Tariff Changes in the U.S. from 1840–2024: A Narrative Analysis

Tamar den Besten Diego R. Känzig

April, 2026

Abstract

This paper contains a detailed narrative analysis of legislative tariff changes in the United States from 1840–2024. The primary aim of this account is to provide the basis for the classification of tariff changes used in Den Besten and Känzig (2025), which in turn allows for the identification of the causal effects of tariff policy on the economy. We systematically identify major tariff policy changes, place each reform in its economic and political context, and assess the stated motivations based on contemporary narrative sources. In this way, we distinguish between tariff changes driven by plausibly exogenous considerations and those responding to prevailing economic conditions. Our narrative analysis identifies 35 major tariff reforms between 1840 and the present. Of these, we classify 21 tariff changes as exogenous and 14 as endogenous. We also hope the narrative account, historiographical research and data contained in this paper is interesting in its own right. To our knowledge, no existing study provides a systematic analysis of the motives behind U.S. tariff policy over such a long historical horizon, spanning from the mid-19th century to the modern era.

JEL classification: E30, F13, F14, F41, H20

Keywords: Trade policy, tariffs, narrative analysis

1. Introduction

Recent increases in U.S. tariff rates have renewed interest in the macroeconomic effects of tariffs, yet empirical evidence on their aggregate consequences remains limited. While a burgeoning literature examines the sectoral and distributional impacts of trade policy, less is known about how tariffs affect aggregate outcomes such as output, inflation, and overall trade activity.

Identifying the macroeconomic effects of tariffs is challenging. Movements in aggregate tariff measures often reflect not only policy actions but also broader economic forces that simultaneously affect trade flows and macroeconomic outcomes. As a result, changes in tariffs may be correlated with underlying economic conditions, making it difficult to isolate their causal effects.

Focusing exclusively on legislated tariff changes does not resolve this problem. Tariffs are policy instruments and may be adjusted in response to prevailing economic conditions – for example, for stabilization or fiscal purposes – so that even statutory tariff reforms can be endogenous to short-run macroeconomic dynamics. In addition, measuring the overall size of a given tariff reform is not trivial, because common measures, such as average tariff rates, also embed behavioral responses leading to shifts in import composition or changes in relative prices (Irwin, 1998a).

In this paper, we adopt a narrative approach to address these challenges, in the spirit of Romer and Romer (2010). We construct a historical record of U.S. tariff changes and distinguish between policy shifts driven by plausibly exogenous considerations such as ideology or long-run views about tariff design, and those undertaken in response to contemporaneous economic conditions. This classification allows us to construct an instrumental variable for tariff changes that addresses endogeneity and measurement error in observed tariff rates, thereby enabling a more credible identification of the causal effects of tariffs on macroeconomic outcomes.

Our empirical strategy relies on a long historical sample of U.S. tariff policy dating back to 1840. It does so for two reasons. First, over a longer historical horizon, tariff levels exhibit substantial variation. Prior to the 1930s, average tariffs were high and characterized by large, discrete changes around major legislative reforms. This contrasts with the post–World War II period, during which average tariff rates have been comparatively low and moved within a narrow range. Given the magnitude of recent tariff increases, restricting attention to the post–World War II era may therefore provide a less informative basis for identifying the macroeconomic effects of tariffs.

Second, throughout U.S. history, many major tariff changes were enacted for ideological, distributive, or political reasons rather than in response to short-run macroeconomic conditions. Tariff policy in the nineteenth and early twentieth centuries was shaped by strong partisan divisions over protection, regional economic interests, and competing views about the appropriate long-run design of the tariff system.

Moreover, prior to 1934, tariff rates were set exclusively through the legislative process: tariff bills had to pass both the House and the Senate, often with Congress debating the tariff schedule line by line. Given the intensity of partisan conflict and the heterogeneity of economic interests across regions, a unified government – where the same party controlled the House, Senate, and presidency – was effectively a prerequisite for major tariff reform (Irwin, 1998a). This institutional constraint introduced an additional, largely political determinant of the timing of tariff legislation, further weakening the link between tariff changes and contemporaneous economic conditions.

Taken together, these features make tariff policy particularly well suited to a historical, narrative identification approach for studying the causal effects of tariff changes on macroeconomic outcomes. We develop this approach in our main paper (Den Besten and Känzig, 2025). The present companion paper provides the underlying narrative analysis and details on the classification of tariff changes.

Outline. The remainder of this paper proceeds as follows. Section 2 describes our methodology, including the sources used for the narrative analysis, how we identify tariff events, determine their timing, and the criteria used to classify major U.S. tariff changes. Section 3 presents the detailed narrative evidence for each event and motivates the corresponding classification. Section 4 summarizes the resulting narrative tariff shock series and reports diagnostic evidence supporting its validity. Section 5 examines the robustness of our baseline results in Den Besten and Känzig (2025) to alternative classification choices through a series of sensitivity analyses.

2. Methodology

2.1. Sources

Our primary source for understanding the motivations behind U.S. tariff changes is Irwin's comprehensive political and economic history of U.S. trade policy (2017a). The book provides a systematic overview of major legislative tariff changes and offers a detailed analysis of their origins, the surrounding congressional debates and political constraints, and the relevant economic conditions before, during, and after passage.

To ensure completeness and accuracy, we systematically cross-check the episodes discussed by Irwin with additional historical sources and legislative records. These include contemporaneous government documents, such as presidential speeches and official statements, and congressional materials, such as floor debates recorded in the Congressional Record. Evaluating multiple sources for the same event is important because tariff revisions were often the product of lengthy legislative processes, meaning that motivations expressed in campaign speeches may have differed from the intentions underlying a bill by the time it was formally introduced in the House.

For details about the tariff law itself – such as the date the bill was signed into law or the date the new duties went into effect – we use the text of the statute as published in the *United States Statutes at Large*. For more recent tariff actions, we obtain this information from relevant materials published in the *Federal Register*, including presidential proclamations and executive orders.

Prior to 1934, Congress exercised exclusive authority over the setting of tariff rates, and changes in tariff law therefore entered through statutes enacted by Congress. After 1934, many tariff reductions, such as those implemented through multilateral trade negotiating rounds, were implemented by presidential proclamation rather than by statute. As a result, the primary legal documentation of the scope and timing of tariff changes shifts over time.

In addition to primary government documents, we rely on general tariff histories (e.g., Taussig, 1910; Dobson, 1976), empirical studies of specific reforms (e.g., Eichengreen, 1999; Irwin and Kroszner, 1996), and we draw on contemporary accounts, such as analyses and commentary produced at the time of enactment (e.g., Taussig, 1891; Porter, 1897; Fisk, 1910). For the postwar period, our sources include government reports and descriptive analyses of GATT negotiations (e.g., Irwin, 1995; Bown and Irwin, 2015; GAO, 1994; CBO, 1979), as well as recent analyses of the Trump-era tariffs (Amiti, Redding, and Weinstein, 2019; Bown, 2021; Irwin, 2017b). This multi-source approach allows us to reconstruct a consistent narrative of major tariff reforms and their underlying motivations across nearly two centuries.

