the special meeting of the American Social Science Association mentioned previously, firing his first salvo unmistakably in favor of free trade. He read a paper titled "On the Collection of Revenue" that he must have begun writing immediately upon hearing the news from Wells. On January 25, anticipating what he would say in Boston, he reported to Wells, "I have finally planted myself on British Free Trade" (Atkinson to Wells, Jan. 15, 1867, in Ferleger 1942, p. 181).

5 EFFECTIVE PROTECTION

Atkinson was convinced that effective protection for cotton manufacturers could not be obtained through a nominally protectionist policy. So long as the protectionist principle underlay the tariff schedule, cotton manufacturers would have to battle for their protection along with every other industry – and there would never be assurance of getting enough of it to offset the higher cost of inputs after the suppliers got theirs. Thus Atkinson reported to the Boston conferees that in recent attempts to build a new tariff law, “each man put in his brick, until the whole structure became absurd and ridiculous” (Atkinson 1867, p. 46). The muddle proved that the nation needed a tariff founded upon a “fixed principle.” Atkinson favored a gradual approach. The principle to be applied immediately was merely that the tariff should promote revenue, not protection; in this respect the difference between his former position and his new one was rhetorical more than practical. The greater difference was in the principle to be applied ultimately – free trade – and the firmness of his commitment to it. “Free Trade increases the abundance of commodities, gives to each the relative share which his education, skill or capital entitle him to, and leads to the harmonious development of the powers of all” (p. 50), even the powers of New England manufacturers.

Was Atkinson’s conviction of the fruitlessness of higher tariffs for effective protection valid? The answer depends on how “effective protection” is defined and measured. The work cannot be left to Atkinson alone. He did not use the term, did

not define fully the terms he did use, and his measurements of them were back-of-the-envelope. We have seen him refer to the conditions in which “the duty begins to be effective” (Atkinson to Blaine, May 30, 1866, *op. cit.*), but they are not exactly equivalent to effective protection as defined and measured in the present day. The “effective protection rate,” with no modifying prefix, has been understood in roughly the past half century to mean the increase in the value added per unit output of an import-competing activity as a percentage of the value added per unit under free trade.⁹ A tariff on the activity’s output could foster effective protection if it were not offset by tariffs on intermediate inputs. Atkinson’s favored terms – the “real duty” (Atkinson to Blaine, May 30, 1866, *op. cit.*) and the “net duty” (Atkinson 1867, p. 45) – correspond in his narrowest use of them to what Max Corden (1971, p. 33) calls the “adjusted nominal rate.” Given the close relation of the latter term to the effective rate, however, and given also Atkinson’s intimations of broader meaning, we have thus far interpreted him to be concerned about “effective protection.” Suppose we continued to do so, now heedful of the definition stated above. Atkinson’s conviction might be put to test by asking: Was effective protection for cotton manufactures indeed negative? If not, was it perhaps positive but falling?

G. R. Hawke (1975) estimates effective rates of protection for several U.S. industries in 1879, 1889, 1899, and 1904. To illustrate his method and its complications,

⁹Max Corden (1971, p. 246) traces the idea expressed by the term thus defined to James Meade (1955), among economists working in English, and at least one earlier author in German. Corden himself (1966) contributed much to the idea’s development and dissemination.

take a convenient example from Corden (1966, p. 229). Let the price of a unit of textiles under free trade be \$1, of which sixty cents is paid for intermediate goods – yarn, Corden supposes – so that forty cents is the value added by weaving. Now let a forty percent tariff be levied on textiles while yarn remains duty free. If the country is a price-taking textile importer, the price of textiles will rise to \$1.40. If the price of yarn is assumed to remain sixty cents, and the amount of yarn per unit of textiles does not change, then the value added by weaving rises from forty to eighty cents. The value added per unit of textile output is now one hundred percent greater than that under free trade, so the effective rate of protection is one hundred percent.

If the forty percent tariff is levied next on yarn as well as textiles, and the same (or analogous) assumptions hold as before, then the price of yarn rises to eighty-four cents and the value added by weaving falls to fifty-six cents. The value added per unit of textile output is now only forty percent greater than that under free trade, so the effective rate of protection falls to forty percent. The effective rate could fall still farther – into negative territory if, in this example, the tariff on textiles is held steady at forty percent while the tariff on yarn is raised to sixty-seven percent. Substitute machinery for yarn and this last possibility represents approximately Atkinson's fear.

Hawke's estimates do not appear to validate the fear. The average nominal tariff rate on cotton goods was 39% in 1879, 46% in 1889, 43% in 1899, and 37% in 1904. The effective rates were 126%, 286%, 165%, and 238%. Although data from

the 1860s are lacking, and “cotton goods” is a large aggregate that includes manufactures beyond Atkinson’s immediate concern, Hawke’s estimates lead one to think that the effective protection rate for cotton textiles in the last few decades of the nineteenth century was positive, substantially higher than the average nominal rate, and generally rising.

On the other hand there are reasons to doubt the validity of the estimates. What is more, even if there were no such doubt, there is reason to question their relevance; and even if there were no such question, there is reason to think that Atkinson’s belief was well founded even if it proved to be inaccurate.

One problem concerns the treatment of the amount of yarn (or machinery) per unit of textiles. The proper amount of intermediate input per unit output for construction of the effective protection rate is the amount that would be found under free trade. But that amount is not known. The best one can usually do is to observe or infer the amount found under the given tariff structure. If the amount of yarn per textile never changes regardless of the tariff structure, this complication is of no concern – hence the assumption in the foregoing example. But the amount does change. To draw again from the same example, when the tariff is levied on yarn as well as textiles, the textile manufacturer can be expected to use less yarn per unit output than he would under free trade. If this smaller amount of yarn is used to estimate the effective protection rate, the value added of weaving will be inflated and the estimate of forty

percent will be biased upward (Corden 1966, p. 235).

