**International Trade, Domestic Coalitions, and Liberty: Comparative Responses to the Crisis of 1873–1896**

For social scientists who enjoy comparisons, happiness is finding a force or event which affects a number of societies at the same time. Like test-tube solutions that respond differently to the same reagent, these societies reveal their characters in divergent responses to the same stimulus. One such phenomenon is the present world-wide inflation/depression. An earlier one was the Great Depression of 1873–1896.¹ Technological breakthroughs in agriculture (the reaper, sower, fertilizers, drainage tiles, and new forms of wheat) and in transportation (continental rail networks, refrigeration, and motorized shipping) transformed international markets for food, causing world prices to fall. Since conditions favored extensive grain growing, the plains nations of the world (the United States, Canada, Australia, Argentina, and Russia) became the low cost producers. The agricultural populations of Western and Central Europe found themselves abruptly uncompetitive.²

In industry as well, 1873 marks a break. At first the sharp slump of that year looked like an ordinary business-cycle downturn, like the one in 1857. Instead, prices continued to drop for over two decades, while output continued to rise.³ New industries—steel, chemicals, electrical equipment, and shipbuilding—sprang up, but the return on capital declined. As in agriculture, international competition became intense. Busi-

---


nessmen everywhere felt the crisis, and most of them wanted remedies.

The clamour for action was universal. The responses differed: vertical integration, cartels, government contracts, and economic protection. The most visible response was tariffs. Table I classifies countries according to the mix of tariffs adopted after 1873.

Although the economic stimuli were uniform, the political systems forced to cope with them differed considerably. Some systems were new or relatively precarious: Republican France, Imperial Germany, Monarchical Italy, Reconstruction America, Newly-Formed Canada, Recently Autonomous Australia. Only Britain could be called stable. Thirty years later when most of these political systems had grown stronger, most of the countries had high tariffs. The importance of the relation between the nature of the political system and protection has been most forcefully argued by Gershenkron in *Bread and Democracy in Germany*. The coalition of iron and rye built around high tariffs contributed to a bellicose foreign policy and helped to shore up the authoritarian Imperial Constitution of 1871. High tariffs, then, contributed to both world wars and to fascism, not a minor consequence. It was once a commonly held motion that free trade and democracy, protection and authoritarianism, went together. Table 2 relates tariff levels to regime types.

These basic facts about tariff levels and political forms have been discussed by many authors. What is less clear, and not thoroughly explored in the literature, is the best way to understand these outcomes. As with most complex problems, there is

---

4 Gerschenkron, *Bread and Democracy*.
no shortage of possible explanations: interest groups, class conflict, institutions, foreign policy, ideology. Are these explanations all necessary though, or equally important? This essay seeks to probe these alternative explanations. It is speculative; it does not offer new information or definitive answers to old questions. Rather, it takes a type of debate about which social scientists are increasingly conscious (the comparison of different explanations of a given phenomenon)\(^6\) and extends it to an old problem that has significant bearing on current issues in political economy—the interaction of international trade and domestic politics. The paper examines closely the formation of tariff policy in late nineteenth-century Germany, France, Britain, and the United States, and then considers the impact of the tariff policy quarrel on the character of each political system.

**EXPLAINING TARIFF LEVELS**  
Explanations for late nineteenth-century tariff levels may be classified under four headings, according to the type of variable to which primacy is given.

1. **Economic Explanations**  
Tariff levels derive from the interests of economic groups able to translate calculations of economic benefit into public policy. Types of economic explanations differ in their conceptualization of groups (classes vs. sectors vs. companies) and of the strategies groups pursue (maximizing income, satisficing, stability, and class hegemony).\(^7\)

<table>
<thead>
<tr>
<th><strong>Table 2</strong> Political Systems and Tariff Levels</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TARIFFS/REGIMES</strong></td>
</tr>
<tr>
<td>---------------------</td>
</tr>
<tr>
<td><strong>INDUSTRIAL</strong></td>
</tr>
<tr>
<td>High</td>
</tr>
<tr>
<td>High</td>
</tr>
<tr>
<td>Low</td>
</tr>
<tr>
<td>Low</td>
</tr>
</tbody>
</table>


2. Political System Explanations The “statement of the groups” does not state everything. The ability of economic actors to realize policy goals is affected by political structures and the individuals who staff them. Groups differ in their access to power, the costs they must bear in influencing decisions, prestige, and other elements of political power.

3. International System Explanations Tariff levels derive from a country’s position in the international state system. Considerations of military security, independence, stability, or glory shape trade policy. Agriculture may be protected, for example, in order to guarantee supplies of food and soldiers, rather than to provide profit to farmers (as explanation 1 would suggest).

4. Economic Ideology Explanations Tariff levels derive from intellectual orientations about proper economic and trade policies. National traditions may favor autarchy or market principles; faddishness or emulation may induce policy makers to follow the lead given by successful countries. Such intellectual orientations may have originated in calculations of self-interest (explanation 1), or in broader political concerns (explanation 2) or in understandings of international politics (explanation 3), but they may outlive the conditions that spawned them.

These explanations are by no means mutually exclusive. The German case could be construed as compatible with all four: Junkers and heavy industry fought falling prices, competition, and political reformism; Bismarck helped organize the iron and rye coalition; foreign policy concerns over supply sources and hostile great powers helped to create it; and the nationalist school of German economic thought provided fertile ground for protectionist arguments. But were all four factors really essential to produce high tariffs in Germany? Given the principle that a simple explanation is better than a complex one, we may legitimately try to determine at what point we have said enough to explain the result. Other points may be interesting, perhaps crucial for other outcomes, but redundant for this one. It would also be useful to find explanations that fit the largest possible number of cases.

8 Gerschenkron’s explanation seems to be of this type.
9 See allusions to this type of argument in Gerschenkron and in Benjamin Brown, The Tariff Reform Movement in Britain, 1884–1895 (New York, 1943).
Economic explanations offers us a good port of entry. It requires that we investigate the impact of high and low tariffs, both for agricultural and industrial products, on the economic situation of each major group in each country. We can then turn to the types of evidence—structures, interstate relations, and ideas—required by the other modes of reasoning. Having worked these out for each country, it will then be possible to attempt an evaluation of all four arguments.

GERMANY  Economic Explanations  What attitude toward industrial and agricultural tariffs would we predict for each of the major economic groups in German society, if each acted according to its economic interests? A simple model of German society contains the following groups: small peasants; Junkers (or estate owners); manufacturers in heavy, basic industries (iron, coal, steel); manufacturers of finished goods; workers in each type of industry; shopkeepers and artisans; shippers; bankers; and professionals (lawyers, doctors). What were the interests of each in relation to the new market conditions after 1873?

Agriculture, notes Gerschenkron, could respond to the sharp drop in grain prices in two ways: modernization or protection. Modernization meant applying the logic of comparative advantage to agriculture. Domestic grain production would be abandoned. Cheap foreign grain would become an input for the domestic production of higher quality foodstuffs such as dairy products and meat. With rising incomes, the urban and industrial sectors would provide the market for this type of produce. Protection, conversely, meant maintaining domestic grain production. This would retard modernization, maintain a large agricultural population, and prolong national self-sufficiency in food.