2.2. Identifying Legislative Tariff Changes

Using our narrative sources, we identify 35 major tariff events from 1840 to 2024. While U.S. tariff policy features numerous smaller and incremental changes over time, our focus is on major episodes – including comprehensive congressional revisions of the tariff code, multilateral tariff reductions, and broad-based temporary measures – that plausibly represent economically meaningful shifts in trade protection.

Before 1934, tariff changes were typically enacted through large acts of Congress and were often salient and contentious political issues. These legislative episodes involved explicit debates over protection versus revenue, clear partisan divisions, and substantial revisions to the overall tariff schedule. As a result, major tariff policy changes in this era are relatively straightforward to identify, as policy moved discretely from one tariff regime to another through successive tariff acts (e.g., the Walker Tariff, McKinley Tariff, Underwood–Simmons Tariff).

We distinguish these tariff events from narrower statutory changes by excluding legislation in which tariffs were not the primary focus, or where changes applied only to a limited set of goods or represented technical modifications to existing law. For example, the Revenue Act of 1916 reversed the Underwood-Simmons Tariff's planned transfer of sugar to the free list and raised duties on chemicals and dyes to shield American industries from postwar German competition (Irwin, 2017a). Because these provisions were explicitly limited in scope and were not intended to substantially revise the overall tariff code, we do not classify the tariff provisions of the Revenue Act of 1916 as a major tariff event.

In some cases, policymakers sought to revise the tariff code upward or downward, but political compromise and conflicting interests between the House and Senate resulted in final legislation that changed overall tariff levels only slightly. The Mongrel Tariff (1883) and the Payne–Aldrich Tariff (1909), for example, produced only modest net reductions in tariff rates and were widely viewed as disappointing relative to the reforms' stated aims. But despite limited success, these episodes reflected explicit legislative attempts to rewrite the tariff code and produced new statutory tariff regimes that remained in force for several years. We therefore include them in our list of "major" tariff events.

After 1934, U.S. tariff policy shifted away from detailed, line-by-line congressional lawmaking toward delegated authority and executive discretion. The Reciprocal Trade Agreements Act (RTAA) of 1934 authorized the U.S. president to negotiate bilateral tariff-reduction agreements with other countries and to implement those reductions without requiring full congressional approval for each change. Thereafter, tariff changes occurred primarily through internationally negotiated reciprocal agreements, and occasionally through unilateral executive actions justified under national security, emergency, or unfair trade statutes.

We include the eight multilateral negotiating rounds conducted under the General Agreement on Tariffs and Trade (GATT) as major tariff events. Although the realized tariff reductions varied across rounds and were in some cases modest, each round constituted a scheduled international negotiation explicitly aimed at broad-based tariff liberalization across a range of sectors and trading partners. We also include temporary ad hoc tariff measures when they applied broadly across multiple sectors and countries (e.g. the Nixon surcharge in 1971).

We exclude narrow or highly targeted interventions, such as the 1983 motorcycle tariffs or the 2002 steel safeguards, because these measures were limited in scope and unlikely to generate meaningful economy-wide effects. We also abstract from bilateral or regional trade arrangements, including the reciprocal agreements negotiated under the RTAA and later preferential trade agreements, since these typically produced incremental, partner-specific adjustments rather than discrete, uniform changes in statutory tariff rates.

2.3. Timing and Direction of Tariff Changes

For each identified tariff event, we code both the *direction* of the reform – whether it represented an overall increase or decrease in tariff levels – and the *timing* of the change – the date on which the new tariffs took effect.

Our narrative sources typically provide detailed information about which tariff lines were revised and how these changes affected overall tariff levels, making it possible to classify each episode as a net increase or decrease. In cases where the enacted legislation involved both increases and decreases in duties, we base our coding on contemporaneous evaluations of the reform rather than on ex-post movements in the average tariff rate, which can be contaminated by non-policy variation and may therefore bias the inferred direction of the change.

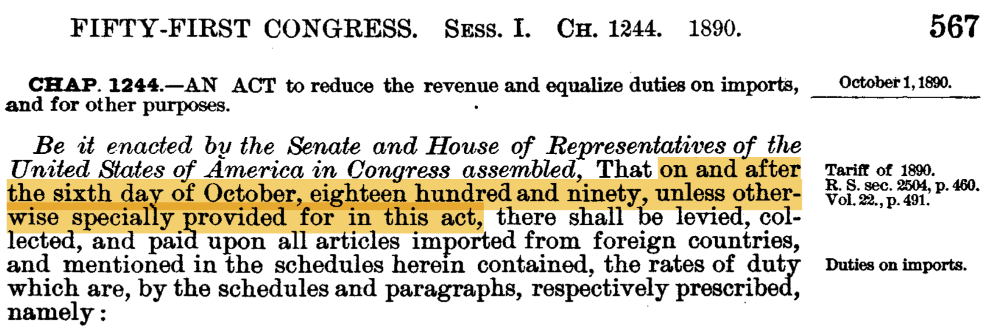
For example, the Payne–Aldrich Tariff (1909) was criticized for failing to enact genuine reform, effectively reshuffling rates while keeping average tariffs at levels comparable to those under the Dingley Tariff (1897), see e.g. Taussig (1910) and Dobson (1976). Regarding the direction of the tariff change, President Taft stated in a speech published in the *Congressional Record*:

> *In the new tariff there were 654 decreases, 220 increases, and 1,150 items of the dutiable list unchanged, but this did not represent the fair proportion in most of the reductions and the increases, because the duties were decreased on those articles which had a consumption value of nearly* $5,000,000,000*, while they were increased on those articles which had a consumption value of less than* $1,000,000,000*. [...] I repeat, therefore, that this was a downward revision.*
>
> Taft (1910)

To determine the timing of each tariff episode, we use the date on which the new tariff rates went into effect. For tariff acts enacted prior to 1934, we obtain implementation dates from the statutory text, typically specified in the opening provisions of the law as published in the *United States Statutes at Large*. Often, the statute establishes a general effective date for the act while allowing specific provisions to take effect at different times.

For example, the McKinley Tariff (1890) stipulated in its first paragraph that the act would take effect on October 6, 1890, unless otherwise specified (see Figure 1). However, some provisions had delayed implementation: duties on tinplate increased only on July 1, 1891, and sugar was transferred to the duty-free list effective April 1, 1891 (Irwin, 2000, 2014). In such cases, we use the general implementation date for the reform unless provisions that took effect earlier or later were sufficiently central to the reform that using an alternative implementation date is more appropriate.

Figure 1: Excerpt from the United States Statutes at Large



FIFTY-FIRST CONGRESS. SESS. I. CH. 1244. 1890. 567

CHAP. 1244.—AN ACT to reduce the revenue and equalize duties on imports, and for other purposes. — October 1, 1890.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That on and after the sixth day of October, eighteen hundred and ninety, unless otherwise specially provided for in this act, there shall be levied, collected, and paid upon all articles imported from foreign countries, and mentioned in the schedules herein contained, the rates of duty which are, by the schedules and paragraphs, respectively prescribed, namely:

Tariff of 1890.
R. S. sec. 2504, p. 460.
Vol. 22., p. 491.