Another problem arises from the transfer of resources from industries afforded the least protection to those afforded the most. Non-traded goods, in particular, will have low rates of effective protection and should be expected to contract. As they contract their prices will rise. Even if the higher prices of non-tradables do not compel revision of the effective protection rates in tradable goods industries, the relevance of those estimates may be questioned. Effective protection is requested and granted, presumably, for the benefit of capital owners and workers in the protected industries. The benefits are fewer when non-tradables are more costly. Mill shareholders' dividends and weavers' wages buy less when the prices of school lessons, circuses, telegraph transmission and train tickets rise. Perhaps effective protection, as defined above, is not the appropriate measure of protection.

An alternative to effective protection, which Corden (1966, pp. 225-226) calls "net" effective protection, measures an industry's protection relative to non-traded goods. Estimation of the net rate is more difficult because it requires, as a first step, estimation of the substitutability of importables and non-tradables in production and consumption. The more substitutable they are, the more a given rate of nominal protection will cause resources to be transferred from non-tradables to importables and the greater will be the implicit tax on exporters. Irwin (2005, pp. 13-14) estimates a substitutability parameter for the period 1879-1913, and with it finds that when

the average nominal tariff was 45 percent (a good approximation for the late 1860s as well as the later period), the implicit tax on exportables was 21 percent, the price of non-tradables was up 27 percent relative to free trade, and the net effective protection rate was a modest 14 percent.

Irwin interprets the low net effective rate as being consistent with “the continual press by manufacturers for ever higher levels of nominal protection” throughout the late nineteenth century (2005, p. 14). His interpretation has value, but there is another side to the coin. When captains of an industry perceive their net rate of effective protection to be unacceptably low, one response is to lobby for higher levels of nominal protection. Another is to decide that a nominal increase is exactly what was tried in the past and resulted in the unacceptably low net rate, and to chart a different course. Irwin’s finding is consistent not only the first response, but also the second.

One can say more. Atkinson’s conviction is appraised most aptly by consideration of the net rate for a reason other than the methodological problems with the effective rate and the consistency of the Irwin’s finding with Atkinson’s agitation. Specifically, Atkinson’s own understanding of the reason why protection fails to protect is evocative of the net rate. He insisted that protection increases costs not only to buyers of the protected products, but also economy-wide: “if perfect and equal protection were practicable, it would simply result in a general rise in prices and wages” (Atkinson

1867, p. 49). Rising costs were cause and paralyzing consequence of the diversion of resources from their “natural channels” (p. 41). The industries that were most hobbled by the diversion were those of exports and non-tradables, but the malady was more general. The quintessential case was just outside the window.

I think Boston to-day affords a good illustration of the evils of protection. The conditions of soil, climate and coast, indicated maritime pursuits as the province of New England men: and she engaged in them chiefly until the South forced a protective tariff upon the country. As this destroyed commerce, New England developed textile manufactures before their time, and then, becoming converted to the doctrine of protection, continued to foster them by the same process. The result is, that a large amount of the capital, and a large amount of the business capacity of Boston which should have been applied to railroads, steamships and commerce has gone into manufactures; consequently, Boston commerce declines, and young men emigrate. (Atkinson 1867, p. 37)

Atkinson may have been too pessimistic about the prospects for cotton manufactures under a nominally protective policy. Although Irwin’s estimate of the rate of net effective protection for manufactured goods in the late nineteenth and early twentieth century is surprisingly low, it is sufficiently large to represent a transfer of resources equal to about two and a half percent of GDP from consumers to import-competing industries (2005, pp. 16, 26). To stack the deck of argument against Atkinson, let us suppose that cotton manufacturers were equal beneficiaries of the largesse. The fact remains that the favorable outcome is learned in hindsight. It was

not obvious in advance. The political winds came to favor a more escalated tariff structure, defined as one with higher tariffs on finished goods than on intermediates and raw materials (Corden 1971, pp. 59-60), so that industries' nominal tariff rates became an increasingly accurate guide to their relative effective rates (Hawke 1975, p. 98) and to a lesser extent their net effective rates. But the winds could have blown differently – and so they appeared to be doing in the late 1860s. Especially at that moment, reasoned projections for the cotton manufacturers' prospects under protection could differ. Atkinson's endorsement of "British Free Trade," while daring and broad-minded, was neither rash nor disinterested.

6 WELLS'S CONVERSION

Wells's avowed privately his allegiance to Atkinson's new principles in the spring and summer of 1867. Through February and even early March, however, he remained committed to improving the legislation under debate, not denouncing it as his confidant had done and plumping for an entirely new policy. When H.R. 718 passed the Senate with amendments on February 1, Wells forwarded the bill to Atkinson soliciting once again suggestions for revisions. The need to reconcile the House and Senate versions meant another opportunity to tune the bill. Atkinson, who had just denounced it in Boston as an "absurd and ridiculous" attempt at protection that failed to protect, declined the opportunity testily: "I don't need to examine this abortion

as I have followed it closely in the Congressional Globe. I think you have but one thing to do. Defeat it if you can” (Atkinson to Wells, Feb. 6, 1867, Atkinson letter-books). More than advice, Atkinson included a template, complete with salutation and signature, for the admonishment that he proposed Wells should deliver to the Senate and the change of policy he should herald. “This attempt to meet exceptional difficulty by specific legislation has failed and it is believed that any further attempt will be equally futile. ... It therefore only remains for me to treat the subject upon broad principles to which special interests must adapt themselves even at the cost of temporary injury.” The broad principles were, of course, those endorsed by Atkinson the week before.