Each policy implied a different organization for farming. Under late nineteenth-century conditions, dairy products, meats, and vegetables were best produced by high quality labor, working in small units, managed by owners, or long-term leaseholders. They were produced least well on estates by landless laborers working for a squirearchy. Thus, modernization would be easier where small units or production already predominated, as in Den-

11 See Gerschenkron, Bread and Democracy, passim; Einas Jensen, Danish Agriculture: Its Economic Development (Copenhagen, 1937). A third alternative was emigration or urbanization, which happened everywhere, but took time as a way of solving the crisis.
mark, which is Gershenkron’s model of a modernizing response to the crisis of 1873. The Danish state helped by organizing cooperatives, providing technology, and loaning capital.

In Germany, however, landholding patterns varied considerably. In the region of vast estates east of the Elbe, modernization would have required drastic restructuring of the Junkers’ control of the land. It would have eroded their hold over the laborers, their dominance of local life, and their position in German society. The poor quality of Prussian soil hindered modernization of any kind; in any case it would have cost money. Conversely, western and southern Germany contained primarily small- and medium-sized farms more suited to modernization.

Gerschenkron thinks that the Danish solution would have been best for everyone, but especially for these smaller farmers. Following his reasoning, we can impute divergent interests to these two groups. For the Junkers, protection of agriculture was a dire necessity. For the small farmers, modernization optimized their welfare in the long run, but in the short run protection would keep them going; their interests, therefore, can be construed as ambivalent.

What were the interests of agriculture concerning industrial tariffs? Presumably the agricultural population sought to pay the lowest possible prices for the industrial goods that it consumed, and would be opposed to high industrial tariffs. Farmers selling high quality produce to the industrial sector prospered, however, when that sector prospered, since additional income was spent disproportionately on meat and eggs. Modernizing producers might therefore be receptive to tariffs and other economic policies which helped industry. For grain, conversely, demand was less elastic. Whatever the state of the industrial economy, the Junkers would be able to sell their output provided that foreign sources were prevented from undercutting them. Thus, we would expect the Junkers to be the most resolutely against high industrial tariffs, while the smaller farmers would again have a less clearcut interest.

Neither were the interests of the industrial sector homogeneous. Makers of basic materials such as iron and steel wanted the producers of manufactured products such as stoves, pots and

12 Although access to capital was probably not a problem for the Junkers, who could make use of the “Hypothekenbanken” and the “Reifeinsenkassen.” George Garvy, in litt., March, 1975.
pans, shovels, rakes, to buy supplies at home rather than from cheaper sources abroad. Conversely the finished goods manufacturers wanted cheap materials; their ideal policy would have been low tariffs on all goods except the ones that they made.

In theory, both types of industries were already well past the "infant industry" stage and would have benefited from low tariffs and international specialization. Indeed, German industry competed very effectively against British and American products during this period, penetrating Latin America, Africa, Asia, and even the United States and United Kingdom home markets.\(^\text{13}\) Low tariffs might not have meant lower incomes for industry, but rather a shift among companies and a change in the mix of items produced.

Nevertheless, tariffs still offered certain advantages even to the strong. They reduced risk in industries requiring massive investments, like steel; they assured economies of scale, which supported price wars or dumping in foreign markets; and to the extent that cartels and mergers suppressed domestic production, they allowed monopoly profits. Finally, iron and steel manufacturers everywhere faced softening demand due to the declining rate of railroad building, not wholly offset by shipbuilding.\(^\text{14}\) As we shall see, steelmen were in the vanguard of protectionist movements everywhere, including Britain (their only failure).

All industrialists (except those who sold farm equipment) had an interest in low agricultural tariffs. Cheap food helped to keep wages down and to conserve purchasing power for manufactured goods.

The interests of the industrial work force were pulled in conflicting directions by the divergent claims of consumer preoccupations and producer concerns. As consumers, workers found any duties onerous, especially those on food. But as producers, they shared an interest with their employers in having their particular products protected, or in advancing the interests of the industrial sector as a whole.

Shippers and their employees had an interest in high levels of imports and exports and hence in low tariffs of all kinds. Bankers and those employed in finance had varied interests according to


\(^\text{14}\) Rostow, *British Economy*; Landes, *Unbound Prometheus*. 
Table 3 Interests of Different Groups in Relation to Industrial and Agricultural Tariffs (Germany)

<table>
<thead>
<tr>
<th>INDUSTRIAL TARIFFS</th>
<th>AGRICULTURAL TARIFFS</th>
</tr>
</thead>
<tbody>
<tr>
<td>HIGH</td>
<td>HIGH</td>
</tr>
<tr>
<td></td>
<td>The Outcome: High Tariffs</td>
</tr>
<tr>
<td></td>
<td>Heavy industry</td>
</tr>
<tr>
<td></td>
<td>Workers in Heavy Industry</td>
</tr>
<tr>
<td></td>
<td>SMALL FARMERS</td>
</tr>
<tr>
<td>LOW</td>
<td>LOW</td>
</tr>
<tr>
<td></td>
<td>Workers in FM</td>
</tr>
<tr>
<td></td>
<td>Finished Manufacturers</td>
</tr>
<tr>
<td></td>
<td>Junkers</td>
</tr>
</tbody>
</table>

the ties each had with particular sectors of the economy. As consumers, professionals and shopkeepers, along with labor, had a general interest in keeping cost down, although special links (counsel to a steel company or greengrocer in a steel town) might align them to a high tariff industry.

This pattern of group interests may be represented diagrammatically. Table 3 shows each group’s position in relation to four policy combinations, pairing high and low tariffs for industry and agriculture. The group’s intensity of interest can be conveyed by its placement in relation to the axis: closeness to the origin suggests ambiguity in the group’s interest; distance from the intersection suggests clarity and intensity of interest.

Notice that no group wanted the actual policy outcome in Germany—high tariffs in both sectors. To become policy, the law of 1879 and its successors required trade-offs among members of different sectors. This is not really surprising. Logrolling is expected of interest groups. Explanation 1 would therefore find the coalition of iron and rye quite normal.

Nevertheless, a different outcome—low tariffs on both types of goods—also would have been compatible with an economic interest group explanation. Logrolling could also have linked up those parts of industry and agriculture that had a plausible interest in low tariffs: finished goods manufacturers, shippers and dockworkers, labor, professionals, shopkeepers, consumers, and farmers of the West and South. This coalition may even have been a majority of electorate, and at certain moments managed to impose its policy preferences. Under Chancellor Georg von Caprivi (1890–1894), reciprocal trade treaties were negotiated and tariffs
lowered. Why did this coalition lose over the long run? Clearly because it was weaker, but of what did this weakness consist?

**Political Explanations** One answer looks to aspects of the political system which favored protectionist forces at the expense of free traders: institutions (weighted voting, bureaucracy); personalities who intervened on one side or another; the press of other issues (socialism, taxation, constitutional reform, democratization); and interest group organization.

In all these domains, the protectionists had real advantages. The Junkers especially enjoyed a privileged position in the German system. They staffed or influenced the army, the bureaucracy, the judiciary, the educational system, and the Court. The three class voting system in Prussia, and the allocation of seats, helped overrepresent them and propertied interests in general.

