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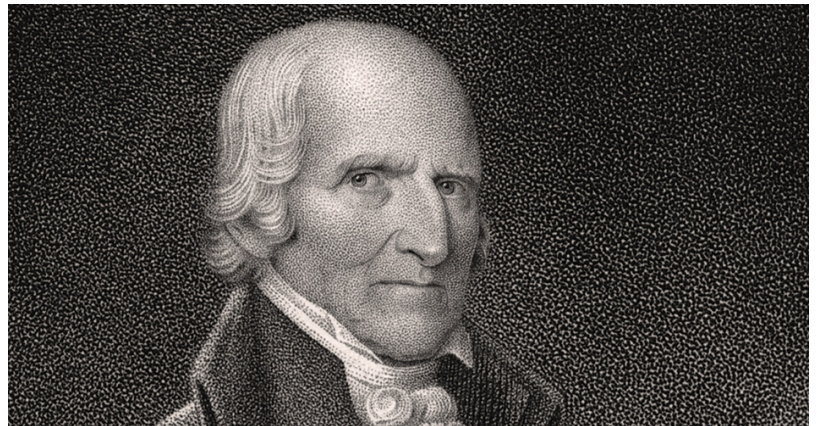
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## The Tariff of Abominations and the Era of Good Stealings

Few Americans seem aware of the fact that it was the New England Federalists who plotted to secede from the Union a half-century before the 1860-61 secession of the Southern states. Their efforts culminated in the Hartford Secession Convention of 1814, where they decided in the end to remain in the Union, confident that they would eventually dominate national politics to their economic advantage.

The leader of the New England secessionists was Massachusetts Senator Timothy Pickering, who had been George Washington's adjutant general and quartermaster general during the American Revolution and served as secretary of state and secretary of war in the Washington administration, a member of Congress from Massachusetts, and secretary of state in the John Adams administration. He was joined in his secessionist efforts by such Federalist Party luminaries as Elbridge Gerry, John Quincy Adams, Joseph Story, Fisher Ames, Harrison Gray Otis, Josiah Quincy, Theodore Sedgwick, and other prominent New Englanders. They were motivated by an intense hatred of Jefferson, his philosophy of limited, decentralized government, and the policies of his administration. It was Jefferson's election to the presidency in 1800 that spawned the New England secession movement.

As historian James Banner wrote in his book *To the Hartford Convention: The Federalists and the Origins of Party Politics, 1789-1815*, the Federalists denounced Jefferson and his administration as supposedly being plagued by "falsehood, fraud, and treachery," along with "oppression and barbarity," and accused him of causing "ruin among nations." New England clerics attached to the Federalist Party compared Jefferson to Beelzebub who had caused "a moral putrefication that covers the land," wrote Banner. Jefferson biographer Claude Bowers wrote of how many New England clerics were in fact "militant Federalists" hiding behind their clerical collars who "habitually denounced" Jefferson as "an anti-Christ" and hated him "with an unholy hate" because he stood in the way of their cherished goal of state-imposed Puritanism.



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Northern secessionist: Timothy Pickering was the leader of the New England secession movement in the early 1800s. Northern moves to secede did not wholly cease until after the War of 1812 and the "Era of Good Feelings."



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New England Federalists wanted to separate themselves from “the black population” of the Southern states. Timothy Pickering announced that should they secede, “the white and black population will mark the boundary.” The Federalists believed strongly that homogeneity of race and “ethnic purity” were essential ingredients of a successful republic, and thought of themselves as “choice offspring of the choicest people, unpolluted by foreign blood,” wrote Banner. Such master-race thinking is probably why Tocqueville wrote in his 1835 book *Democracy in America* that “the problem of race” (that is, anti-black racism) ironically appeared to be more prevalent in the North than in the South despite there being orders of magnitude more slaves in the South. Or why, as historian Joanne Pope-Melish wrote in *Disowning Slavery: Gradual Emancipation and Race in New England, 1780-1860*, by the early 1820s New Englanders commenced a policy of physically removing the small number of free blacks who lived among them. They did so by “assaulting their communities, burning down their homes, and attacking their advocates.” They even dug up black graves in cemeteries. Professor Pope-Melish quoted Frederick Douglass on the treatment of black people by New Englanders of the early to mid-19th century as saying, “What stone has been left unturned to degrade us?”