Wells agreed that the “specific legislation” was bad, but not that it was hopeless. The bill would go through a final revision. Perhaps some cobbling would make it, if not conducive to the common good, at least not damaging to New England manufacturers. “I think as long as we are giving it, we may as well give everybody all they want,” Wells replied to Atkinson. The duties on hosiery were obviously insufficient to compensate for rising costs, for example, so Wells would recommend they be doubled. He pressed Atkinson once again to look over the bill, at least the part pertaining to cottons. “Tear out the leaves of the bill write your corrections on them and send to me by return mail,” Wells entreated. “If the tariff bill fails,” he granted, “I should have no objection to put forth the programme indicated in your note of

Friday. Indeed I have had nearly the same idea in my mind for some time” (Atkinson papers, Feb. 10, 1867).

That the tariff bill did fail, and that it was followed quickly by narrower legislation to protect wool and woolens, has already been recounted. Still Wells hesitated to follow through with Atkinson’s proposal. To the contrary he redirected his efforts towards passage of the wool and woolens bill, considered by posterity “a great triumph for the protective principle” (Stanwood 1903, p. 145). Wells’s intervention earned him the gratitude of the wool manufacturers (ibid., p. 149) and the task of justifying his behavior to Atkinson. He confessed that President Johnson probably would not have signed the bill had he not talked him into it; “but I found that there was an intense feeling among many of the Western members on the subject, and I was afraid that if it were not signed the whole subject of the tariff would have come up again this week, in which case we might get a worse bill, and an indefinite prolongation of the session” (Wells to Atkinson, March 5, 1867). In his next letter to Atkinson, one day later, apology gave way to remorse. “The wool bill is about as bad as it well can be,” he wrote. “I feel more despondency for the future than any time since I have been in the work” (Wells to Atkinson, March 5, 1867).

This was the moment of Wells’s conversion to free trade. It involved no epiphany, nor did it occasion changes in the policies Wells advocated overtly. Rather than a shift of his ideas the moment could be said to mark an inflection of their course. The

change of direction was hardly discernible except to Wells's close confidants, for what changed was the ideological position with which he aligned himself and his future policy objectives, not his present ones. Atkinson's statement in "On the Collection of Revenue" of the difference between a protectionist and a free trader describes well the change in Wells:

The protectionist would say, twenty-five to thirty per cent net duty gives us all we want; and the free trader would say, We advocate for the present twenty-five to thirty per cent net duty for the purpose of obtaining revenue. The result is the same, but it is of the utmost importance that we start from the free trade rather than the protective point of view. The free trader cannot be swerved from a uniform system, because he looks upon the whole thing as a necessary evil; but the protectionist is constantly in danger, because he thinks he can confer a benefit and is therefore at the mercy of each special interest. (Atkinson 1867, pp. 45-46)

In order to win over disaffected protectionists, Atkinson minimized the differences between his purpose and theirs. A tellingly understated phrase is "We advocate for the present." A free trader could concede, temporarily, plenty of ground for political expediency – but important differences still remained between him and a protectionist. The differences consisted not in where he stood, but in his destination and compass.

So they did for Wells in March, 1867. The change is evident nonetheless in his correspondence. Wells was "thoroughly worn out" from the trials of winter and early spring and set his hopes for recuperation on a trip to Britain and Europe. What began

as a planned convalescence, however, soon took an altogether different shape. A letter from the Chancellor of the Exchequer invited “acquaintance and conversation” (Wells to Atkinson, March 16); a new purpose dawned, and Wells’s energies rebounded. He would travel not as a tourist, but as an emissary of the United States government. He would visit, besides cathedrals and U.S. consuls, manufacturing districts and members of Parliament.

In Wells’s letters from this period his excitement is palpable – and so are his intentions. He solicited William D. Allison of Iowa, a Republican known for bucking his party and becoming its most ardent tariff reformer, to join him (Wells to Atkinson, March 16, 18, 22; Stanwood 1903, p. 171). He implored Atkinson to do the same: “my whole scheme is based on your participation in it – a councillor & friend” (Wells to Atkinson, March 21). Although Atkinson could not break away from Boston for the summer he encouraged the scheme, which he expected would yield “ammunition” for the “big fight” they would face together after Wells returned (Atkinson to Wells, July 23). Wells’s preparations for the fight included, in addition to the “fund of information” he would collect abroad (Wells to Atkinson, March 18), saturation of selected areas with Atkinson’s pamphlet. On his way from Washington towards embarkation in New York, Wells targeted Philadelphia: “Carey says tis all *twaddel!*!” he reported mirthfully to Atkinson (Wells to Atkinson, May 2). In England, from such distinguished Cobdenites as William Newmarch, George Goschen, Walter Bagehot,

Edward Watkin, and John Bright, he anticipated a more favorable response (Wells to Atkinson, July 6).¹⁰

Wells's choice of a new lodestar in the spring of 1867 was one decision. To acknowledge it openly was quite another, and through all of 1867 and even most of 1868 he was unwilling to make it. In December of 1867 he asked Atkinson not to commit him publicly to free trade or a revenue tariff. "I may agree entirely with you in opinion," Wells explained, "and yet not think it advisable to provoke opposition & thus weaken my influence for good in other matters" (Wells to Atkinson, Dec. 24, 1867, Atkinson Papers). Thus Amos A. Lawrence, who resisted Atkinson's agitation for free trade, offered Wells as late as June, 1868, a lucrative position as secretary of a newly-formed trade association of cotton manufacturers and planters (Lawrence to Wells, June 13, 1868, Wells Papers). Had he known Wells's determination he would have balked at making the offer.