In the late 1870s, Bismarck and the emperor switched to the Protectionist's side. Their motives were primarily political. They sought to strengthen the basic foundations of the conservative system (autonomy of the military and the executive from parliamentary pressure; a conservative foreign policy; dominance of conservative social forces at home; and preservation of the Junkers). For a long time, industry and bourgeois elements had fought over many of these issues. Unification had helped to reconcile the army and the middle classes, but many among the latter still demanded a more liberal constitution and economic reforms opposed by the Junkers. In the 1870s Bismarck used the Kulturkampf to prevent a revisionist alliance of Liberals, Catholics, and Federalists. In the long run, this was an unsatisfactory arrangement because it made the government dependent on unreliable political liberals and alienated the essentially conservative Catholics.¹⁵

Tariffs offered a way to overcome these contradictions and forge a new, conservative alliance. Industrialists gave up their antagonism toward the Junkers, and any lingering constitutionalist demands, in exchange for tariffs, anti-Socialist laws, and incorporation into the governing majority. Catholics gave way on constitutional revision in exchange for tariffs and the end of the Kulturkampf (expendable because protection would now carry out its

political function). The Junkers accepted industry and paid higher prices for industrial goods, but maintained a variety of privileges, and their estates. Peasants obtained a solution to their immediate distress, less desirable over the long run than modernization credits, but effective nonetheless. Tariff revenues eased conflicts over tax reform. The military obtained armaments for which the iron and steel manufacturers received the contracts. The coalition excluded everyone who challenged the economic order and/or the constitutional settlement of 1871. The passage of the first broad protectionist measure in 1879 has aptly been called the "second founding" of the Empire.16

Control of the Executive allowed Bismarck to orchestrate these complex trade-offs. Each of the coalition partners had to be persuaded to pay the price, especially that of high tariffs on the goods of the other sector. Control of foreign policy offered instruments for maintaining the bargain once it had been struck. Indeed, Wehler, following the tradition of Kehr, stresses the primacy of domestic preoccupations as the basis of Bismarck's foreign policy.17 The Chancellor used imperialism, nationalism, and overseas crises to obscure internal divisions, and particularly, to blunt middle-class criticism. Nationalism and the vision of Germany surrounded by enemies, or at least harsh competitors, reinforced arguments on behalf of the need for self-sufficiency in food and industrial production, and for a powerful military machine.18 "From the early 1880's, imperialism became an ideological force for integration in a state which lacked stabilizing historical traditions and which was unable to conceal sharp class divisions beneath its authorization cloak."19

The protectionists also appear to have organized more effectively than the free-traders. In the aftermath of 1848, industry had been a junior partner, concerned with the elimination of obstacles to a domestic German free market (such as guild regulations and internal tariffs). Its demands for protection against British imports

16 Rosenberg, *Imperial Germany*, 1-72.
18 Naval building, so important to the steel industry, was superfluous for the autarchy policy since a self-sufficient Germany would not have to import.
19 Wehler, "Bismarck’s Imperialism," 143.
were ignored.20 Up to 1873, “the most powerful pillars of the Prussian-German state, the great landowners, the representatives of the wholesale trade, the majority of the Prussian Chamber of Deputies and of the German Parliament (Reichstag), and the central bureaucracy all stood opposed to protective tariffs.”21 The boom of the 1860s greatly increased the relative importance of the industrialists. After 1873, managers of heavy industry, mines and some of the banks formed new associations and worked to convert old ones: in 1874 the Association of German Steel Producers was founded; in 1876, the majority of the Chambers of Commerce swung away from free trade, and other associations began to fall apart over the issue.22 These protectionist producers’ groups were clear in purpose, small in number, and intense in interest. Such groups generally have an easier time working out means of common action than do more general and diffuse ones.23 Banks and the state provided coordination among firms and access to other powerful groups in German society.

The most significant of these powerful groups—the Junkers—became available as coalition allies after the sharp drop in wheat prices which began in 1875. Traditionally staunch defenders of free trade, the Junkers switched very quickly to protection. They organized rapidly, adapting with remarkable ease, as Gerschenkron notes, to the ère des foules. Associations such as the Union of Agriculturalists and the Conservative Party sought to define and represent the collective interest of the whole agricultural sector, large and small, east and west. Exploiting their great prestige and superior resources, the Junkers imposed their definition of that interest—protection as a means of preserving the status quo on the land. To legitimate this program, the Junker-led movements developed many of the themes later contained in Nazi propaganda: moral superiority of agriculture; organic unity of

---

those who work the land; anti-Semitism; and distrust of cities, factories, workers, and capitalists. “With grain culture stands and falls German agriculture; with German agriculture stands and falls the German Reich.”

The alternative (Low/Low) coalition operated under several political handicaps. It comprised heterogeneous components, hence a diffuse range of interests. In economic terms, the coalition embraced producers and consumers, manufacturers and shippers, owners and workers, and city dwellers and peasants. Little in day to day life brought these elements together, or otherwise facilitated the awareness and pursuit of common goals; much kept them apart—property rights, working conditions, credit, and taxation. The low tariff groups also differed on other issues such as religion, federalism, democratization of the Constitution, and constitutional control of the Army and Executive. Unlike the High/High alliance, the low tariff coalition had to overcome its diversity without help from the Executive. Only during the four years of Caprivi was the chancellor’s office sympathetic to low tariff politics, and Caprivi was very isolated from the court, the kaiser, the army, and the bureaucracy.

Despite these weaknesses, the low tariff alliance was not without its successes. It did well in the first elections after the “refounding” (1881), a defeat for Bismarck which, Wehler argues, drove him further toward social imperialism. From 1890, Caprivi directed a series of reciprocal trade negotiations leading to tariff reductions. Caprivi’s ministry suggests the character of the programmatic glue needed to keep a low tariff coalition together: at home, a little more egalitarianism and constitutionalism (the end of the antischolarist laws); in foreign policy, a little more internationalism—no lack of interest in empire or prestige, but a greater willingness to insert Germany into an international division of labor.

International System Explanations A third type of explanation for tariff levels looks at each country’s position in the international system. Tariff policy has consequences not only for profit and loss for the economy as a whole or for particular industries, but for

25 J. Alden Nichols, Germany after Bismarck: The Caprivi Era (New York, 1958); Sarah Tirrell, German Agrarian Politics after Bismarck’s Fall (New York, 1951).
other national concerns, such as security, independence, and glory. International specialization means interdependence. Food supplies, raw materials, manufactured products, markets become vulnerable. Britain, according to this argument, could rely on imports because of her navy. If Germany did the same, would she not expose her lifeline to that navy? If the German agricultural sector shrank, would she not lose a supply of soldiers with which to protect herself from foreign threats? On the other hand, were there such threats? Was the danger of the Franco-British-Russian alliance an immutable constituent fact of the international order, or a response to German aggressiveness? This brings us back to the Kehr-Wehler emphasis on the importance of domestic interests in shaping foreign policy. There were different ways to interpret the implications of the international system for German interests: one view, seeing the world as hostile, justified protection; the other, seeing the world as benevolent, led to free trade. To the extent that the international system was ambiguous, we cannot explain the choice between these competing foreign policies by reference to the international system alone.