This New England compulsion for “ethnic purity” is also why the Federalists were so outraged by Jefferson’s Louisiana Purchase. “Our progenitors were choice scions from the best English stock,” Federalist William Cunningham bloviated, unlike “the wild Irish and sour Germans” who had more recently arrived in America. The fact that so many Irish and German immigrants were Catholics was also deeply disturbing to Puritanical New Englanders.

Federalist William Stoughton declared that “God sifted a whole Nation that he might send choice Grain over into this wilderness.” The Louisiana Purchase threatened to ruin all of that by inviting “hordes of foreigners” to occupy the newly purchased territory, as Banner explained.

Because of the Louisiana Purchase and its threat to New England “ethnic purity,” Josiah Quincy declared that “the bonds of Union are virtually dissolved” and that “it will be the duty of some, to prepare for a separation [from the Mid-Atlantic and the South] amicably if they can, violently if they must.” Pickering wrote to fellow Federalist George Cabot of the “depravity” of Jefferson and concluded that “the principles of our Revolution point to the remedy — a separation.”



**Cause for division:** The Louisiana Purchase angered many in New England, who felt that “hordes of foreigners” would occupy the newly acquired territory. Shown are U.S. troops raising the flag over New



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Orleans. (wikimedia/Thure de Thulstrup)

Thus, George Washington's secretary of state obviously considered secession to be *the* principle of the American Revolution and therefore a fundamental right that the citizens of every state possessed. At the time, Americans understood that the union of the states was voluntary, that the citizens of each state held political conventions to enter the Union *or not*, and that each state therefore had the right to leave the Union if it should interfere with the citizens' pursuit of "happiness," as stated explicitly in the constitutional ratification documents of Virginia, Rhode Island, and New York. The Jeffersonian dictum from the Declaration of Independence that governments derive their just powers from the consent of the governed, and when they no longer consent it is their duty to abolish the government and replace it with a new one, was a matter of course for these early Americans. "I have little doubt," said Pickering, "that this [secession] can be accomplished without spilling one drop of blood," and that "Massachusetts would take the lead."

In 1807, Great Britain was at war with France and announced a policy that would "secure her own seamen wherever found," which included U.S. ships on the high seas. After a British warship captured the USS *Chesapeake* off Hampton Roads, Virginia, President Jefferson imposed a trade embargo as a temporary expedient and an alternative to another war with Great Britain. The embargo continued under his successor, James Madison, and it was harshly discriminatory against the growing New England shipping industry. This radicalized the New England secessionists even more, with the Massachusetts Legislature utilizing the Jeffersonian principle of nullification to declare that President Madison's Enforcement Act was "not legally binding."

When America was once again at war with Great Britain during the War of 1812, New England effectively seceded in a de facto sense by not participating. The Massachusetts Legislature said the war was "needless and unwise" and was causing "a wanton sacrifice of the interests of New England." "Let there be no volunteers" for the war, the Legislature advised.

These three things — the Louisiana Purchase, the embargo, and the War of 1812 — are what fueled the New England secession movement and spawned a deep North/South division in American politics. But the 1814 Hartford Secession Convention was captured by political careerists — professional politicians and party leaders — who were far less radical than the Federalist rank and file, and were more in line with the thinking of Pickering, et al. Secessionist John Lowell, Jr. explained that the party leaders opposed secession because it "would have severed their last chance for preferment at the national level."

In a bit of an understatement, Yale President Theodore Dwight complained that the party leaders "have not done as much as was expected of them by the great body of the people of this State [Connecticut]." Throughout all of this, historian Edward Powell wrote in *Nullification and Secession in the United States*, "the right of a State ... to withdraw from the Union was ... not disputed." Having just fought a bloody war of secession from the British Empire, the founding generation was not about to turn around and create a British Empire-style government of their own. The Constitution would never have been ratified if they had. Lincoln's novel theory that the American Union was really more like a Soviet-style union from which there could never be any peaceful escape — a political Venus flytrap bound together by sacred and "mystic chords of union" — would not be invented for another 47 years.