The "good in other matters" that Wells hoped to do, and that explained his outward reticence, was less likely the collection of any more information than what he might accomplish as Secretary of the Treasury. November 1868 held the prospect of General Grant's election to the Presidency, and his inauguration the following March would bring a new cabinet. Wells bid his friend James Garfield to influence Grant to give him the office. As of early November, Wells had the support not only

¹⁰Howe (1997) includes references corroborating the free-trade credentials of each of these contacts of Wells's in England.

of Garfield, a moderate protectionist, but also that of such stalwarts as James G. Blaine and reformers like Atkinson. “The Treasury is drifting to me inevitably,” he determined (Ferleger 1942, pp. 221-222). But the coalition Wells had assembled in his favor was fragile. None of his good deeds for the party during the fall campaign would prevent its disintegration if he were associated unambiguously with Atkinson’s view, which was clearly a minority one within the party.

Yet Wells had another report to write. To elide the tariff question for the second year in a row would be hard to reconcile with the expectations of the free traders, including Arthur Latham Perry, John Bright and his compatriots, and above all Atkinson, whom he had persuaded to consider him an ally in their cause. His own conscience too may have nagged him. Atkinson had urged him at last “to speak out and tell the whole truth” (Atkinson to Wells, June 20, 1868, Wells Papers). An apology for doing any less, like the one he proffered in early 1867 for the wool and woolens bill, would be vastly harder to make in late 1868 and harder for Atkinson to swallow. As the report took shape in mid November, Wells lamented to Garfield of how “vexatious of spirit” his position had become. But having found the courage to write decisively, he took pride in the report’s boldness and pledged not to change a line of it, “even if I knew it would make me gain or lose the Treasury” (Ferleger 1942, pp. 223-224).

The notion that the document might gain him the Treasury could not seriously

have been entertained. There was ample material in it to bring about the opposite result, however. The existing tariff, Wells wrote, “while professing to protect American industry, really, in many cases, discriminates against it” (Wells 1869a, p. 34). It attempted “indiscriminate or universal protection” – an impossibility that, in the effort to achieve it, rendered “all protection a nullity” because every industry’s output was another’s raw material (pp. 34-35). The consequences were felt beyond the import-competing sector. Domestic goods were more costly across the board, and exports were stifled: “We have so raised the cost of all domestic products that exchange in kind with all foreign nationals is almost impossible” (p. 49). Shipbuilding was a case in point; cotton manufactures were another. Before the war, production of American coarse cotton goods was thriving and they were even exported to the East and South America. All that was wanted to revive the industry was a reduction of tariffs and excises. Such a reduction, Wells claimed,

would determine the exportation of no small part of the cotton grown in the United States in a manufactured, rather than in an unmanufactured condition; would erect two cotton mills where one now exists; would largely increase the demand for agricultural produce in the home markets, and would bring back four-fold that commerce of the ocean which now wanes almost to annihilation, in great part through want of legitimate occupation in effecting exchanges (p. 78).

Wells’s report for the year 1868 amounted to a restatement, with statistical and anecdotal elaboration, of the core of Atkinson’s “On the Collection of Revenue.” In

the connection he drew between protective tariffs and generally rising costs (which in turn, he argued, were detrimental at once to exports, agriculture “in the home markets,” and even the ostensibly protected industries) is the main substance of the net protection idea. In his occasional doctrinaire interjections – e.g., “Government can add nothing to the capital of the country by legislation. It can only prescribe the channels into which capital already created shall flow” (p. 77) – is evidence belying his disavowal of allegiance to “any particular theory” (p. 1) and manifesting his adoption of Atkinson’s. In his statement that moderate protection was “certainly, for the present, the policy best suited to subserve the industrial interests of the country” (p. 66) is the same concession to the opposition that Atkinson was willing to make, and the same strategically understated qualification.

The preeminence of the qualification over the concession is discernible in Wells’s concluding recommendations. In addition to the replacement of *ad valorem* with specific duties he proposed the enlargement of the duty-free list, the reduction of some rates (and, in exceptional cases, the raising of a few) in order to garner revenue, and the reduction of yet more “with a view to an absolute abatement, on the simple ground that the reduction of a duty is the reduction of a tax, and that the most efficient method of protecting home industry is by the removal of obstacles in the form of taxes” (p. 80). On that ground Atkinson had called for a tariff based upon a “fixed principle,” or a “broad principle”; in the same fashion Wells deplored the

United States' establishment of "a tariff based upon small issues rather than upon any great national principle" (p. 34).

Republicans in Congress were decidedly unwilling to replace protection with the great national principle that Atkinson and Wells had in mind. The reaction to Wells's Report for 1868 by House Ways and Means Committee chairman William D. Kelley has already been related. Kelley, however, did more than denounce Wells's report as the work of an indolent theorist, and worse, the perpetrator of a fraud (*Cong. Globe*, Feb. 4, 1869, Appendix p. 117). He tried to suppress its printing (*ibid.*, p. 116) and then to withhold Wells's salary (Garfield to Wells, Feb. 24, 1869, Wells papers). Wells's aspirations to the Treasury would not be realized, and even his tenure as Special Commissioner would extend only one more year.

Having nothing to lose, in his final report Wells propounded "the true principles of tariff reform." The existing tariff was utterly destructive of commerce and industry (Wells 1869b, p. 72); specifically, "whatever advantage is temporarily gained by stimulating industries into an unnatural growth and development, is subsequently more than compensated for by a resulting waste and misapplication of both capital and labor" (Wells 1869b, p. 107).