Duties on imports.

For post-1934 tariff changes implemented through presidential proclamations or executive orders, we similarly rely on the effective dates specified in the *Federal Register*. For tariff reductions negotiated under the GATT, we use the implementation date specified for the United States; when reductions were phased in over time, we code the earliest implementation date. The 2018 and 2019 Trump-era tariffs consisted of multiple actions, including new tariffs and extensions of earlier measures, applied to different trading partners. For these episodes, we code the timing using the earliest implementation date of any tariff increase occurring within the calendar year.

2.4. Classifying Events

Our classification of tariff changes is guided by the narrative-identification principle of distinguishing policy actions taken for reasons unrelated to contemporaneous or prospective macroeconomic conditions from those enacted in response to economic developments (Romer and Romer, 2010, 2023). We apply this logic directly to trade policy. A tariff change is classified as plausibly exogenous when the historical record indicates that its primary motivation was unrelated to short-run macroeconomic conditions. Conversely, tariff changes are classified as endogenous when they were undertaken in response to economic activity, fiscal pressures, or external imbalances.

Plausibly exogenous tariff changes. We classify a tariff change as plausibly exogenous when the historical record indicates that it was motivated by normative or political considerations rather than by contemporaneous or prospective macroeconomic conditions. Tariff changes of this kind constitute the majority of our sample. Within this group, we distinguish three closely related but conceptually distinct motivations:

1. **Trade ideology**: captures persistent beliefs about the appropriate role of trade policy – such as commitments to protectionism, free trade, or national economic sovereignty. Historically, political parties were strongly divided over the purpose tariffs should serve: Republicans generally supported tariffs as a means of protecting domestic industry, while Democrats often advocated tariffs for revenue purposes only, favoring lower duties and a more open trade regime. These motivations reflect beliefs about which trade regime best promotes economic efficiency or long-run national development and are largely orthogonal to short-run economic fluctuations.

2. **Distributional**: centered on concerns about how the costs and benefits of tariff policy are distributed across sectors, regions, and economic agents. Under this motivation, the level of tariffs is shaped less by views about the overall trade regime and more by whether tariffs protect particular industries, workers, or communities, or instead impose burdens on consumers or other groups. These debates are normative rather than macro-stabilization oriented.

3. **Political**: reflecting coalition-building, legislative bargaining, and strategic political considerations – such as appeasing public opinion or key constituencies to avoid electoral losses – that shape tariff policy independently of prospective economic conditions. In addition, some tariff reforms were driven by geopolitical objectives, including trade liberalization aimed at supporting postwar reconstruction or international stability rather than domestic stabilization.

In summary, these tariff changes reflect persistent partisan and ideological divisions over the purpose and design of the tariff system, as well as broader political and strategic considerations. Such debates are normative in nature rather than responses to short-run macroeconomic conditions, and are therefore classified as exogenous.

Endogenous tariff changes. We classify a tariff change as endogenous when the narrative record indicates that tariff policy was explicitly used to pursue short-run macroeconomic, fiscal, or external-balance objectives. We distinguish between the following motivations:

1. **Spending-driven**: motivated by the need to finance contemporaneous increases in government expenditure, with tariff policy used as a tool to raise the necessary revenue. This category is particularly important prior to 1913, when tariffs constituted a central source of federal revenue. Between 1860 and 1913, customs duties accounted for roughly half of federal receipts (Irwin, 2017a). For example, during the Civil War, Congress implemented a series of tariff increases that were explicitly designed to raise revenue to finance military expenditures. Because these tariff changes are triggered by contemporaneous government spending decisions that are themselves correlated with macroeconomic conditions, we classify them as endogenous.

2. **Countercyclical**: explicitly enacted in response to current or anticipated fluctuations in economic activity. Although tariff policy was generally not well suited for short-run stabilization – due to the lengthy legislative processes and intense partisan conflict – there are notable exceptions. The Emergency Tariff of 1921, for example, was explicitly motivated by the postwar recession and aimed at stabilizing falling prices. In such cases, tariff policy responds directly to contemporaneous economic conditions and is therefore endogenous.

3. **Fiscal imbalances**: enacted in response to persistent deficits or budget surpluses. While these measures are sometimes framed as promoting long-run fiscal sustainability, the central role of tariffs in federal finance – especially before 1913 – creates a mechanical link between economic conditions and fiscal outcomes. As a result, deficit- or surplus-driven tariff changes may respond systematically, albeit with a lag, to underlying macroeconomic shocks, and are therefore classified as endogenous.

4. **External imbalances**: implemented to address balance-of-payments pressures or other external imbalances through tariff policy. In these episodes, tariffs are explicitly used as a macroeconomic policy tool to influence trade flows, foreign reserves,

or exchange-rate pressures. Because these actions are triggered by economic conditions that are themselves correlated with domestic macroeconomic shocks, we classify them as endogenous.

We classify each tariff change according to its primary underlying motivation. However, policy decisions often reflect multiple considerations. In some episodes classified as exogenous, fiscal conditions entered the background discussion, even though they were not the proximate trigger for the policy change. To address the possibility that such residual fiscal considerations affect our classification, we systematically examine all cases in which fiscal motives may have played a role and assess the robustness of our results to alternative classifications and event-selection choices. These sensitivity analyses are reported in Section 5.

Finally, for a few episodes the narrative record indicates genuinely mixed motivations, combining elements that are plausibly exogenous with considerations more closely tied to economic or fiscal conditions. In these cases, tariff reforms were typically initiated in pursuit of long-standing ideological, distributive, or political objectives, while contemporaneous economic developments influenced the legislative process, the scope of coverage, or the specific provisions ultimately adopted. Importantly, because our instrument does not use information about the magnitude of a tariff change, identification requires only that the timing and direction of the policy action be plausibly exogenous. Accordingly, we classify some events as exogenous based on their timing and direction, even when short-run macroeconomic considerations appear in the background narrative. We examine these cases in detail in Section 5.

Relation to Romer and Romer classification. Our classification is closely related to the framework developed by Romer and Romer (2010), who distinguish among spending-driven, countercyclical, deficit-driven, and long-run growth motivated tax changes. The first two categories map directly into our endogenous classifications. Our treatment of deficit- and surplus-driven tariff changes is more cautious, reflecting the central role of tariff revenue in earlier periods and the resulting mechanical link between economic activity and fiscal outcomes. Finally, what Romer and Romer (2010) describe as long-run tax changes correspond in our setting to ideological, distributive, and political motivations for tariff reform. While the institutional context of trade policy differs from that of postwar tax policy, the underlying identification logic – distinguishing policy actions driven by macroeconomic conditions from those that are not – remains the same.