**Hated man:** Jefferson was despised by many in New England for supposedly causing a "moral



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putrification” to cover the land. Northern Puritans wanted to secede and form a white ethno-state. (wikimedia/Rembrandt Peale)



## The Era of Good Feelings

Legend has it that, following the War of 1812 and the end of the New England secession movement, another president from Virginia, James Monroe, went on a national goodwill tour in 1817 to unify the nation and strike a blow against political partisanship. The Federalist Party was imploding and would soon disappear altogether, with Monroe running unopposed for reelection in 1820. His goodwill tour appearance in Boston, the heart of the Federalist homeland, is said to have been celebrated with parades, banquets, and receptions. New Englanders wanted to be re-welcomed into “the great family of the union,” wrote Monroe biographer Harry Ammon, creating a “new nationalism.” Hence was the phrase “Era of Good Feelings” coined by a Boston journalist, essentially describing the time period of the Monroe administrations (1817-1825).

The Federalist Party may have disappeared, but the powerful political interests that it represented did not. Indeed, they are still dominant in American politics to this day, but under a different political party structure. As George Dangerfield wrote in *The Era of Good Feelings*, the Federalist Party was “the party of the mercantile, manufacturing, and investing interests,” and these interests were very successful indeed during the rest of the 19th century and beyond in using the government for their own personal benefit. (They would do this primarily through the Whig, and then the Republican, Party). In fact, they did not even wait until the Monroe administration and all the talk of “good feelings” and nationalism had ended before succeeding in getting Congress to impose a series of historically high protectionist tariffs on imports that had the effect of plundering Southern agrarians with higher prices for farm tools, clothing, shoes, and dozens of other items for the benefit of Northern manufacturers who, being “protected” from foreign competition, raised prices on some items such as woolen blankets by 200 percent. As John C. Calhoun once sarcastically said, what “protectionism” protects Americans from is *lower* prices. “Good feelings” toward one’s political adversaries is rare and fleeting indeed, at any time and in any place.

## The Era of Good Stealings

When the American Whig Party was founded in 1834, Henry Clay would be its undisputed leader until



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his death in 1852. The Whig Party picked up the political mantle of the Federalists in that it, too, was the party of mercantile, manufacturing, and investing interests. Its economic platform was Alexander Hamilton's "American System" of protectionist tariffs, a national bank administered by politicians, and what we today call corporate welfare for road-, canal-, and railroad-building corporations. It was the party of mercantilism and crony capitalism, in other words, primarily for the benefit of Northern business interests (although there were also Southern Whigs).

Henry Clay owned a large hemp-growing slave plantation in Kentucky, and once said that he got into politics to procure protective tariffs on imported hemp and other things that competed with his hemp, along with tax-funded roads and canals to bring his hemp to market. For several decades he was the leader in Congress of the forces of protectionism, not just for hemp but also for Northern-state manufacturers in general. In 1824 he sponsored legislation to increase tariff rates on numerous products that about doubled the average tariff rate on imports.

The Jeffersonians of the South were immediately alarmed, for most of the increased tariffs were on manufactured products made in the North and the South was a solidly agricultural society. They viewed it as nothing but an instrument of plunder and an unconstitutional act in violation of the Constitution's dictum that taxes are to be uniform (for indirect taxes) and proportioned to the states according to population (for direct taxes). The votes on the Clay tariff in the House and Senate were starkly divided along regional lines. Of the 107 House votes in favor of the tariff, only three came from Southern states (2.8 percent). Of the 25 votes in the Senate in favor of the tariff, two came from Southern states (eight percent). In other words, as soon as the mercantile, manufacturing, and investing (MMI) class of the North mustered enough votes, they waged economic war on the agricultural South. There would be no more talk of "good feelings" in national politics — they fully intended to use the law to legally plunder their fellow citizens to the extent they could get away with it.