Wells and Atkinson remained dedicated to the interests of cotton manufacturers, but the free trade doctrine that they endorsed yielded a new perception of those interests. Their perception differed from that of others in the industry: the same

association that once offered Wells \$6000 annually now lashed out publicly against him. Wells complained privately to Amos Lawrence that the animus of certain cotton manufacturers was unfair, for he had “resisted, and successfully, every proposal to cut down unfairly the duties of cotton goods of every description” (Wells to Lawrence, April 29, 1870, Lawrence Papers). He responded publicly in the *Boston Advertiser* that

my earnest desire is that all manufactures should be allowed an equal and a fair opportunity for development; but when three or four branches of manufactures out of many hundreds arrogate to themselves the exclusive title of “manufactures” I deny their right. The makers of clothing are as truly manufacturers as the makers of cloth; the steel users are as truly manufactures as the steel makers; the railroad is as much a productive power as the pig-iron furnace; the mechanic as much a manufacturer as the owner of a cotton mill. Let each have an equal right and be entitled to legal protection without discrimination, and it is my belief that by such an equality and free opportunity, the country will most readily secure the most rapid and prosperous growth, and the greatest diversification in its industry. (Wells 1870)

At the end of his commission Wells was convinced, as he had been at the start, that the interests of cotton manufactures were aligned with the national interest. The difference was that he used to believe both sets of interests to be served by discriminatory duties; now he believed they were served by the principle of non-discrimination. Depending on his audience he would sometimes associate that principle with “protection,” as he did in his letter to the *Advertiser*. But neither protectionists like

Henry Carey nor free traders like those of the Cobden Club mistook his meaning. Wells proposed, as he announced in his toast as honored guest of the Cobdenites, Free Trade (Cobden Club 1873, p. 71).

7 CONCLUSION

Histories of a nineteenth-century political figure's conversion of commercial thought, the political interests that supported it, and the doctrine that drew vitality from it, are common. But they are not commonly American. Several concern Sir Robert Peel's turn towards repeal of the Corn Laws and the ascendancy of free trade in Victorian England. The United States tariff controversy would seem a less likely setting for such a history, perhaps because no participant of Peel's stature was converted, or perhaps because in this case the partisans of Peel's side lost the battle. Protection reigned in the United States from the Civil War through the rest of the nineteenth century and until the eve of the First World War.

To authors of the most recent accounts of Peel's conversion, however, the incident's relevance lies in its suitability as a study of the contributions of ideas and interests to political action. David A. Wells, Chairman of the Revenue Commission and Special Commissioner of the Revenue from 1865 to 1870, lacked Peel's power and accomplishment, but his conversion to free trade is equally relevant. Wells's influence to policy was indirect but substantial. As Commissioner of the Revenue he

drafted the nation's commercial legislation, and in the decades after his appointment he was, as Henry Steele Commager (1950, p. 230) summed up, "advisor to a whole generation of statesmen." His influence to popular political debate was just as great. Proselytizing prolifically in books, articles, and speeches, Wells became one of the foremost advocates of free trade in the last third of the nineteenth century.¹¹

Wells's conversion involves a peculiar twist. As with Peel, cotton manufacturing interests were crucial. Yet the allegiance of English cotton manufacturers to free trade is easy to understand because England was a large net exporter of cotton goods. The United States, to the contrary, was a large net importer. The story of how cotton manufacturing contributed to the development and dissemination of free trade doctrine in the postbellum United States is thus an unexpected one.

Wells's identification of his own interests and the nation's with those of cotton manufacturing is evident in correspondence between Wells, Edward Atkinson, Amos A. Lawrence, and others. Half a century and more in the past, when Wells's name was better remembered in American economic and political history, several stories were told of the causes of his conversion. The purpose here has been to demonstrate that the unacknowledged but more important cause was Wells's relationship with Edward Atkinson, and Wells's and Atkinson's mutual wish to grant effective protection, or net protection, to cotton manufacturers. The story of Wells's conversion that

¹¹Joyner (1939, pp. 223-229) offers a partial bibliography of seventy-four articles, reports and books authored by Wells. He also refers to a comprehensive collection of Wells's works in twenty-three bound volumes, of which only two sets were produced.

unfolds in the demonstration is not one that disentangles and assigns weights to the contributions of theory and interests, but rather one that shows how each determined the other.

In her study of ideas and interests in the history of U.S. trade policy, Judith Goldstein (1993, p. 3) rejects an understanding of ideas as “mere ‘hooks’” for interested political entrepreneurs to lure support from constituents. She prefers to consider ideas as akin to roadmaps: they serve as guides for, and constraints upon, interested action. They determine which means and ends are imaginable, and therefore possible, and which are not. For illustration Goldstein quotes approvingly Alfred Weber: “ideas act as ‘switchmen’ determining the ‘tracks along which action has been pushed by the dynamic of interest’” (Goldstein 1993, p. 12). Wells’s conversion is consistent with the metaphor but also reveals its limitations.

When resort to protectionist principles for the purpose of securing effective protection for cotton goods failed in early 1867, first Atkinson, and then Wells, adopted and elaborated free trade ideas as another means to their original end. A schism emerged between Wells and Atkinson, on one side, and other cotton manufacturers on the other. As the two men established themselves more firmly among the United States’ chief advocates of free trade, they began to perceive differently the interests that they believed they served. Because they played a role, if a minor one, in the elaboration of ideas, their “tracks” would seem not to have been fixed in place from the

beginning to the end of their journey. Because their ideas altered their perceptions of their interests, their “engine” would seem to have been modified in transit.

A snapshot from later in the journey depicts their destination. In 1872, Arthur Latham Perry, William Cullen Bryant, David Wells, and Edward Atkinson shared a stage at Steinway Hall in New York City. They had come to denounce the result of the Liberal Republican convention in Cincinnati, which had begun as a free trade revolt against Grant and ended, to the free traders dismay, with the nomination of protectionist Horace Greeley. Each of the four addressed the audience and proclaimed the virtues and the logic of free trade. Wells, demonstrating the dramatic intellectual turn he had taken in the past seven years, spoke of “the natural right to buy and sell, to conduct one’s legitimate business without undue interference of the Government or anybody” (*New York Evening Post*, May 31, 1872). Apart from Atkinson, though, few cotton manufacturers could embrace the doctrine. Soon, Perry, Wells and Atkinson would leave the Republican Party altogether, and each would spend the remainder his life articulating the arguments that guided one side through the decades-long controversy that followed.