3. Narrative Evidence by Event

Based on the narrative sources, we identify 35 major tariff reforms between 1840 and the present. Of these, we classify 21 tariff changes as plausibly exogenous and 14 as endogenous. In this section, we detail the narrative evidence for all identified events, placing each reform in its historical context before discussing and justifying its classification.

3.1. Tariff of 1842

Signed:	August 30, 1842
Implemented:	August 30, 1842
Direction:	Tariff increase
Classification:	Endogenous (Fiscal imbalances)

Historical context. The Panic of 1837 and the subsequent Crisis of 1839 triggered a prolonged economic depression in the United States. As a result, demands for trade protection rose while government revenues declined. At the same time, import duties were gradually reduced under the Compromise Tariff of 1833, further weakening the federal government's fiscal position. In 1841 the government faced a deficit of $10 million, which was expected to grow in 1842 as the final and largest tariff cuts under the Compromise Tariff were set to take effect. To increase government revenues, Congress passed the Tariff of 1842, which sharply raised duties and restored strong protective tariffs (Irwin, 2017a).

Classification. The primary motivation for the Tariff of 1842 was to increase revenues to close the fiscal gap. Contemporary debates emphasized the urgent need to offset declining customs receipts, which had fallen sharply. Because these fiscal pressures were related to the ongoing economic depression, the reform was closely tied to contemporaneous macroeconomic conditions. We therefore classify the Tariff of 1842 as endogenous, motivated by fiscal imbalances.

3.2. Walker Tariff (1846)

Signed:	July 30, 1846
Implemented:	December 1, 1846
Direction:	Tariff decrease
Classification:	Exogenous (Trade ideology; Distributional)

Historical context. In the election of 1844, Democrats secured control of both houses of Congress and the presidency. Initially Democrats supported a tariff for revenue only, meaning that tariffs should only raise enough money to fund the government, and opposed protective tariffs, grounded in the belief that the federal government should not favor one industry or region at the expense of others (Irwin, 2017a).

However, during the campaign, Democrats softened their stance and supported a "revenue tariff with incidental protection" – a policy that prioritized raising the necessary government revenue while allowing limited protection for domestic industries. This approach helped Democrats appeal to both Northern and Southern voters (Irwin, 2017a).

After winning the election, President Polk appointed Robert Walker as his Treasury secretary, who criticized the Tariff of 1842 as unfair, arguing that it benefited capital more than labor. Walker proposed a comprehensive reorganization of the tariff schedule based on Democratic principles, replacing all specific duties with ad valorem rates and substantially lowering overall tariff levels (Dobson, 1976). President Polk backed the proposal, arguing that the Tariff of 1842 went beyond the government's revenue needs and acted more as a prohibitive tariff than as incidental protection (Irwin, 2017a).

The passage of the Walker Tariff coincided with a shift in British policy towards free trade. Democrats used the possibility that Britain would repeal its Corn Laws to strengthen their case, arguing that lowering tariffs could encourage Britain to open its agricultural markets in return, expanding American exports and promoting broader international free trade (Irwin, 2017a; Taussig, 1892). Treasury Secretary Walker argued in the *Annual Report on the State of the Finances* that:

> *Let our commerce be as free as our political institutions. Let us, with revenue duties only, open our ports to all the world, and nation after nation will soon follow our example. If we reduce our tariff, the party opposed to the corn laws of England would soon prevail, and admit all our agricultural products at all times freely into her ports, in exchange for her exports.*
>
> Walker (1845)

Although this strategic consideration played a small role in the passage of the tariff, it was notable as one of the rare instances at the time in which Congress considered how U.S. tariff policy might influence foreign governments' actions (Irwin, 2017a).

The Walker Tariff went into effect on December 1, 1846, cutting average duties on dutiable imports from about 34 to 26 percent, a significant reduction. The reform divided imports into a tiered schedule of ad valorem duties, ranging from very high rates at the top to complete duty-free treatment. Most goods that had previously received strong protection – such as cotton textiles, woolens, and iron – were placed in a moderate 30 percent category, which provided only limited protection (Dobson, 1976).

Classification. The primary motivation for the Walker Tariff reflected long-standing beliefs about the appropriate role of trade policy. Democrats campaigned for a "revenue tariff with incidental protection", and contemporary statements surrounding the reform emphasized the commitment to lower tariffs and a movement toward freer trade. Supporting this interpretation, Taussig (1910) states that "the act of 1846 is often spoken of as an instance of the application of free-trade principles".

A second motivation was distributional, as Walker argued that "the present tariff is unjust and unequal", contending that it "discriminates in favor of the rich and against the poor" (Walker, 1845). Taken together, the narrative record indicates that the reform was driven by normative views about the proper design of the tariff system, reflecting both trade ideology and distributional motivations rather than responses to contemporaneous or anticipated macroeconomic conditions. We therefore classify the Walker Tariff as exogenous.

3.3. Tariff of 1857

Signed:	March 3, 1857
Implemented:	July 1, 1857
Direction:	Tariff reduction
Classification:	Endogenous (Fiscal imbalances)

Historical context. Several years of strong economic growth in the early to mid-1850s generated large federal fiscal surpluses and reduced the public debt by roughly half (Irwin, 2017a). In December 1855, President Pierce called for tariff reform in his Third Annual Message, arguing that "the annual revenue from all sources exceeds by many millions of dollars the amount needed for a prudent and economical administration of public affairs" and that this demonstrates "the propriety of an early revision and reduction of the tariff of duties on imports" (Pierce, 1855). The Democratic administration responded by enacting the Tariff of 1857, which was implemented near the peak of the business cycle, reducing duties to their lowest levels of the nineteenth century (Irwin, 2017a).

Classification. The primary motivation for the Tariff of 1857 was to reduce government revenues in response to large fiscal surpluses. These surpluses reflected several years of strong economic activity and buoyant customs revenues, tying the reform directly to underlying macroeconomic conditions. Although contemporaries framed the measure in terms of fiscal prudence, the tariff reduction was explicitly contingent on the prevailing fiscal position. We therefore classify the Tariff of 1857 as endogenous, motivated by fiscal imbalances.

3.4. Morrill Tariff

Signed:	March 2, 1861
Implemented:	April 1, 1861
Direction:	Tariff increase
Classification:	Endogenous (Fiscal imbalances)

Historical context. The Panic of 1857 and the resulting recession quickly turned the surplus into a large deficit, leading to demands for higher tariffs (Irwin, 2017a). In his Fourth Annual Message to Congress, President Buchanan made this motivation explicit, stating that "it is now quite evident that the financial necessities of the Government will require a modification of the tariff during your present session for the purpose of increasing the revenue" (Buchanan, 1860). This contemporaneous account aligns with the interpretation by Flaherty (2001), who argues that the Morrill Tariff represented a bipartisan effort to raise revenue for a depleted Treasury in response to the fiscal crisis following the Panic of 1857.