A variant of international system explanations focuses on the structure of bargaining among many actors in the network of reciprocal trade negotiations. Maintenance of low tariffs by one country required a similar willingness by others. One could argue that Germany was driven to high tariffs by the protectionist behavior of other countries. A careful study of the timing of reciprocal trade treaties in this period is required to demonstrate this point, a type of study I have been unable to find. The evidence suggests that at least in Germany, the shift from Caprivi's low tariff policy to Bernhard Bülow's solidarity bloc (protection, naval-building, nationalism, antisocialism) did not come about because of changes in the behavior of foreign governments. Rather, the old Bismarckian coalition of heavy industry, army, Junkers, nationalists, and conservatives mobilized itself to prevent further erosion of its domestic position.

Economic Ideology A fourth explanation for the success of the protectionist alliance looks to economic ideology. The German nationalist school, associated with Friedrich List, favored state intervention in economic matters to promote national power and welfare. Free trade and laissez-faire doctrines were less entrenched than they were in Britain. According to this explanation, when
faced with sharp competition from other countries, German interests found it easier to switch positions toward protection than did their British counterparts. This interpretation is plausible. The free trade policies of the 1850s and 1860s were doubtless more shallowly rooted in Germany and the tradition of state interventionism was stronger.

All four explanations, indeed, are compatible with the German experience: economic circumstances provided powerful inducements for major groups to support high tariffs; political structures and key politicians favored the protectionist coalition; international forces seemed to make its success a matter of national security; and German economic traditions helped justify it. Are all these factors really necessary to explain the protectionist victory, or is this causal overkill? I shall reserve judgement until we have looked at more examples.

FRANCE

The French case offers us a very different political system producing a very similar policy result. As with Germany, the causes may explain more than necessary. The High/High outcome (Table 1) is certainly what we would expect to find looking at the interests of key economic actors. French industry, despite striking gains under the Second Empire and the Cobden-Chevalier Treaty, was certainly less efficient than that of other “late starters” (Germany and the United States). Hence manufacturers in heavy industry, in highly capitalized ones, or in particularly vulnerable ones like textiles had an intense interest in protection. Shippers and successful exporters opposed it.26

Agriculture, as in Germany, had diverse interests. France had no precise equivalent to the Junkers; even on the biggest farms the soil was better, the labor force freer, and the owners less likely to be exclusively dependent on the land for income. Nonetheless, whether large or small, all producing units heavily involved in the market were hard hit by the drop in prices. The large proportion of quasi-subsistence farmers, hardly in the market economy, were less affected. The prevalence of small holdings made modernization easier than in Prussia, but still costly. For most of the agricul-

tural sector, the path of least resistance was to maintain past practice behind high tariff walls.

As we would expect, most French producer groups became increasingly protectionist as prices dropped. In the early 1870s Adolphe Thiers tried to raise tariffs largely for revenue purposes but failed. New associations demanded tariff revision. In 1881, the National Assembly passed the first general tariff measure, which protected industry more than agriculture. In the same year American meat products were barred as unhealthy. Sugar received help in 1884, grains and meats in the tariffs of 1885 and 1887. Finally, broad coverage was given to both agriculture and industry in the famous Méline Tariff of 1892. Thereafter, tariffs drifted upwards, culminating in the very high tariff of 1910.27

This policy response fits the logic of the political system explanation as well. Universal suffrage in a society of small property owners favored the protection of units of production rather than consumer interests. Conflict over nontariff issues, although severe, did not prevent protectionists from finding each other. Republican, Royalist, Clerical, and anti-Clerical protectionists broke away from their free-trade homologues to vote the Méline Tariff.28 Méline and others even hoped to reform the party system by using economic and social questions to drive out the religious and constitutional ones. This effort failed but cross-party majorities continued to coalesce every time the question of protection arose and high tariffs helped reconcile many conservatives to the Republic.29

In France, protection is the result we would expect from the international system explanation: international political rivalries imposed concern for a domestic food supply and a rural reservoir of soldiers. As for the economic ideology explanation, ideological traditions abound with arguments in favor of state intervention. The Cobden-Chevalier Treaty had been negotiated at the top. The pro-

cess of approving it generated no mass commitment to free trade as had the lengthy public battle over the repeal of the Corn Laws in Britain. The tariffs of the 1880s restored the status quo ante.

Two things stand out in the comparison of France with Germany. First, France had no equivalent to Bismarck, or to the state mechanism which supported him. The compromise between industry and agriculture was organized without any help from the top. Interest groups and politicians operating through elections and the party system came together and worked things out. Neither the party system, nor the constitution, nor outstanding personalities can be shown to have favored one coalition over another.

Second, it is mildly surprising that this alliance took so long to come about—perhaps the consequences of having no Bismarck. It appears that industry took the lead in fighting for protection, and scored the first success. Why was agriculture left out of the Tariff of 1881 (while in Germany it was an integral part of the Tariff of 1879), when it represented such a large number of people? Why did it take another eleven years to get a general bill? Part of the answer may lie in the proportion of people outside the market economy; the rest may lie in the absence of leaders with a commanding structural position working to effect a particular policy. In any case, the Republic eventually secured a general bill, at about the same time that the United States was also raising tariffs.

GREAT BRITAIN Britain is the only highly industrialized country which failed to raise tariffs on either industrial or agricultural products in this period. Explanation 1 appears to deal with this result quite easily. British industry, having developed first, enjoyed a great competitive advantage over its rivals and did not need tariffs. International specialization worked to Britain's advantage. The world provided her with cheap food, she supplied industrial products in exchange and made additional money financing and organizing the exchange. Farmers could make a living by modernizing and integrating their units into this industrial order. Such had been the logic behind the repeal in the Corn Laws in 1846.30

Upon closer inspection, British policy during the Great Depression seems less sensible from a materialist viewpoint. Condi-

tions had changed since 1846. After 1873, industry started to suffer at the hands of its new competitors, especially American and German ones. Other countries began to substitute their own products for British goods, compete with Britain in overseas markets, penetrate the British domestic market, and erect tariff barriers against British goods. Britain was beginning that languorous industrial decline which has continued uninterrupted to the present day.31

In other countries, industrial producers, especially in heavy industry, led agitation for protection in response to the dilemma of the price slump. Although some British counterparts did organize a Fair Trade league which sought protection within the context of the Empire (the policy adopted after World War I), most industrialists stayed with free trade.

If this outcome is to be consistent with explanation 1, it is necessary to look for forces which blunted the apparent thrust of international market forces. British producers’ acceptance of low tariffs was not irrational if other ways of sustaining income existed. In industry, there were several. Despite Canadian and Australian tariff barriers, the rest of the Empire sustained a stable demand for British goods; so did British overseas investment, commercial ties, and prestige. International banking and shipping provided important sources of revenue which helped to conceal the decline in sales. Bankers and shippers also constituted a massive lobby in favor of an open international economy. To some degree, then, British industry was shielded from perceiving the full extent of the deterioration of her competitive position.32

In agriculture, the demand for protection was also weak. This cannot be explained simply by reference to 1846. Initially the repeal of the Corn Laws affected farming rather little. Although repeal helped prevent sharp price increases following bad harvests, there was simply not enough grain produced in the world (nor enough shipping capacity to bring it to Europe) to provoke a major agricultural crisis. The real turning point came in the 1870s, when falling prices were compounded by bad weather.33 Why, at this moment, did the English landowning aristocracy fail to join

31 See especially Hobsbawm, From Industry to Empire.
its Junker or French counterpart in demanding protection? The aristocrats, after all, held a privileged position in the political system; they remained significantly overrepresented in the composition of the political class, especially in the leadership of Parliament; they had wealth and great prestige.