References

U.S. House Journal. 1789-. 1st Congress, 1st session-. Washington, DC: Government Printing Office.

The Congressional Globe. 1833-1873. 23rd Cong., 1st Sess. - 42nd Cong., 3rd Sess. Washington, DC: Government Printing Office.

The New York Evening Post. 1867. "Free Trade in Boston: Special Meeting of the Social Science Association," Jan. 31, p. 4.

The New York Times. 1869. "Mr. Carey and Commissioner Wells," March 22, p. 4.

The New York Evening Post. 1872. "Free Trade: Meeting of its Advocates at Steinway Hall; Speeches by William Cullen Bryant, Prof. Perry, David A. Wells, Messrs. Atkinson and Others – The Cincinnati Convention Denounced," May 31.

Atkinson, Edward. Papers. Boston: Massachusetts Historical Society.

Atkinson, Edward. 1861. *Cheap Cotton by Free Labor*. Boston: A. Williams & Co.

Atkinson, Edward. 1863. *Report to the Boston Board of Trade on the Cotton Manufacture of 1862*. Boston: Board of Trade.

Atkinson, Edward. 1867. *On the Collection of Revenue*. Boston: A. Williams & Co.

Brown, Charles H. 1971. *William Cullen Bryant*. New York: Charles Scribner's Sons.

Bryant, William Cullen. 1866. *Petition of the American Free Trade League Against Protective Duties by Congress*. Washington, D.C.: House of Representatives.

Carey, Henry Charles. 1869. *How Protection, Increase of Public and Private Revenues, and National Independence, March Hand in Hand Together: Review of the Report of the Hon. D. A. Wells, Special Commissioner of the Revenue*. Philadelphia: Collins.

Carey, Henry Charles. 1870. *Review of the Farmer's Question, as Established in the Recent Report of the Hon. D. A. Wells, Special Commissioner of the Revenue*. Philadelphia: Collins.

Cobden Club. 1873-5. *Report[s] at the Proceedings of the Annual Dinner of the Cobden Club*. London: Cassell, Petter, & Glapin.

Cohen, Nancy. 2002. *The Reconstruction of American Liberalism*. Chapel Hill: The University of North Carolina Press.

Commager, Henry Steele. 1950. *The American Mind: An Interpretation of American Thought and Character Since the 1880's*. New Haven: Yale University Press.

Corden, Max. 1966. "The Structure of a Tariff System and the Effective Protection Rate." *Journal of Political Economy* 74 (3): pp. 221-237.

Corden, Max. 1971. *The Theory of Protection*. London: Oxford University Press.

Crapol, Edward. 1973. *America for Americans: Economic Nationalism and Anglophobia in the Late Nineteenth Century*. Westport, CT: Greenwood Press.

Dorfman, Joseph. 1946. *The Economic Mind in American Civilization*, vol. 2. New York: The Viking Press.

Dorfman, Joseph. 1949. *The Economic Mind in American Civilization*, vol. 3. New York: The Viking Press.

Ferleger, Herbert Ronald. 1942. *David A. Wells and the American Revenue System, 1865-1870*. New York: Ph.D. dissertation, Columbia University.

George, Henry. [1886] 1941. *Protection or Free Trade: An Examination of the Tariff Question, With Especial Regard to the Interests of Labor*. New York: Robert Schalkenbach Foundation.

Goldstein, Judith and Robert O. Keohane, eds. 1993. *Ideas and Foreign Policy: Beliefs, Institutions, and Political Change*. Ithaca, NY: Cornell University Press.

Goldstein, Judith. 1993. *Ideas, Interests, and American Trade Policy*. Ithaca: Cornell University Press.

Grapp, William D. 1960. *The Manchester School of Economics*. Stanford, California: Stanford University Press.

Hawke, G. R. 1975. "The United States Tariff and Industrial Protection in the Late Nineteenth Century." *The Economic History Review* 28 (1): pp. 84-99.

Howe, Anthony. 1997. *Free Trade and Liberal England 1846-1946*. New York: Oxford University Press.

Howe, Anthony. 2000. "Free Trade and the International Order: the Anglo-American Tradition, 1846-1946." In *Anglo-American Attitudes: From Revolution to Partnership*, ed. by Fred M. Leventhal and Roland E. Quinault. Burlington, VT: Ashgate.

Irwin, Douglas A. 1989. "Political Economy and Peel's Repeal of the Corn Laws." *Economics and Politics* 1 (1): pp. 41-59.

Irwin, Douglas A. 2005. "The Incidence of Tariff Protection in the Late Nineteenth Century United States." Working Paper, Department of Economics, Dartmouth College.

Irwin, Douglas A. and Peter Temin. 2001. "The Antebellum Tariff on Cotton Textiles Revisited." *The Journal of Economic History* 61 (3): pp. 777-798.

Joyner, Fred Bunyan. 1939. *David Ames Wells, Champion of Free Trade*. Cedar Rapids, IA: The Torch Press.

Lawrence, Amos A. Papers. Boston, MA: Massachusetts Historical Society.

McLean, Iain. 2001. "Irish Potatoes, Indian Corn and British Politics: Interests, Ideology, Heresthetic and the Repeal of the Corn Laws." In *International Trade and Political Institutions: Instituting Trade in the Long Nineteenth Century*, ed. by Cheryl Schonhardt-Bailey. Northampton, MA: Edward Elgar.

Meade, James E. 1955. *Trade and Welfare*. London: Oxford University Press.

Meardon, Stephen. 2005. "How TRIPs Got Legs: Copyright, Trade Policy, and the Role of Government in Nineteenth-Century American Economic Thought." *History of Political Economy* 37 (forthcoming).

