

A Fiscal Quarrel Called The Civil War

by Devika Patel

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Confederates are a misunderstood bunch. April marked 150 years since the first shots were fired at Fort Sumter, launching the Civil War. Though hostilities didn't last half as long as Vietnam or even our current Afghan skirmish, it's the war that killed the most Americans and also is believed by many to be the most justified of our nation's wars. After all, the bloodshed freed the slaves and paved the path for civil rights and Kumbaya. But even if the story has a happy ending (sort of), and even if slavery was intolerable, inhumane, evil, and economically idiotic, modern Americans stubbornly ignore the obvious fact that Lincoln's war directly opposed the spirit with which this nation was founded, when 13 states

decided to secede from their union, or "the British Empire" as it's sometimes called. They founded a new nation through secession four score and seven years prior to Lincoln's famous proclamation, which ludicrously implied his fight against secession was in the same spirit as our nation's founding. In truth, Lincoln's tyrannical, tax-loving nature was exactly the sort of oppression that Washington, et al., tried to dispose of back in 1776. The war was barely about slavery.

The rebellious Founding Fathers were quite clear when drafting the Constitution: "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people." These idealists understood that centralized government was a necessary evil, but they limited federal power and its revenue sources to the best of their ability. The Civil War was a battle over revenue.

Ask any knowledgeable Southerner, and he or she is likely to agree with Charles Dickens, who wrote:

...the Northern onslaught upon slavery is no more than a piece of specious humbug disguised to conceal its desire for economic control of the United States.... Union means so many millions a year lost to the South; secession means loss of the same millions to the North. The love of money is the root of this as many, many other evils. The quarrel between the North and South is, as it stands, solely a fiscal quarrel.

This fiscal quarrel dated back to the country's founding, when a tariff was drafted into the Constitution and one of the first pieces of legislation the new Congress passed was the tariff of 1789, a duty of five to ten percent on imported goods. Before the Civil War, this tariff raised more than nine of every ten dollars in federal revenue.

The first protective tariff was born in 1816, aimed at protecting Americans from having to compete with Europe's cheap labor. This duty was also aimed at spreading around the Southern wealth and boosting the Northern industrialists' selling power. Since the South exported most of its cotton and tobacco crops (only 20% of the Southern crop was sold domestically), it could either be paid for its exports in hard cash or through manufactured European goods. If Southerners chose the latter, they got a better price. It was a no-brainer, since before 1824, US tariff levels hovered around 20%. It was economical to buy from Europe, whose lower labor costs allowed their manufacturers to undercut their higher-paid counterparts in the Northern US.

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Northerners, who initially wanted protection for their burgeoning manufacturing industry, now saw an opportunity for monopoly through what was slowly becoming a prohibitive tariff. If Congress kept raising the duty rate on imported goods, those rich Southerners would be forced to buy manufactured knickknacks such as iron and textiles from Northern factories. It was a sweet deal for the industrialists. Northern political dominance enabled Congress to pass a tariff averaging 35% late in 1824. When Congress passed the "Tariff of Abominations" in 1828, under which duties averaged over 50%, Southerners were more than a bit ticked off. They wound up paying 87% of total federal revenues.

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In response to the Tariff of 1828, South Carolina refused to collect any duties on imported goods sold in her ports, and this so-called “nullification” of federal tax law precipitated a crisis in which the very first talk of secession was heard. President Andrew Jackson eventually caved, and the feds agreed to roll back tariffs to their 1816 levels over a ten-year period, and the levies would settle at around 15% by 1842. Congressional Democrats, mostly Southerners, were able to reduce the tariff laws further in the 1840s and 1850s. The 1857 rates were the lowest in history. Peace was achieved until the Panic of 1857, when protectionists again rallied for a high tariff as a remedy for the ensuing recession.