As with industry, certain characteristics of British agriculture served to shield landowners from the full impact of low grain prices. First, the advanced state of British industrial development had already altered the structure of incentives in agriculture. Many landowners had made the change from growing grain to selling high quality foodstuffs. These farmers, especially dairymen and meat producers, identified their interests with the health of the industrial sector, and were unresponsive to grain growers’ efforts to organize agriculture for protection.

Second, since British landowners derived their income from a much wider range of sources than did the Junkers, the decline of farming did not imply as profound a social or economic disaster for them. They had invested in mining, manufacturing, and trading, and had intermarried with the rising industrial bourgeoisie.34 Interpenetration of wealth provided the material basis for their identification with industry. This might explain some Tories’ willingness to abandon protection in 1846, and accept that verdict even in the 1870s.35

If repeal of the Corn Laws did not immediately affect the British economy it did profoundly influence politics and British economic thought in ways, following the logic of explanations 2 and 4, that are relevant for explaining policy in the 1870s. The attack on the Corn Laws mobilized the Anti-Corn Law League (which received some help from another mass movement, the Chartists). Over a twenty year period, the League linked the demand for cheap food to a broader critique of landed interest and privilege. Its victory, and the defection of Peel and the Tory leadership, had great symbolic meaning. Repeal affirmed that the

35 It is interesting that the literature on Britain concentrates not on why there was no restoration of protection in the 1870s but whether and why agriculture did a poor job modernizing; one of the reasons offered by those who think that it was poorly done is the same as that given in the German case—the concentration of ownership eliminated the middling farmer needed to do the job.
British future would be an industrial one, in which the two forms of wealth would fuse on terms laid down for agriculture by industry. By the mid-1850s even the backwoods Tory rump led by Disraeli had accepted this; a decade later he made it the basis for the Conservative revival. To most of the ever larger electorate, free trade, cheap food, and the reformed political system were inextricably linked. Protection implied an attack on all the gains realized since 1832. Free trade meant freedom and prosperity. These identifications inhibited the realization that British economic health might no longer be served by keeping her economy open to international economic forces.36

Finally, British policy fits what one would expect from analysis of the international system (explanation 3). Empire and navy certainly made it easier to contemplate dependence on overseas sources of food. It is significant that protection could be legitimated in the long run only as part of empire. People would do for imperialism what they would not do to help one industry or another. Chamberlain’s passage from free trade to protection via empire foreshadows the entire country’s actions after World War I.37

UNITED STATES Of the four countries examined here, only the United States combined low-cost agriculture and dynamic industry within the same political system.38 The policy outcome of high industrial tariffs and low agricultural ones fits the logic of explanation 3.36

---

37 “Yet as an imperialist movement, Fair Trade was suspect. The league was never quite able to overcome the impression that many of its members were merely stowaways on the good ship Empire because their own protectionist ship had little prospect of making port.” Brown, Tariff Reform, 89; “Men became protectionist usually because they wanted to secure their bread and butter; but often because they were Conservatives and wanted ammunition to snipe at Liberals; often because they believed in the empire; and sometimes, indeed because they revered their grandfathers or were members of the Church of England.” Ibid., 102.
38 It would be interesting to compare the responses of the plains countries, exploring the consequences of having different types of industrial “presences” (strong domestic capital, foreign capital, shippers and bankers), in the United States, Russia, Argentina, Canada, Australia, and elsewhere. See Theodore H. Moran, “The Development of Argentina and Australia: The Radical Party of Argentina and the Labor Party of Australia in the Process of Economic and Political Development,” Comparative Politics, III (1970), 71–92. It would also be stimulating to apply the categories of specialized function in the world economy, such as
Endowed with efficient agriculture, the United States had no need to protect it; given the long shadow of the British giant, industry did need protection. But despite its efficiency (or rather because of it) American agriculture did have severe problems in this period. On a number of points, it came into intense conflict with industry. By and large industry had its way.

**Monetary policy** The increasing value of money appreciated the value of debt owed to Eastern bankers. Expanding farm production constantly drove prices downward, so that a larger amount of produce was needed to pay off an ever increasing debt. Cheap money schemes were repeatedly defeated.

**Transportation** Where no competition among alternative modes of transport or companies existed, farmers were highly vulnerable to rate manipulation. Regulation eventually was introduced, but whether because of the farmers’ efforts or the desire of railroad men and other industrialists to prevent ruinous competition—as part of their “search for order”—is not clear. Insurance and fees also helped redistribute income from one sector to the other.

**Tariffs** The protection of industrial goods required farmers to sell in a free world market and buy in a protected one.

**Taxation** Before income and corporate taxes, the revenue burden was most severe for the landowner. Industry blocked an income tax until 1913.

**Market instability** Highly variable crop yields contributed to erratic prices, which could have been controlled by storage facilities, government price stabilization boards, and price supports. This did not happen until after World War I.

**Monopoly pricing practices** Differential pricing (such as Pittsburgh Plus, whereby goods were priced according to the loca-
tion of the head office rather than the factory) worked like an internal tariff, pumping money from the country into the Northeast. The antitrust acts addressed some of these problems, but left many untouched.

*Patronage and pork-barrel* Some agrarian areas, especially the South, fared badly in the distribution of Federal largesse.40

In the process of political and industrial development, defeat of the agricultural sector appears inevitable. Whatever the indicator (share of GNP, percentage of the work force, control of the land) farmers decline; whether peasants, landless laborers, family farmers, kulaks, or estate owners, they fuel industrialization by providing foreign exchange, food, and manpower. In the end they disappear.

This can happen, however, at varying rates: very slowly, as appears to be the case in China today, slowly as in France, quickly as in Britain. In the United States, I would argue, the defeat of agriculture as a sector was swift and thorough. This may sound strange in light of the stupendous agricultural output today. Some landowners were successful. They shifted from broad attacks on the system to interest group lobbying for certain types of members. The mass of the agricultural population, however, lost most of its policy battles and left the land.

One might have expected America to develop not like Germany, as Moore suggests (although that was certainly a possibility) but like France: with controlled, slower industrial growth, speed sacrificed to balance, and the preservation of a large rural population.41 For it to have happened the mass of small farmers would have to have found allies willing to battle the Eastern banking and industrial combine which dominated American policy-making. To understand their failure it is useful to analyze the structure of incentives among potential alliance partners as was done for the European countries. If we take farmers’ grievances on the policy issues noted above (such as money and rates) as the functional

40 The Compromise of 1876 which put Hayes in the White House had less to do with the end of Reconstruction, which was ending anyway, than with the desire by Southerners to obtain patronage and a railroad through the Southwest. See C. Van Woodward, *The Origins of the New South* (Baton Rouge, 1951); Gabriel Kolko, *The Triumph of Conservatism* (Glencoe, 1963); *idem.*, *Railroads and Regulation* (Princeton, 1965); William Appelman Williams, *Roots of the Modern American Empire* (New York, 1969). See also Frank Taussig, *A Tariff History of the United States* (New York, 1931).
equivalent of tariffs, the politics of coalition formation in the United States become comparable to the equivalent process in Europe.