Morley, John. 1881. *The Life of Richard Cobden*. Boston: Roberts Brothers.

Northrup, Cynthia Clark and Elaine C. Prange Turney, eds. 2003. *Encyclopedia of Tariffs and Trade in U.S. History*. 3 vols. Westport, CT: Greenwood Press.

Perelman, Michael. 1995. "Retrospectives: Schumpeter, David Wells, and Creative Destruction." *Journal of Economic Perspectives* 9 (3): pp. 189-197.

Perry, Arthur Latham. 1899. *Williamstown and Williams College*. Norwood, Massachusetts: Norwood Press.

Samuelson, Paul A. 1962. "Economists and the History of Ideas." *American Economic Review* 52 (1): pp. 1-18.

Schonhardt-Bailey, Cheryl. 2003. "Ideology, Part and Interests in the British Parliament of 1841-47." *British Journal of Political Science* 33: pp. 581-605.

Schumpeter, Joseph. 1950. *History of Economic Analysis*. New York: Oxford University Press.

Sproat, John G. 1968. *Liberal Reformers in the Gilded Age*. New York: Oxford University Press.

Stanwood, Edward. 1903. *American Tariff Controversies in the Nineteenth Century*, vol. 2. Boston and New York: Houghton, Mifflin and Company.

Stigler, George G. 1976. "Do Economists Matter?" *Southern Economic Journal* 42(3): pp. 347-54.

Tarbell, Ida M. 1911. *The Tariff in Our Times*. New York: Macmillan.

Taussig, F. W. 1892. *The Tariff History of the United States*. New York: G. P. Putnam's Sons.

Terrill, Tom E. 1969. "David A. Wells, the Democracy, and Tariff Reduction, 1877-1894." *Journal of American History* 56 (3): pp. 540-555.

U.S. Revenue Commission. 1866a. Report of a Commission Appointed for the Revision of the Revenue System of the United States. In House Ex. Doc. No. 34, 39th Cong., 1st Session. Washington, D.C.: Government Printing Office.

U.S. Revenue Commission. 1866b. Selections From the Testimony Taken by the United States Commission in Respect to Cotton as a Source of National Revenue. In House Ex. Doc. No. 34, pt. 2, 39th Cong., 1st Session. Washington, D.C.: Government Printing Office.

Wells, David Ames. Papers. Washington, DC: Library of Congress.

Wells, David Ames. Wells-Carey Letters. In the Henry C. Carey Papers, Carey Section, Edward Carey Gardiner Collection. Philadelphia: Historical Society of Pennsylvania.

Wells, David Ames. 1857. *The Science of Common Things*. New York: Ivison & Phinney.

Wells, David Ames. 1858. *Wells's Principles and Applications of Chemistry*. New York and Chicago: Ivison Blakeman Taylor & Co.

Wells, David Ames. 1864. *Our Burden and Our Strength*. New York: Loyal Publication Society.

Wells, David Ames. 1867. *Report of the Special Commissioner of the Revenue* [for 1866]. Senate Ex. Doc. No. 2, 39th Congress, 2d Session. Washington, D.C.: Government Printing Office.

Wells, David Ames. 1868. *Report of the Special Commissioner of the Revenue* [for 1867]. In House Ex. Doc. No. 81, 40th Cong., 2d Session. Washington, D.C.: Government Printing Office.

Wells, David Ames. 1869a. *Report of the Special Commissioner of the Revenue for the Year 1868*. House Ex. Doc. No. 16, 40th Cong., 3d Session. Washington, D. C.: Government Printing Office.

Wells, David Ames. 1869b. *The Report of the Special Commissioner of the Revenue Upon the Industry, Trade, Commerce, &c., of the Untied States for the Year 1869*. House Ex. Doc. No. 27, 41st Congress, 2d. Session. Washington, D. C.: Government Printing Office.

Wells, David Ames. 1870. "Cotton Manufactures and the Tariff." *Boston Daily Advertiser*, May 7, p. 2.

Wells, David Ames. 1882. *Freer Trade Essential to Future National Prosperity and Development*. New York: Wm. C. Martin's Steam Printing House.

Williamson, Harold Francis. 1934. *Edward Atkinson: The Biography of an American Liberal*. Boston: Old Corner Book Store.