In May 1860, Congress waited until the senators from the lower six Southern states were missing from the rosters and spawned the Morrill Tariff, which took effect in March 1861, a few weeks before fighting began at Sumter. This tariff effectively undid Jackson’s compromise. The average tariff rose from about 15% to 37%, with increases to 47% within three years. And with the Southerners missing from the US Congress during the four-year war, tariffs on European goods skyrocketed to 49% by 1868. (Hey—who said war was cheap? But after the war had ended and funding for its efforts was no longer needed, high tariffs remained. Big surprise. When have the feds EVER given up a revenue stream?).

Northern citizens knew which side of their bread was dripping with Dixie butter. On December 10, 1860, the *Chicago Daily Times* wrote of secession’s potential economic impact:

In one single blow, our foreign commerce must be reduced to less than one-half of what it is now. Our coastwise trade would pass into other hands. One-half of our shipping would lie idle at our wharves. We should lose our trade with the South, with all of its immense profits. Our manufacturers would be in utter ruins.

Money, the root of all of evils, was also the root of US history’s deadliest war. Slavery had little to do with either side’s hurt feelings.

But beyond the tariff war, the Southerners had an even bigger gripe: They despised Lincoln. His Republican party was strictly a Northern invention, founded only a few years before Sumter in 1854, and his election meant that Southern issues would be ignored for four years. In truth, they had no idea how bad a president old Abe would be. The “Great Emancipator” showed how much he respected liberty when he suspended habeas corpus rights a month into the conflict and declared martial law. Not only did Lincoln hijack Southern citizens’ right to govern themselves, he now sought to expand his executive power at the expense of his citizens’ civil rights. Americans are surprisingly willing, both then and now, to hand over their liberties without demanding proof when the state claims the country is under threat.

Lincoln had no beef with slavery. This is the same guy who said:

I have no purpose, directly or indirectly, to interfere with the institution of slavery where it exists. I believe I have no lawful right to do so, and I have no inclination to do so....If I could save the Union without freeing any slave I would do it....What I do about slavery, and the colored race, I do because I believe it helps to save the Union; and what I forbear, I forbear because I do not believe it would help to save the Union.

He wanted a strong, centralized government that ruled over the weakened states with as much power as he could seize. Though he never lived to see fascism or communism, Lincoln clearly understood the role of dictator.

Even after Lincoln’s death, and for twelve years after the war had ended, Reconstruction further proved that the fighting had little to do with slavery. If the North cared primarily about freeing slaves, soldiers would have vacated the South shortly after Lee’s surrender. Instead, there was nation-building in Dixie. Anyone connected to the previous regime or military (essentially all Southern males) could no longer vote, run for office, or exercise any of their constitutional rights without pledging support for the Union. A Southerner was forced to surrender his dignity and vow allegiance to the conquerors who had ravaged his people and his land. Southerners had their right to a representative government suspended indefinitely, their dignity trampled, and over a quarter million of their citizens killed by foreign invaders from the North, then were forced to suck it all up and like it. Not surprisingly, the vanquished South held onto its anger for generations after Appomattox. Even now, in the modern, post-industrial South, being called a Yankee is no compliment. And it has little to do with the Emancipation Proclamation.

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It's comforting to think that the crux of the conflict was slavery and that the war was a victory for all Americans, but that theory isn't rooted in reality. Still, teachers continue to spoon-feed their students this nonsense for the same reason they often show movies in class: It keeps the kids entertained, in their seats, and it prevents curious minds from asking difficult questions that could cause trouble with parents, principals, or school boards. (I taught at a public high school for a year and breathe audible sighs of relief every day that I'm free of that job. Teenagers are gruesome, volatile creatures, much like feral dogs in heat. And my fellow educators in the faculty room were even worse. It was hardly a good recipe for serious education.)

Though history is written and rewritten by the victors, and is therefore a load of self-aggrandizing crap, it behooves us to examine our actions and learn from our myriad mistakes. Self-reflection is never fun and the huddled masses typically prefer propaganda to unbiased representations, but our refusal to acknowledge that the Southern states had a multitude of legitimate gripes against the Union is as blind as believing that instability and oppression in Libya were threats to US interests: It may sound pretty but has no basis in fact.