Classification. The primary motivation for the Morrill Tariff was to raise government revenues in response to worsening fiscal conditions following the Panic of 1857. Contemporary accounts emphasized the need to replenish the Treasury as customs revenues fell during the recession, linking the reform directly to adverse macroeconomic conditions. We therefore classify the Morrill Tariff as endogenous, motivated by fiscal imbalances.

3.5. Civil War Tariffs (1861–1865)

Historical context. The outbreak of the Civil War led Congress to rely heavily on tariff policy as a source of revenue to finance rapidly rising military expenditures. While the Morrill Tariff of 1861 was enacted shortly before hostilities began, it quickly became clear that existing tariff revenues were insufficient. As a result, Congress enacted a sequence of tariff increases during the war explicitly aimed at raising additional revenue (Irwin, 2017a).

Classification. The primary motivation for the Civil War tariff increases was to finance rapidly rising wartime expenditures. Tariff increases therefore functioned primarily as revenue measures to meet contemporaneous government spending needs. Because government spending directly affects output, tariff changes enacted to finance such spending are mechanically confounded with short-run macroeconomic movements. We therefore classify these tariff increases as spending-driven and endogenous. The individual acts are listed below.

Revenue Act of 1861

Signed:	August 5, 1861
Implemented:	August 5, 1861
Direction:	Tariff increase
Classification:	Endogenous (Spending-driven)

Act of December 24, 1861

Signed:	December 24, 1861
Implemented:	December 24, 1861
Direction:	Tariff increase
Classification:	Endogenous (Spending-driven)

Tariff Act of July 14, 1862

Signed:	July 14, 1862
Implemented:	August 1, 1862
Direction:	Tariff increase
Classification:	Endogenous (Spending-driven)

Resolution of April 29, 1864

Signed:	April 29, 1864
Implemented:	April 29, 1864
Direction:	Tariff increase
Classification:	Endogenous (Spending-driven)

Tariff Act of 1864

Signed:	June 30, 1864
Implemented:	July 1, 1864
Direction:	Tariff increase
Classification:	Endogenous (Spending-driven)

Act of March 3, 1865

Signed:	March 3, 1865
Implemented:	April 1, 1865
Direction:	Tariff increase
Classification:	Endogenous (Spending-driven)

3.6. Tariff of 1870

Signed:	July 13, 1870
Implemented:	January 1, 1871
Direction:	Tariff reduction
Classification:	Exogenous (Political)

Historical context. In the aftermath of the Civil War, high tariff levels persisted for an extended period. As internal taxes were gradually repealed, import duties remained untouched, resulting in an extended period of unusually high protection, which allowed many domestic industries to grow behind a tariff wall and organize effectively against any reduction in protection (Taussig, 1910). Despite repeated proposals for reform, strong Republican dominance in Congress and pressure from protectionist manufacturers consistently blocked tariff cuts.

By 1870, however, the tariff system faced growing opposition within the Republican Party, particularly from the West. Moderate Republicans argued that the existing high tariffs amounted to class legislation, encouraged monopolies, and imposed unnecessary costs on consumers and farmers (Tarbell, 1911). Meanwhile, prominent Democrats such as Samuel Cox advocated free trade and criticized Republicans for keeping wartime protection rates in place despite earlier assurances that duties would be reduced as internal taxes were repealed (Cox, 1870). Cox warned that the Republican Party would be held accountable for this failure, declaring that if tariffs were not reduced, "the doom of their party is sure" (Cox, 1870).

As Republicans held a majority in Congress, Tarbell (1911) notes that the conflict surrounding the Tariff of 1870 was largely internal to the Republican Party. Moderate Republican William Allison made this point explicit: "It is not a question of political partnership. It is a question of affecting every interest in this country and every class, and because of the great interests involved should receive careful consideration at our hands irrespective of partisanship.... I warn those who insist so pertinaciously upon a retention of these high duties upon necessary articles of consumption that they only hasten the time when a more radical change will be made in our tariff laws." (Tarbell, 1911).

This contemporaneous account supports the interpretation by Irwin (2017a), who argues that the motivation for the reform was primarily political rather than economic: Republicans feared that continued inaction amid public dissatisfaction with the high Civil War tariffs would give Democrats a political advantage, and that a Democratic victory would result in deeper tariff cuts.

Accordingly, high-protectionist Republicans conceded to limited tariff reductions, lowering duties primarily on revenue goods, such as wine, spices, coffee, tea, sugar, and molasses (Taussig, 1910). The act largely preserved high duties and, in some cases, increased them on domestically produced goods, confirming that tariffs continued to serve a primarily protectionist role (Dobson, 1976).

Classification. The narrative record indicates that the Tariff of 1870 was primarily motivated by strategic political considerations: Republicans pursued tariff reform out of concern that public dissatisfaction with wartime tariff levels would translate into electoral losses and enable Democrats to implement more radical reductions. Therefore, we classify the tariff reduction as exogenous, falling under the politically motivated changes.

Note: We examine potential fiscal considerations associated with this episode in Section 5.

3.7. Tariff of 1872

Signed:	June 6, 1872
Implemented:	August 1, 1872
Direction:	Tariff reduction
Classification:	Exogenous (Political)

Historical context. The Tariff of 1870 did not succeed in easing pressure on Republicans to enact broader tariff reforms (Irwin, 2017a). Although duties were reduced slightly under the Tariff of 1872, overall tariff levels remained high, and customs revenues continued to exceed federal needs, fueling public dissatisfaction (Dobson, 1976). As a result, internal divisions within the Republican Party intensified, with moderates continuing to press for further tariff reductions while high-protectionists resisted substantial change (Tarbell, 1911).

Meanwhile, Republican dominance weakened as Southern states were officially readmitted to the Union in 1868 and 1870, allowing Democrats to regain additional seats in Congress (Irwin, 2017a). Furthermore, President Grant's administration faced widespread criticism for corruption and multiple scandals, contributing to a sharp decline in the Republican majority in the House following the 1870 midterm elections (Dobson, 1976; Irwin, 2017a). Against this backdrop, several Republican reformers bolted from the party and organized an independent movement in 1872, aligning with Democrats in opposition to Grant (Tarbell, 1911).

In response to the growing political threat posed by Democrats, Republican leaders concluded that additional tariff reductions were necessary to prevent further damage to the party. Senator John Sherman captured this logic when he argued that "it is better for the protected industries of the country that this slight reduction of duties should be made rather than to invite a contest which will endanger the whole system" (Tarbell, 1911).

The Tariff of 1872 applied a general 10 percent reduction to protective duties across major manufacturing industries. At the same time, the reform was carefully constrained and supplemented by revenue-side changes, such as the abolition of duties on tea and coffee, reflecting a strategic effort to prevent a more extended reduction of protective duties (Taussig, 1910).

Classification. The Tariff of 1872 was motivated primarily by political considerations: facing increasing Democratic electoral pressure, Republicans pursued limited tariff concessions to preserve the broader system of protection. Therefore, we classify the tariff reduction as exogenous, falling within the category of politically motivated changes.

Note: We examine potential fiscal considerations associated with this episode in Section 5.