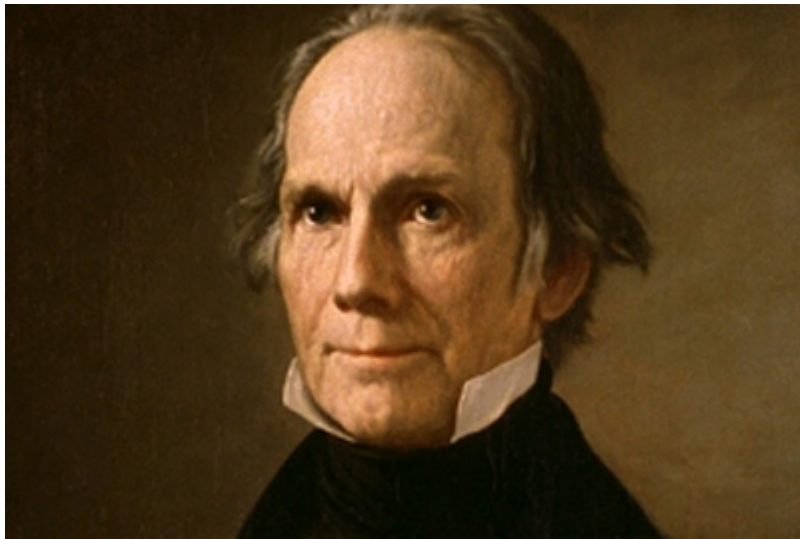
Emboldened by their success with the 1824 tariff, the MMI class, led once again by Henry Clay, increased tariffs even further, to a historically high rate of nearly 50 percent on average in 1828. Southern members of Congress labeled it the "Tariff of Abominations." As recounted by historian Chauncy Boucher in *The Nullification Controversy in South Carolina*, South Carolina politicians denounced the highly protectionist tariff as a "usurpation" and a "system of robbery and plunder" that "made one section [the South] tributary to another [the North]," all so that "corrupt politicians of the North" could "buy up partisans and retain power." There were political voices in Virginia, North Carolina, and Alabama that joined South Carolina in denouncing the Tariff of Abominations, while its most vocal supporters were from Massachusetts, Ohio, Pennsylvania, Rhode Island, Indiana, and New York, all of which issued resolutions in support of it, according to Boucher.



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**Crony capitalist:** Kentucky politician and plantation owner Henry Clay was an early proponent of protectionist tariffs and government-funded infrastructure projects, all to help him increase his wealth. (wikimedia/United States Senate)

In November 1832, a political convention was held in South Carolina that adopted an ordinance of nullification (*South Carolina Ordinance of Nullification*, November 24, 1832) declaring that the Tariff of Abominations was “unauthorized by the Constitution of the United States, and violated the true meaning and intent thereof.” As such, it is therefore “null, void, and no law, nor binding upon this State, its officers or citizens.”

South Carolinians further announced that “we will not submit to the application of force on the part of the federal government, to reduce this State to obedience.” Following in the footsteps of the New England Federalists (and of the American Revolutionaries), South Carolinians further announced that, should force be attempted by the federal government, it would be “inconsistent with the longer continuance of South Carolina in the Union.” At that point, South Carolina would “forthwith proceed to organize a separate government, and do all other acts and things which sovereign and independent States may of right do,” echoing the words of the Declaration of Independence.

The nullification ordinance authorized importers to recover any goods that had been impounded by federal tax collectors. Sheriffs were instructed to seize the personal property of the federal tax collectors and give it to the importers until their seized goods were returned, all duties were to be reimbursed to the importers with interest, federal tax collectors were subject to fines and imprisonment for attempting to resist the nullification ordinance, and no jail in the state could be used to imprison anyone for refusing to pay the new tariff. A fund of \$200,000 was made available to the governor for the purpose of purchasing firearms, if necessary, to enforce the ordinance with the state militia.

President Andrew Jackson threatened to enforce the Tariff of Abominations, and there was talk of sending warships to Charleston Harbor, but in 1833 a compromise was reached that reduced tariff rates by more than half over the next 10 years, to levels more compatible with a “revenue tariff” that would be sufficient enough to fund the constitutional functions of the federal government, but not to block international competition solely for the benefit of the perpetually plotting MMI class. Nullification had worked precisely as South Carolina Senator John C. Calhoun said it would — forcing compromise between the sections and avoiding secession, keeping the Union intact.



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## Tariff of Abominations 2.0

The 1833 compromise lowered the average tariff rate to the 20-percent range over a 10-year period. As soon as the 10 years were up, the MMI cabal garnered enough votes through the new hyper-protectionist Whig Party to *double* the average tariff rate yet again, to the 40-percent range. They did this with the Tariff of 1842, which came to be known as the Black Tariff. Predictably, imports fell precipitously, and some items, such as iron rails used for railroad beds, increased in price by some 80 percent. Politically connected Pennsylvania iron rail manufacturers profited handsomely at the expense of railroads and their customers.

Southern states were once again being plundered, since they had far less manufacturing than the Northern states and had to pay significantly more for dozens of items. In addition, whenever imports fell, especially from Europe, Europeans had less ability to buy American products, which were primarily agricultural products. The Southern states at the time sold one-half to three-fourths of all their cotton, tobacco, rice, and other agricultural products overseas. Southerners believed they were being plundered twice over: First by paying higher prices, and second as a result of a large portion of their overseas business drying up thanks to the protectionist Black Tariff. They also complained quite bitterly that most of the tariff revenue seemed to be spent in the North.