Figure 1

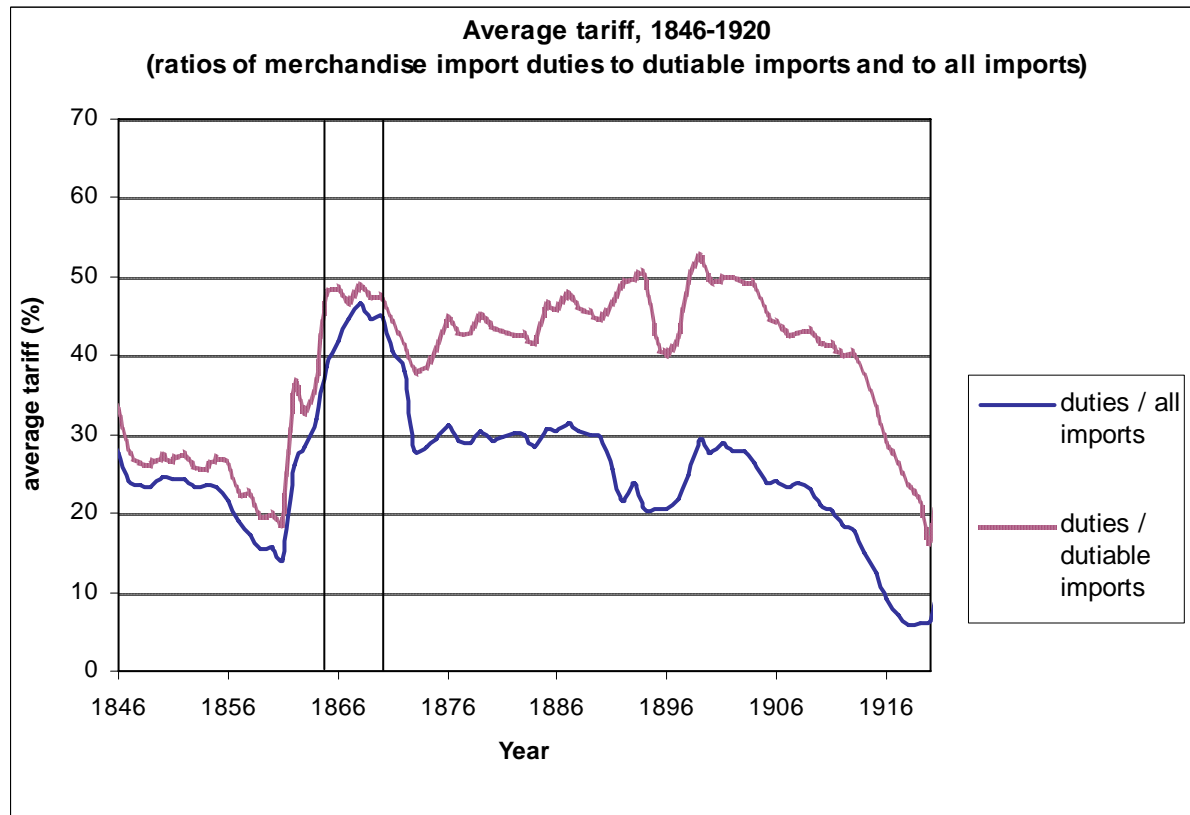


Table 1: Tariffs, actual and proposed, on standard cotton manufactures and on machinery, 1846-1867

	1846	1857	1861	1866	H.R. 718 (a)	Wells's bill	H.R. 718 (b)	H.R. 718 (c)
Cotton fabrics, unbleached								
not exceeding 100 threads per sq. inch	25% [30%]	19% [24%]	1 ¢/yd or 25% ^d	5 ¢/yd [6 ¢/yd] or 35% ^f	5 ¢/yd [6 ¢/yd]	4 ¢/yd or 30% ^g	4 ¢/yd or 30% ^g	5 ¢/yd or 30% ^g
not exceeding 200 threads per sq. inch	25% [30%]	19% [24%]	2 ¢/yd, 3 ¢/yd or 25% ^{d,e}	5 ¢/yd [6 ¢/yd] or 35% ^f	5 ¢/yd [6 ¢/yd]	5 ¢/yd or 30% ^g	5 ¢/yd or 30% ^g	5 ¢/yd or 30% ^g
over 200 threads per sq. inch	25% [30%]	19% [24%]	4 ¢/yd or 25% ^d	5 ¢/yd [7 ¢/yd] or 35% ^f	5 ¢/yd & 10% [7 ¢/yd]	7 ¢/yd or 30% ^g	7 ¢/yd or 30% ^g	7 ¢/yd or 30% ^g
Iron & steel machinery & manufactures								
machinery of iron, steel, or other metal	30%	24%	30%	35%	45%	35%	55%	55%
other manufactures of steel	30%	24%	30%	45%	50%	45%	50%	60%

Notes:

In 1846 and 1857, bracketed tariffs are those levied on unbleached cotton clothing and embroidered fabrics; unbracketed tariffs are those on other cotton fabrics, unembroidered and not fashioned into clothing. In 1866 and in H.R. 718 (a), bracketed tariffs are those levied on unbleached cotton jeans, denims, drillings, bedtickings, gingham, plaids, cottonades, pantaloons, and goods of like description; unbracketed rates are those levied on all other unbleached cotton fabrics. In 1861, in Wells's bill, and in H.R. 718 (b) and (c), such distinctions are not made.

H.R. 718(a) is "An Act to Provide Increased Revenue from Imports, and for Other Purposes," passed by the House of Representatives on July 10, 1866 and referred to the Senate Finance Committee on July 12.

H.R. 718(b) is the same bill, as amended and passed by the Senate on January 31, 1867.

H.R. 718(c) is the same bill, as amended by the House Committee on Ways and Means and ordered to be printed on February 18, 1867.

^d A duty of 25% *ad valorem* is substituted for the specific duty if the item's value is above 16 cents per yard.

^e The specific duty is 2 cents if the thread count does not exceed 140 per sq. inch, and 3 cents if over 140 threads per sq. inch but not exceeding 200.

^f A duty of 35% *ad valorem* is substituted for the specific duty if the item's value is above 16 cents per yard and the item is standard unbleached cotton fabric. The 35% *ad valorem* duty is substituted for the specific duty if the item's value is above 20 cents per yard and the item is unbleached cotton denim or drillings.

^g If the specific duty amounts to less than 30% *ad valorem*, then 30% *ad valorem* will be levied.

Sources:

The tariffs of 1846, 1857, 1861, and 1866 can be found conveniently in Northrup and Turney (2003, v. III). Wells's bill was submitted as an attachment to his "Report of the Special Commissioner of the Revenue [for 1866]" (Wells 1867). Wells also constructs, in Appendix C of his report, a useful table of comparative U.S. tariffs from 1842 to 1866. The duties in the table presented here are taken from Wells's Appendix C, corroborated by the original texts of the tariff bills from 1846 to 1866 in Northrup and Turney, and supplemented by the tariff rates in H.R. 718(b) and (c), which were not yet written at the time of Wells's report, and which do not appear in Northrup and Turney because the bill was never passed. H.R. 718 in all its permutations can be found in the *Congressional Globe*.