3.8. Tariff of 1875

Signed:	March 3, 1875
Implemented:	March 3, 1875
Direction:	Tariff increase
Classification:	Exogenous (Political)

Historical context. In the 1874 midterm elections, Republicans managed to keep their majority in the Senate, but Democrats won control of the House of Representatives, ending a six-year period of unified Republican control of Congress. Although this did not put Democrats in a position to change tariff policy, they were now able to block future Republican efforts to increase tariffs (Irwin, 2017a).

The outgoing Congress was scheduled to meet one last time before the Democratic majority assumed control of the House. Republican protectionists took advantage of this opportunity and quickly repealed the ten percent reduction in protective duties enacted only three years earlier under the Tariff of 1872 (Tarbell, 1911). In addition, the Tariff of 1875 increased duties on spirits, tobacco, sugar, and molasses and went into effect immediately upon being signed into law (Irwin, 2017a).

While President Grant publicly justified higher tariffs on revenue grounds, the underlying strategic objective was to reinforce protectionist policy before Republicans lost their majority in Congress (Irwin, 2017a). Taussig (1910) supports this interpretation, arguing: "It was far from necessary, for revenue purposes, to repeal the ten per cent" and "There can be little doubt that the need of providing for the sinking fund[1] was used merely as an excuse for raising the duties." Furthermore, moderate Republicans urged that "if revenue was wanted the repeal of the 10 per cent reduction would help but little – that the restoration of the duty on tea and coffee was the simplest and fairest" (Tarbell, 1911). Nevertheless, protectionists insisted on undoing the full ten percent reduction in protective duties.

Classification. The primary motivation for the Tariff of 1875 was to secure protective duties before the newly elected Congress convened, which is why we classify the tariff as a politically motivated change. The narrative record indicates that the timing of the tariff was driven by a political shift in power: Republicans lost their majority in the House

[1] A sinking fund is a mechanism for retiring public debt: the government commits to set aside revenues to redeem a portion of outstanding debt over time, typically by purchasing or redeeming bonds (Sylla and Wilson, 1999).

and thereby their future ability to enact protectionist tariffs. Acting under this binding political constraint, protectionists used the lame-duck session of the outgoing Congress to quickly reverse the earlier ten percent reduction in duties and to increase tariffs.

Note: We further examine potential fiscal considerations associated with this episode in Section 5.

3.9. Mongrel Tariff (1883)

Signed:	March 3, 1883
Implemented:	July 1, 1883
Direction:	Tariff reduction
Classification:	Exogenous (Distributional; Political)

Historical context. In 1882 Congress created a Tariff Commission to investigate the entire import revenue system and recommend reforms aimed at creating a simpler and more equitable tariff system, without creating excessive revenues (Arthur, 1882; Dobson, 1976). The Tariff Commission's report criticized the tariff system for excessive and inconsistent protections, arguing that some duties harmed the industries they were meant to help. It warned that excessive duties undermined the credibility of the entire economic system and strengthened arguments for abolishing protectionism altogether (Irwin, 2017a).

President Arthur called for tariff reform in his second annual message to Congress, contending that "The present tariff system is in many respects unjust. It makes unequal distributions both of its burdens and its benefits" (Arthur, 1882). This critique reflected his firsthand experience administering customs duties as Collector of the Port of New York, and the call for a downward revision was notable given his long-standing protectionist views (Tarbell, 1911). He argued that "the present system should be so revised as to equalize the public burden among all classes and occupations and bring it into closer harmony with the present needs of industry." (Arthur, 1882).

Democrats captured the House of Representatives in the 1882 midterm elections, which ended the short period of unified Republican control and further increased pressure for tariff reform. Republicans attributed part of their electoral defeat to the unpopularity of high tariffs and concluded that in order to secure the system of protection, moderate tariff reductions were necessary (Irwin, 2017a). John Hayes, chair of the Tariff Commission, outlined this logic shortly after the act was passed, writing "Reduction in itself was by no means desirable to us; it was a concession to public sentiment, a bending of the top and branches to the wind of public opinion to save the trunk of the protective system. In a word, the object was *protection through reduction*."[2] (Taussig, 1910)

Following the President's call for tariff reform, the Tariff Commission's report, and the recent electoral losses, the Senate amended a bill already passed by the House to include tariff reductions (Tarbell, 1911). The bill passed the Senate in February 1883, to the dissatisfaction of several House Republicans, who favored higher protective tariffs. To retain control over the bill's final form before Democrats assumed the House majority, Republican leaders employed a special procedural rule to send the Senate measure directly to a conference committee rather than proceeding through a full House debate (Irwin, 2017a). This allowed protectionist members on the committee to reverse many of the Senate's tariff cuts and restore higher duties (Taussig, 1910).

The Tariff of 1883 became known as the Mongrel Tariff for its patchwork character and the inconsistent blend of provisions created through political compromise. It was signed by President Arthur on March 3, 1883, one day before Republicans lost their majority in the House (Irwin, 2017a).

Classification. The primary motivation for the Tariff of 1883 was distributional. In advocating reform, President Arthur explicitly focused on how tariff policy allocated costs and benefits across groups. The resulting tariff change responded to growing dissatisfaction with the existing tariff system, which was viewed as unjust and internally inconsistent in how it distributed protection across industries, rather than to contemporaneous economic conditions. We therefore classify the event as exogenous.

A second motivation was political: tariff reductions were a strategic concession to public sentiment designed to safeguard the broader protectionist system. As noted by Irwin (2017a), Republicans "preferred to shape the tariff reduction to their own liking, rather than lose control of the issue and have the Democrats do it for them." The bill was rushed through Congress and signed into law just one day before Republicans lost their House majority, indicating that legislative timing was driven by political constraints rather than economic conditions.

Note: We examine potential fiscal considerations and confounding fiscal measures associated with this episode in Section 5.

[2] In *Bulletin Wool Manufacturers*, vol. xiii., p. 94

3.10. McKinley Tariff (1890)

Signed:	October 1, 1890
Implemented:	October 6, 1890
Direction:	Tariff increase
Classification:	Exogenous (Trade ideology)

Historical context. In December 1887, President Cleveland made tariff reform the central focus of his annual message to Congress, urging substantial duty reductions and the elimination of tariffs on raw materials. House Democrats passed the Mills Bill as a partisan measure aimed at lowering tariffs. In response, Republicans, who voted unanimously against the bill, drafted a bill in the Senate calling for stronger protection and higher duties (Taussig, 1910). Although neither bill passed both chambers, Taussig (1910) argues that Cleveland's message and the broader attack on protective tariffs shaped the political agenda and ultimately led Republicans to pursue a more protectionist policy, which resulted in the McKinley Tariff.