Again two alliances were competing for the allegiance of the same groups. The protectionist core consisted of heavy industry, banks, and textiles. These employers persuaded workers that their interests derived from their roles as producers in the industrial sector, not as consumers. To farmers selling in urban markets, the protectionists made the familiar case for keeping industry strong.

The alternative coalition, constructed around hostility toward heavy industry and banks, appealed to workers and farmers as consumers, to farmers as debtors and victims of industrial manipulation, to the immigrant poor and factory hands against the tribulations of the industrial system, to farmers as manipulated debtors, and to shippers and manufacturers of finished products on behalf of lower costs. Broadly this was a Jackson-type coalition confronting the Whig interest—the little man versus the man of property. Lower tariffs and more industrial regulation (of hours, rates, and working conditions) were its policies.

The progressive, low tariff alliance was not weak. Agriculture employed by far the largest percentage of the workforce. Federalism should have given it considerable leverage: the whole South, the Midwest, and the trans-Mississippi West. True, parts of the Midwest were industrializing, but then much of the Northeast remained agricultural. Nonetheless the alliance failed; the explanation turns on an understanding of the critical realignment election of 1896. The defeat of populism marked the end of two decades of intense party competition, the beginning of forty years of Republican hegemony, and the turning point for agriculture as a sector. It will be heuristically useful to work backwards from the conjuncture of 1896 to the broader forces which produced that contest.

The battle of 1896 was shaped by the character and strategy of William Jennings Bryan, the standard bearer of the low tariff alliance. Bryan has had a bad historical press because his populism had overtones of bigotry, anti-intellectualism, archaicism, and religious fundamentalism. Politically these attributes were flaws.

42 C. Van Woodward, Reunion and Reaction (Boston, 1961); Tom Watson: Agrarian Rebel (New York, 1938); Paul Glad, McKinley, Bryan and the People (Philadelphia, 1964); John Hope Franklin, Reconstruction (Chicago, 1961).
because they made it harder to attract badly needed allies to the farmers’ cause. Bryan’s style, symbols, and program were meaningful to the trans-Mississippi and Southern farmers who fueled Populism, but incomprehensible to city dwellers, immigrants, and Catholics, to say nothing of free-trade oriented businessmen. In the drive for the Democratic nomination and during the subsequent campaign, Bryan put silver in the forefront. Yet free coinage was but a piece of the populist economic analysis and not the part with the strongest appeal for nonfarmers (nor even the most important element to farmers themselves). The city dweller’s grievances against the industrial economy were more complex. Deflation actually improved his real wages, while cheap money threatened to raise prices. In the search for allies other criticisms of the industrial order could have been developed, but Bryan failed to prevent silver from overwhelming them.

Even within the agrarian sector, the concentration on silver and the fervid quality of the campaign worried the more prosperous farmers. By the 1980s, American agriculture was considerably differentiated. In the trans-Mississippi region, conditions were primitive; farmers were vulnerable, marginal producers: they grew a single crop for the market, had little capital, and no reserves. For different reasons, Southern agriculture was also marginal. In the Northeast and the Midwest farming had become much more diversified; it was less dependent on grain, more highly capitalized, and benefited from greater competition among railroads, alternative shipping routes, and direct access to urban markets. These farmers related to the industrial sector, rather like the dairymen in Britain, or the Danes. Bryan frightened these farmers as he frightened workers and immigrants. The qualities which made him attractive to one group antagonized others. Like Sen. Barry Goldwater and Sen. George McGovern, he was able to win the nomination, but in a manner which guaranteed defeat. Bryan’s campaign caused potential allies to define their interests in ways which seemed incompatible with those of the agricultural sector. It drove farmers away rather than attracting them. Workers saw Bryan not as an ally against their bosses but as a threat to the industrial sector of the economy of which they were a part. To immigrants, he was a nativist xenophobe. Well-to-do Midwestern farmers, Southern Whigs, and Northeast shippers all saw him as a threat to property.
The Republicans, on the other hand, were very shrewd. Not only did they have large campaign funds, but, as Williams argues, James G. Blaine, Benjamin Harrison, and William McKinley understood that industrial interests required allies the support of which they must actively recruit. Like Bismarck, these Republican leaders worked to make minimal concessions in order to split the opposition. In the German coalition the terms of trade were social security for the workers, tariffs for the farmers and the manufacturers, guns and boats for the military. In America, McKinley, et al., outmanoeuvred President Grover Cleveland and the Gold Democrats on the money issue; when Cleveland repealed the Silver Purchase Act, some of the Republicans helped pass the Sherman Silver Purchase Act. The Republican leaders then went after the farmers. Minimizing the importance of monetary issues, they proposed an alternative solution in the form of overseas markets: selling surpluses to the Chinese or the Latin Americans, negotiating the lowering of tariff levels, and policing the meat industry to meet the health regulations Europeans had imposed in order to keep out American imports. To the working class, the Republicans argued that Bryan and the agrarians would cost them jobs and boost prices. Social security was never mentioned—McKinley paid less than Bismarck.

In 1896, the Republican candidate was tactically shrewd and the Democratic one was not. It might have been the other way around. Imagine a charismatic Democrat from Ohio, with a Catholic mother, traditionally friendly to workers, known for his understanding of farmers’ problems, the historical equivalent of Senator Robert Kennedy in the latter’s ability to appeal simultaneously to urban ethnics, machine politicians, blacks, and suburban liberals. Unlikely but not impossible: had he existed, such a candidate would still have labored under severe handicaps. The difference between Bryan and McKinley was more than a matter of personality or accident. The forces which made Bryan the standard bearer were built into the structure of American politics. First, McKinley’s success in constructing a coalition derives from features inherent in industrial society. As in Germany, producers’ groups had a structural advantage. Bringing the farmers, workers, and consumers together was difficult everywhere in the industrial world during that period. In America, ethnic, geographic, and religious differences made it even harder.
Second, the industrialists controlled both political parties. Whatever happened at the local level, the national Democratic party lay in the firm grip of Southern conservatives and Northern businessmen. Prior to 1896, they wrote their ideas into the party platforms and nominated their man at every convention. The Gold Democrats were not a choice but an echo. Even the Republicans thought so: after the election of 1892, Andrew Carnegie wrote to Henry Clay Frick: “Well we have nothing to fear and perhaps it is best. People will now think the Protected Manufacturers were attended to and quit agitating. Cleveland is a pretty good fellow. Off for Venice tomorrow”.43 A Bryan-type crusade was structurally necessary. Action out of the ordinary was required to wrest the electoral machine away from the Gold Democrats. But the requirements of that success also sowed seeds for the failure of November, 1896.