**Working on the railroad:** Iron for railroad tracks was an early item that was protected by tariffs. Pennsylvania iron makers greatly benefited from such tariffs, at the expense of other segments of the economy that were used to purchasing imported iron. (wikimedia/Jrosenberry1)



In response, what was probably the very first public meeting in the South to seriously discuss secession was held on July 31, 1844 in the village of Bluffton, South Carolina, adjacent to Hilton Head Island. The organizer of the event, which took place under a large oak tree that to this day is known as the “Secession Oak,” was Robert Rhett, a onetime U.S. congressman, U.S. senator, and attorney general of South Carolina. Rhett was a planter, and the purpose of the meeting, which attracted several hundred of South Carolina’s wealthiest and most prominent citizens, was to oppose the Tariff of 1842. The writing must have been on the wall for the so-called Bluffton Boys, with the Northern-state MMI cabal so obviously hell-bent on plundering their fellow citizens with tariffs. The topic of secession was also on the table under the giant oak tree along the May River, but it eventually was dropped — for another 16 years anyway — when Senator John C. Calhoun voiced his disapproval.



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South Carolinians were not the only ones incensed by the protectionist Tariff of 1842 and the machinations of the greedy, plundering, Northern MMI class and its new Whig Party political vehicle. The Whigs lost so many seats in Congress that the 1842 tariff rates were reversed by the Walker Tariff of 1846 (named after Secretary of the Treasury Robert J. Walker) and settled in the 25-percent range. They were subsequently lowered even further, so that on the eve of the Civil War, the average tariff rate was in the 15-percent range, the lowest point of the 19th century.

But, like the character Jason Voorhees in the *Friday the 13th* movies, the MMI cabal kept resurrecting itself from political death. Using the recession of 1857 as an excuse to prop up politically connected manufacturing industries, the cabal succeeded in getting the protectionist Morrill Tariff passed during the 1859-1860 session of Congress, prior to the Southern secession movement. It was signed into law by President James Buchanan four days before Abraham Lincoln took the oath of office, and more than doubled the average tariff rate to the 32-percent range. Lincoln himself would then sign 10 tariff-raising bills during his administrations, after which the average tariff rate was in the 60-percent range. It remained in the 50- to 60-percent range until the federal income tax was adopted in 1913, after half a century of Republican party/MMI class federal political hegemony.

Protectionist tariffs were not the only tool of plunder during the Era of Good Stealings. The second plank of the old Alexander Hamilton/Federalist “American System” was what we today call “corporate welfare” or “pork-barrel spending.” President after president, beginning with Jefferson and Madison, decided that spending tax dollars on corporations for any purpose was unconstitutional, with Madison vetoing such legislation on his very last day in office, so the MMI class focused its efforts at the state level.

During the 1830s, numerous states spent millions subsidizing building projects related to roads, canals, and railroads despite the fact that there were already thousands of miles of privately funded roads (“turnpikes”) and even local railroads in parts of the country. In state after state, very little if anything was ever completed, much of the money was unaccounted for, and taxpayers were burdened with huge government debts that they were responsible for.

As leader of the Whig Party in Illinois, a young Abraham Lincoln was instrumental in getting the Illinois Legislature to allocate \$12 million to road and canal-building projects in the early 1830s. It was a financial disaster. As Lincoln’s personal secretaries George Nicolay and John Hay wrote, “The market was glutted with Illinois bonds; one banker and one broker after another, to whose hands they had been recklessly confided in New York and London, failed, or made away with the proceeds of the sales. The system had utterly failed ... and a crushing debt rested upon a people who had been deceiving themselves.”