In the 1888 general elections, Republicans secured control of both chambers of Congress and the Presidency, creating the first unified government since Democrats captured the House in the 1882 midterm elections (Irwin, 2017a). The 1888 campaign focused heavily on the tariff issue, and despite the close result and other contributing factors, Republicans interpreted their victory as public support for protective tariffs (Taussig, 1910). In May 1890, the chairman of the Ways and Means Committee, William McKinley, presented his tariff proposal and stated: "I have interpreted that victory to mean, and the majority in this House and in the Senate to mean, that a revision of the tariff was not only demanded by the votes of the people, but that such revision should be on the line and in full recognition of the principle and purposes of protection." (McKinley, 1890).

Sugar was put on the duty-free list to reduce government revenues, which Irwin (2017a) argues, was part of a broader Republican strategy to insulate protective tariffs from future reductions. Because nearly a quarter of customs revenue came from sugar duties, their removal reduced the fiscal surplus and helped preempt pressure to cut protective tariffs on the grounds of excessive revenue. Moreover, the removal of the sugar duty was accompanied by a sugar bounty – a government subsidy paid to domestic sugar producers – which further reinforces the protectionist intent of the bill.

The House quickly passed the tariff bill, but it was heavily amended in the Senate. After the conference committee reconciled the differences, Congress passed the final version, and President Harrison signed it into law on October 1, 1890. The McKinley Tariff became the first comprehensive revision of the entire tariff schedule since the Civil War (Irwin, 2017a).

Exogenous classification. The primary motivation for the McKinley Tariff was to strengthen and extend the protective system. Historical accounts confirm the protectionist character of the act: Taussig (1910) characterizes the Tariff Act of 1890 as "a radical extension of the protective system", and Tarbell (1911) observes that it was widely viewed as a decisive victory for the protectionist wing of the Republican Party. McKinley's justification of the bill reflected the belief that protective tariffs would best promote long-run national economic development (McKinley, 1890). We therefore classify the event as exogenous, motivated by trade ideology rather than a response to short-run economic conditions.

3.11. Wilson–Gorman Tariff (1894)

Signed:	August 27, 1894
Implemented:	August 1, 1894
Direction:	Tariff reduction
Classification:	Exogenous (Trade ideology; Distributional)

Historical context. Tariff policy was a key issue in the 1890 midterms and the 1892 general election (Taussig, 1910). Democratic victories in both elections gave the party unified control of the federal government for the first time since Lincoln's inauguration in 1861. Party leaders interpreted this outcome as a mandate for tariff reform and, with majorities in both chambers of Congress, they were well positioned to achieve it (Kennon and Bushong, 2020; Irwin, 2017a). President Cleveland referenced this electoral mandate in his inaugural address: "The people of the United States have decreed that on this day the control of their Government [...] shall be given to a political party pledged in the most positive terms to the accomplishment of tariff reform." (Cleveland, 1893b).

Following the Panic of 1893, President Cleveland called an extra session of Congress to address the economic crisis. Legislators repealed the Sherman Silver Purchase Act while leaving tariff rates unchanged (Irwin, 2017a). Although the economy had not yet recovered, President Cleveland strongly pushed for tariff reform in his annual message to Congress in December 1893. Cleveland believed that tariffs were legitimate only as a means of raising necessary revenue, and that considerations of justice and fairness required reducing duties that burdened consumers and distorted the economy (Cleveland, 1893a). Democrats were split over the tariff issue, with some arguing that reform should be postponed until after the economic downturn (Irwin, 2017a).

The House passed the bill in February 1894, but it was heavily amended in the Senate – where Democrats only held a narrow majority – which changed many ad valorem duties back to specific duties and reinstated several protective duties on raw materials. House Democrats were disappointed with the Senate's version, but felt compelled to support the bill to avoid betraying its long-standing commitment to tariff reform now that it controlled the government (Irwin, 2017a). The Wilson–Gorman tariff took effect in August 1894 without President Cleveland's signature, as he refused to endorse the measure (Taussig, 1910).

Classification. The primary motivation for the Wilson–Gorman Tariff was rooted in the Democratic Party's long-standing opposition to protectionism and its commitment to tariff reform. Democrats supported a tariff for revenue only and argued that protective duties distorted the economy, reflecting beliefs about which trade regime best promotes economic efficiency. An additional motivation was distributional, as Democrats criticized the protective duties of the McKinley Tariff for burdening consumers unfairly while transferring benefits to protected industries and trusts (Tarbell, 1911).

The text of the Democratic Party Platform (1892) captures both motivations: "We denounce Republican protection as a fraud, a robbery of the great majority of the American people for the benefit of the few. We declare it to be a fundamental principle of the Democratic party that the Federal Government has no constitutional power to impose and collect tariff duties, except for the purpose of revenue only [...]." Based on the narrative evidence, we conclude that the tariff's motivation was driven primarily by long-standing party principles rather than by short-run macroeconomic conditions, which is why we classify the tariff change as exogenous.

3.12. Dingley Tariff (1897)

Signed:	July 24, 1897
Implemented:	July 24, 1897
Direction:	Tariff increase
Classification:	Endogenous (Fiscal imbalances; External imbalances)

Historical context. Following the Panic of 1893, the economy experienced a short-lived recovery in 1894 but then fell back into recession, which lasted until mid-1897 (Irwin, 2017a). As a result, the government ran persistent deficits and the public debt increased by almost half a billion dollars (Savage, 1986). Porter (1897), a former member of the Tariff Commission, argued that "the fundamental difference between the Dingley bill and the Wilson–Gorman bill of 1894 is that there was no particular reason for the passage of the latter; whereas an absolute necessity exists for the speedy passage of the former", referring to the need to address the federal revenue shortfall and restore fiscal stability.

Republicans regained unified control of government in the 1896 election and moved quickly to reverse the Democratic tariff reductions of 1894. President McKinley argued that low tariff revenues weakened the government's finances and contributed to gold outflows (Irwin, 2017a). He urged Congress to revise the tariff, which he claimed "would strengthen the credit of the Government both at home and abroad, and go far toward stopping the drain upon the gold reserve held for the redemption of our currency, which has been heavy and well-nigh constant for several years" (McKinley, 1897). Consequently, Congress passed the Dingley Tariff, sharply increasing import duties and reversing the tariff reductions of 1894.

Classification. The passage of the Dingley Tariff was explicitly motivated by fiscal deficits following the prolonged downturn after 1893 and by concerns about pressure on gold reserves. The tariff therefore was a direct response to contemporaneous fiscal and external economic conditions. We classify the Dingley Tariff as endogenous, driven by fiscal-balance and external-imbalance motivations.

3.13. Payne–Aldrich Tariff (1909)

Signed:	August 5, 1909
Implemented:	August 6, 1909
Direction:	Tariff reduction
Classification:	Exogenous (Trade ideology)

Historical context. During the campaign for the 1908 elections, both parties promised a thorough revision of the tariff code (Dobson, 1976). The Republican platform articulated a new rationale for protective duties "In all tariff legislation the true principle of protection is best maintained by the imposition of such duties as will equal the difference between the cost of production at home and abroad, together with a reasonable profit to American industries." (Taft, 1910).