Why, in turn, did the Industrialists control the parties? The Civil War is crucial. At its inception, the Republican party was an amalgam of entrepreneurs, farmers, lawyers, and professionals who believed in opportunity, hard work, and self-help; these were people from medium-sized towns, medium-sized enterprises, medium-sized farms. These people disliked the South not because they wished to help the black race or even eliminate slavery, but because the South and slavery symbolized the very opposite of “Free Soil, Free Labor, Free Men”.44 By accelerating the pace of industrialization, the Civil War altered the internal balance of the Party, tipping control to the industrialists. By mobilizing national emotions against the South, the Civil War fused North and West together, locking the voter into the Republican Party. Men who had been antibusiness and Jacksonian prior to 1860 were now members of a coalition dominated by business.45

In the South, the Old Whigs, in desperate need of capital, fearful of social change, and contemptuous of the old Jacksonians, looked to the northern industrialists for help in rebuilding their lands and restoring conservative rule. What would have been more natural then to have joined their northern allies in the Republican party? In the end, the hostility of the Radical Republicans

made this impossible, and instead the Old Whigs went into the Democratic Party where they eventually helped sustain the Gold Democrats and battled with the Populists for control of the Democratic organization in the South.

There were, then, in the American system certain structural obstacles to a low-tariff coalition. What of economic ideology (explanation 4) and the international system (explanation 3)? Free trade in the United States never had the ideological force it had in the United Kingdom. Infant industries and competition with the major industrial power provided the base for a protectionist tradition, as farming and distrust of the state provided a base for free trade. Tariffs had always been an important source of revenue for the Federal government. It is interesting that the “Free Soil, Labor and Men” coalition did not add Free Trade to its program.

Trade bore some relation to foreign policy. The whole thrust of Williams’ work has been to show how American involvement with the world was shaped by the quest for markets, first for agricultural products, then for industrial. Nonetheless, it is hard to see that the international political system determined tariff policy. The United States had no need to worry about foreign control of resources or food supply. In any case the foreign policy of the low tariff coalition was not very different from the foreign policy of the high tariff coalition.

In conclusion, four countries have been subjected to a set of questions in an attempt to find evidence relevant to differing explanations of tariff levels in the late nineteenth century. In each country, we find a large bloc of economic interest groups gaining significant economic advantages from the policy decision adopted concerning tariffs. Hence, the economic explanation has both simplicity and power. But is it enough? It does have two weaknesses. First, it presupposes a certain obviousness about the direction of economic pressures upon groups. Yet, as the argumentation above has sought to show, other economic calculations would also have been rational for those groups. Had farmers supported protection in Britain or opposed it in Germany and France, we could also offer a plausible economic interpretation for their behavior. The same is true for industrialists: had they accepted the opposite policy, we could find ways in which they benefited from doing so. We require an explanation, therefore, for the choice between two economic logics. One possibility is to look at the
urgency of economic need. For protectionists, the incentive for high tariffs was intense and obvious. For free traders, the advantages of their policy preference, and the costs of their opponents’ victory, were more ambiguous. Those who wanted their goals the most, won.

Second, the economic explanation fails to flesh out the political steps involved in translating a potential alliance of interest into policy. Logrolling does take some organization, especially in arranging side payments among the partners. The iron-rye bargain seems so natural that we forget the depth of animosity between the partners in the period preceding it. To get their way, economic groups had to translate their economic power into political currency.

The political structures explanation appears to take care of this problem. Certain institutions and particular individuals helped to organize the winning coalition and facilitate its victory. Looking at each victory separately, these structures and personalities bulk large in the story. Yet viewed comparatively, their importance washes out. Bismarck, the Junkers, the authoritarian constitution, the character of the German civil service, the special connections among the state, banking, and industry—these conspicuous features of the German case have no equivalents elsewhere. Meline was no Bismarck and the system gave him no particular leverage. Mobilization against socialism did not occur in the United States, or even in Britain and France. Yet the pattern of policy outcomes in these countries was the same, suggesting that those aspects of the political system which were idiosyncratic to each country (such as Bismarck and regime type) are not crucial in explaining the result. In this sense the political explanation does not add to the economic one.

Nonetheless, some aspects of the relation between economic groups and the political system are uniform among the countries examined here and do help explain the outcome. There is a striking similarity in the identity of victors and losers from country to country: producers over consumers, heavy industrialists over finished manufacturers, big farmers over small, and property owners over laborers. In each case, a coalition of producers’ interests defined by large scale basic industry and substantial landowners defeated its opponent. It is probable, therefore, that different types of groups from country to country are systematically not
equal in political resources. Rather, heavy industrialists and landowners are stronger than peasants, workers, shopkeepers, and consumers. They have superior resources, access to power, and compactness. They would have had these advantages even if the regimes had differed considerably from their historical profiles. Thus a republicanized or democratized Germany would doubtless have had high tariffs (although it might have taken longer for this to come about, as it did in France). A monarchist France (Bourbon, Orleanist, or Bonapartist) would certainly have had the same high tariffs as Republican France. An authoritarian Britain could only have come about through repression of the industrialists by landowners, so it is possible a shift in regime might have meant higher tariffs; more likely, the industrialists would have broken through as they did in Germany. Certainly Republican Britain would have had the same tariff policy. In the United States, it is possible (although doubtful) that without the critical election of 1896, or with a different party system altogether, the alternation between protectionist Republicans and low tariff Democrats might have continued.

Two coalitions faced each other. Each contained a variety of groups. Compared to the losers, the winners comprised: (1) groups for which the benefits of their policy goal were intense and urgent, rather than diffuse; (2) groups occupying strategic positions in the economy; and (3) groups with structurally superior positions in each political system. The uniformity of the winners’ economic characteristics, regardless of regime type, suggests that to the extent that the political advantages derive from economic ones, the political explanation is not needed. The translation of economic advantage into policy does require action, organization, and politics; to that extent, and to varying degrees, the economic explanation by itself is insufficient. It is strongest in Germany, where the rapidity of the switch from free trade to protection is breathtaking, and in France where economic slowness made the nation especially vulnerable to competition. It works least well for Britain where the policy’s advantages to the industrialists seem the least clear, and for the United States, where the weakness of agriculture is not explicable without the Civil War. Note that nowhere do industrialists fail to obtain their preferences.

In this discussion, we have called the actors groups, not classes, for two reasons. First, the language of class often makes it difficult to clarify the conflicts of interest (e.g., heavy industry vs.
manufacture) which exist within classes, and to explain which conception of class interest prevails. Second, class analysis is complex. Since interest group reasoning claims less, and works, there is no point in going further.46

The international system and economic ideology explanations appear the least useful. Each is certainly compatible with the various outcomes, but has drawbacks. First, adding them violates the principle of parsimony. If one accepts the power of the particular economic-political explanation stated above, the other two explanations become redundant. Second, even if one is not attracted by parsimony, reference to the international system does not escape the difficulty inherent in any "unitary actor" mode of reasoning: why does a particular conception of the national interest predominate? In the German case, the low tariff coalition did not share Bismarck's and Bülow's conception of how Germany should relate to the world. Thus the international system explanation must revert to some investigation of domestic politics.