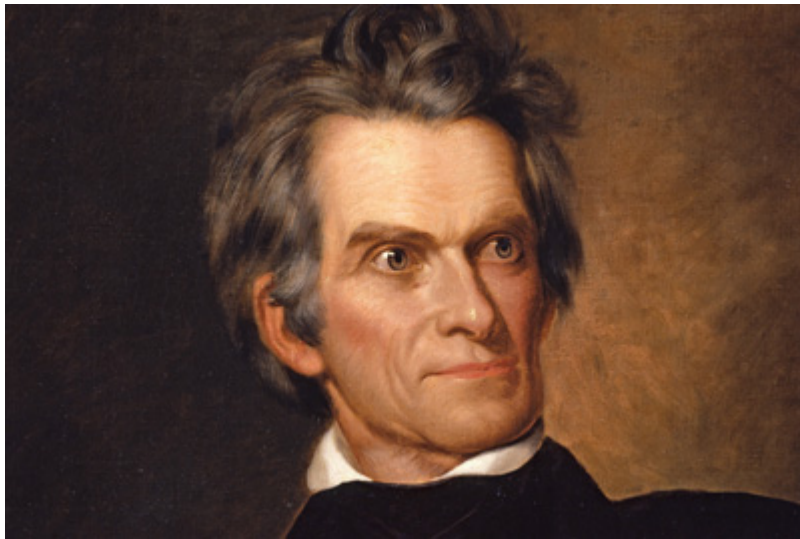




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**Avoiding secession:** Senator John C. Calhoun of South Carolina proposed nullification of the Tariff of Abominations, which was strongly opposed in the South. The South's nullification worked, and secession was avoided — for a time. (wikimedia/ George Peter Alexander Healy)

Similar financial debacles occurred in Ohio, Michigan, Indiana, Wisconsin, Minnesota, Maine, New York, Pennsylvania, Maryland, Iowa, Kentucky, Kansas, California, and Oregon, as described by historian Carter Goodrich in *Government Promotion of American Canals and Railroads, 1800-1890*. In most of these states, wrote Goodrich, *nothing* was completed. By the 1870s, he wrote, every state except for Massachusetts had *amended its state constitution* to prohibit the expenditure of state tax dollars on corporations for *any* reason. The Confederate Constitution of 1861 had done the same.

Normal American citizens could look at this and conclude that corporate welfare is a bad idea and an arguably criminal abuse of tax dollars. But to the political class and its MMI cabal benefactors, it was a *great* idea. Being able to ladle out millions (or billions) in taxpayer dollars to the moneyed classes was always the pipe dream of Alexander Hamilton (and his political heirs such as Henry Clay and Abraham Lincoln), who believed that such gambits were a sure route to perpetually enhancing the powers of government, presumably in the hands of people such as themselves. Consequently, during the Lincoln administration, with the Republican Party wedded to the Northern-state MMI class, the federal government spent many orders of magnitude *more* on corporate welfare for the government-subsidized transcontinental railroads than all of the states had previously spent.

As Dee Brown wrote in his classic history of the transcontinental railroads, *Hear That Lonesome Whistle Blow: The Epic Story of the Transcontinental Railroads*, when Lincoln signed the Pacific Railway Bill into law, he “assured the fortunes of a dynasty of American families ... the Brewsters, Bushnells, Olcotts, Harkers, Harrisons, Trowbridges, Lanworthys, Reids, Ogdens, Bradfords, Noyeses, Brooks, Cornells, and dozens of others.” Predictably, the result was the biggest financial political scandal in American history up to that point, the Credit Mobilier scandal during the Grant administration, with all of its graft, theft, and self-dealing by the political class and its MMI-class patrons.

The corporate executives of the Credit Mobilier company billed the government for some \$44 million more than the cost of building the railroad, and pocketed the money — and that was after construction costs were hugely inflated. The company president, former Congressman Oakes Ames, bribed members



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of Congress with cash and discounted stock that they were guaranteed to be able to sell at higher prices in return for their votes for additional subsidies. Although this was shocking to the public at the time, today it seems like an almost daily news article. (As far as I know, Oakes Ames never bribed a politician or family member of a politician with Porsches or gold bars.)



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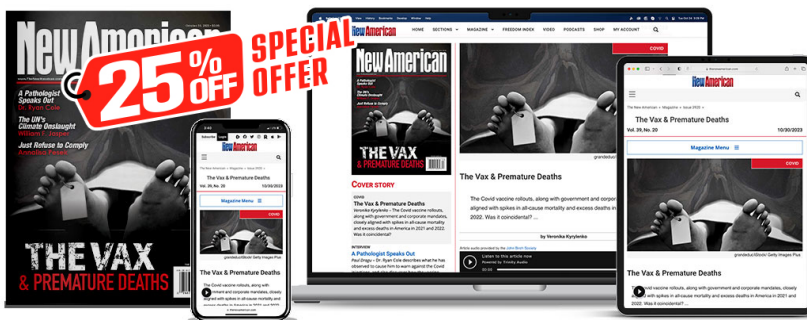
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