Finally, the economic ideology explanation seems the weakest. Whatever its strength in accounting for the Free Trade Movement of the 1850s and 1860s, this explanation cannot deal with the rapid switch to protection in the 1870s. A national culture argument cannot really explain why two different policies are followed within a very short span of time. The flight away from Free Trade by Junkers, manufacturers, farmers, and so on was clearly provoked by the price drop. For the United Kingdom, conversely, the continuity of policy makes the cultural argument more appropriate. Belief in free trade may have blunted the receptivity of British interest groups toward a protectionist solution of their problems. The need for the economic ideology explanation here depends on one's evaluation of the structure of economic incentives facing industry: to whatever extent empire, and other advantages of having been first, eased the full impact of the depression, ideology was superfluous. To whatever extent industry suffered but avoided protection, ideology was significant.

THE CONSEQUENCES OF THE TARIFF CONTROVERSY ON THE CHARACTER OF POLITICAL SYSTEMS

It is impossible to have read Gerschenkron’s *Bread and Democracy* without wanting to consider the politi-

46 I wish to thank Janice Stein, Jean Laux, Albert Legault, and Lynn Mytelka for their comments on this point made at a conference in Montreal, 1975.
cal ramifications of the tariff debate. Clearly there is no inevitable connection between tariff level and regime type (see Table 2). Opposite kinds of regimes (Republican France and Imperial Germany) chose protection. Similar regimes (France, Britain, and the United States) chose different policies. Yet, the outcome of the tariff controversy did affect the political systems, strongly reinforcing existing tendencies, and etching what lay initially close to the surface very deep into the bedrock underlying the politics of each country. Each regime was strengthened by its choices.

In Germany, tariff policy helped reconcile a tangle of conflicts. It provided a hub into which the various spokes of the Empire could be securely fitted. Catholics, Liberals, Junkers, industrialists, and peasants would not have so easily come to an understanding without the solvent of tariffs. The policy then generated its own lobby. In Germany, once grain was protected all the smaller farmers who might have modernized became dependent on high tariffs and fought ferociously to keep them. Similarly, the navy building program helped construct a classic example of the military-industrial complex.

How much of this would low tariffs have changed? A systematic answer to this question would require that we subject each country to another lengthy exploration of alternative explanations about the nature of its system. The problem resembles arguments about imperialism: to demonstrate that capitalism encourages expansion does not prove that without expansion capitalism would collapse. Germany dominated by the low tariff coalition would have been a different place. But winning the one battle of tariff levels is not the same as dominating the country: much would have depended on how it happened. An anti-Corn Law League victory would have had strong implications for German politics. The contrasting victory of the Bülow bloc accentuated the actual tendencies of German society. Still, nationalism, militarism, and imperialism do occur in liberal systems; a Caprivi-type alliance might have used these instruments of legitimation as well.

In France, protection strengthened the Republic. The conservatives, both landed and industrial, found that the Republic could be conservative and that they could protect their interests through it. Tariffs helped preserve conservatism (the land and the shop) and limit the sources of radicalism (the city and the factory). As in Germany, protection acted as a solvent of other cleavages, espe-
cially over the constitution and the church. In the early 1890s, a party realignment around economic issues was conceivable. The Dreyfus case became possible partly because the interests of property had been secured, and it was precisely to avoid this realignment that some on both sides pushed the case.

In Great Britain in the 1880s the regime was solid enough without any new sources of support but, as on the Continent, the decision on tariffs reinforced existing tendencies. With the reconfirmation of the Corn Law Repeal, the position of agriculture and landed interest crumbled. After 1880, the absolute number of people in farming declined sharply. While the Junkers were successfully preserving many of their privileges, the British aristocracy lost most of those which remained. The County Councils Act of 1888 (which ended Justice of the Peace control of local life), the secret ballot, reform of the House of Lords, educational reorganization, and reform of the status of the church can all be linked to the waning influence of agriculture; so can British reluctance to join the Common Market fifty years later. The shrinking agricultural population also facilitated the development of the modern British party system which emerged in the 1890s, characterized by two broad formations holding contrasting positions along a single cleavage line (the nature of industrial society), a development which precedes the replacement of the Liberals by Labor. Had agriculture been protected, it is plausible to think that other issues would have remained salient in British politics, as they did in France.

In the United States, too, the survival of the regime was not threatened. The issues were industry’s dominance in American life and the nature of the party system. A party system built on Jacksonian versus Whig lines would have been a national party system, rather than a regional and sectoral one, in that voters would have lined up with their sociological counterparts all over the country on different sides of the same set of issues. When the Great Depression hit, Southern farmers could have worked with Western ones through a Democratic Party far more responsive to their concerns. This would have been a modified version of what Woodward calls the left fork of the South—alliance with the West on

Jacksonian reformist principles extended to include the eastern poor. Instead, the Civil War produced a Northwest alliance extended de facto to the Southern upper crust, thus fragmenting the agrarian sector. The upshot was industrialist domination of politics. All other groups were forced to adjust their conception of themselves and their interests to fit this hegemonic one. The preindustrial elites which might have carried forth a strain of Tory conservatism were instead swept away by the Social Darwinism of the parvenus. In place of a property/antiproperty cleavage, large portions of the working class came to interpret the stakes of politics in sectoral terms as industry versus agriculture. Identifying with the former, they came to adopt its standard of success—the accumulation of wealth—within the system. The South was encouraged to develop racism as the only glue capable of keeping Bourbons and Crackers in the same party. The industrialists emerged triumphant and remarkably unrestrained. In no other Western country, not even Germany, did they (or do they) share power so little; in no other country was (or is) there such an absence of criticism of their vision, position, and policies. The Civil War set this up. High tariffs and the election of 1896 confirmed it. The election of 1932 modified it, but did it really change the pattern?

These observations on the political consequences of the tariff debate are clearly speculative. What has interested me from the beginning is the linkage between the broad struggle for domination in society and the more specific policy problem posed by the drop in prices. The two once seemed, in my view, to be different sides of the same coin: the tariff levels and the coalitions which supported them would stand or fall on this issue. If the coalition were defeated, the tariff levels would change; if the coalition could not defend its tariff level, it would then collapse. Now they seem much more independent.

The character of the political system may have little impact on the content of various policies. This paper has explored the relation for only one case: tariffs in the late nineteenth century. Policy issues are to some extent neutral mediums, able to take on widely varying tints. Regimes of quite different types may use the same policy as proof of their superiority, efficacy, or legitimacy. The

48 Woodward, Origins of the New South.
49 The relation between policy content and regime types ought to be elucidated by com-
precise impact that policy has on regime type depends on historical context. Its effects may last long after the policy has become obso-
lete or abandoned. Some may see this as evidence of the derivative and dependent character of politics. To me, it suggests the origi-
nality and independence of politics.

parative policy studies. See Arnold J. Heidenheimer, "The Politics of Public Education, Health, and Welfare in the U.S.A. and Western Europe: How Growth and Reform Poten-

---

ANNOUNCEMENT

National Archives Microfilm: A Union List for California, Arizona and Nevada, compiled and edited by Joyce M. Mitchell, is now avail-
able. Copies of the list may be obtained at no charge by writing to Joyce M. Mitchell, Library-Reference, California State University, Fullerton, P.O. Box 4150, Fullerton, CA 92634.