The Republican presidential candidate, William Howard Taft, endorsed this position and called for a revision of the tariff. He argued that in many cases duties exceeded the differences in production costs between domestic and foreign producers, creating inequalities that should be corrected (Irwin, 2017a). Taft also emphasized that the high rates of the Dingley Tariff (1897) were no longer appropriate under current conditions, and stated that "on the whole, the tariff ought to be lowered in accordance with the Republican principles and the policy that it has always upheld of protection of our industries." (Taft, 1909a; Fisk, 1910).

Republicans easily captured both chambers of Congress, and Taft won the presidency in 1908, maintaining unified Republican control of government. However, the passage of the tariff bill was still a difficult process due to divisions within the party between protectionist conservatives and progressive reformers. The House proposed moderate tariff reductions and placed several key raw materials on the duty-free list, most of which the Senate later reversed. Pressure from President Taft helped preserve some of the House's downward revisions, but the final bill reflected a political compromise and resulted in only slight overall tariff reductions (Irwin, 2017a).

Classification. The narrative record indicates that the primary motivation for the Payne–Aldrich Tariff reflected beliefs about how the tariff system should be designed to promote economic efficiency. According to the Republican platform, protectionism was best maintained by the principle of "equalizing duties", which intended to provide a more systematic and defensible method for achieving protection. President Taft argued that duties exceeding production-cost differences served "no useful purpose" and instead fostered monopoly profits, implying that tariff rates should be designed to provide necessary protection without generating economic distortions (Taft, 1908). Because these motivations concerned the long-run design of the tariff system rather than short-run economic conditions, we classify the event as exogenous, driven by trade ideology.

Note: We examine potential fiscal considerations and confounding fiscal measures associated with this episode in Section 5.

3.14. Underwood-Simmons Tariff Act (1913)

Signed:	October 3, 1913
Implemented:	October 4, 1913
Direction:	Tariff reduction
Classification:	Exogenous (Trade ideology; Distributional)

Historical context. The Payne–Aldrich Tariff resulted in only a slight downward revision of the tariff and was criticized for failing to enact genuine reform, effectively reshuffling rates while keeping average tariffs at levels comparable to those under the Dingley Tariff (Taussig, 1910; Dobson, 1976). High protective tariffs were increasingly criticized for fostering monopolistic trusts and burdening consumers with higher prices – concerns the Republicans failed to address through the Payne–Aldrich Tariff. This failure contributed to Democratic victories in the 1910 midterms and the 1912 presidential election (Irwin, 2017a).

The newly elected President Wilson strongly supported a reform of the tariff system, arguing that existing tariffs were outdated and no longer fit modern economic conditions. He criticized past tariff policies for creating artificial privileges that protect monopolies and weaken true competition. Instead, he advocated for lowering and restructuring tariffs to promote efficiency, fairness, and genuine competition, while still protecting essential industries and generating necessary revenue (Wilson, 1913).

During this period, Congress was working toward the introduction of a federal income tax. An earlier attempt had been made under the Wilson–Gorman Tariff of 1894, but the Supreme Court ruled the tax unconstitutional in 1895. As a result, efforts began in 1909 to pass a constitutional amendment authorizing a federal income tax (Dobson, 1976). The Sixteenth Amendment was eventually ratified in February 1913, and the federal income tax was subsequently implemented in October through the Revenue Act of 1913 (Irwin, 2017a).

The Underwood-Simmons Tariff Act resulted in reduced rates on manufactured goods, added many items to the duty-free list, phased out the sugar duty, and shifted to ad valorem rates while keeping higher tariffs on luxuries. It was the largest tariff cut since 1846, as the average tariff on dutiable imports fell from 40 to 27 percent (Irwin, 2017a). Unified Democratic control of government, combined with the introduction of the federal income tax as an alternative revenue source, made these deep tariff cuts both politically and fiscally feasible.

Classification. The primary motivation for the Underwood–Simmons Tariff arose from the Democratic Party's long-standing opposition to protectionism and was based on beliefs about which trade regime best promotes economic efficiency. President Wilson argued that greater competition and freer trade are necessary to promote efficiency, innovation, and long-run economic development. His speeches therefore reflect an ideology centered on how trade policy should structure economic competition.

House floor debates further reflect distributive motivations, arguing that the bill "will bring relief to the American consumer from unjust and burdensome taxation, which has heretofore been imposed mainly for the benefit of those who did not and do not now need it" (U.S. Congress, 1913). Since these views reflect normative judgments about how the tariff system should be designed, rather than responses to current or anticipated economic conditions, we classify the tariff change as exogenous, motivated by trade ideology and distributional considerations.

Note: We examine potential confounding fiscal measures associated with this episode in Section 5.

3.15. Emergency Tariff Act (1921)

Signed:	May 27, 1921
Implemented:	May 28, 1921
Direction:	Tariff increase
Classification:	Endogenous (Countercyclical)

Historical context. After World War I, the United States experienced a short-lived boom followed by a recession (Dobson, 1976). Farmers were especially affected as agricultural commodity prices collapsed. The prices of wheat, corn, meat, and cotton fell abruptly to one-half, and in some cases to one-third, of their wartime levels (Taussig, 1922).

To address the postwar recession, newly elected President Harding urged Congress to revise internal taxes and enact emergency tariff measures (Harding, 1921). Congress passed the Emergency Tariff in May 1921, a temporary measure intended to reduce agricultural imports and protect farmers from falling prices (Irwin, 2017a).

A report by the United States Tariff Commission (1922) later observed that: "The emergency tariff was passed in the midst of the greatest decline of prices that has occurred in many years. Not only were prices falling in the United States, but similar movement was going on all over the world. In fact the demands for the emergency duties largely grew out of the demoralization of world markets."

Classification. The primary motivation of the Emergency Tariff was to stabilize collapsing agricultural prices and mitigate the effects of the ongoing postwar recession, making the measure explicitly countercyclical. Since it represented a direct policy response to contemporaneous economic conditions, we classify the tariff as endogenous.

3.16. Fordney–McCumber Tariff Act (1922)

Signed:	September 21, 1922
Implemented:	September 22, 1922
Direction:	Tariff increase
Classification:	Exogenous (Trade ideology)

Historical context. During President Wilson's second term, Republicans captured control of both chambers of Congress in the 1918 midterm elections. In the 1920 elections, they retained their congressional majorities, and Republican nominee Warren Harding won the presidency in a landslide, giving the party unified control of government for the first time in nearly a decade (Irwin, 2017a).

In the aftermath of the war, nationalist sentiment intensified, strengthening political support for isolationism and protectionist policies. Wartime disruptions contributed to the belief that economic self-sufficiency was essential for national security, leading to the support for domestic production of essential goods regardless of cost (Taussig, 1922). This climate reinforced Republican support for protective tariffs and contributed to a broader backlash against international openness, exemplified not only by trade policy but also by the introduction of immigration quotas in the early 1920s (Irwin, 2017a).

Following passage of the temporary Emergency Tariff of 1921, Republicans started drafting legislation to revise the entire tariff code. In his address to Congress on the emergency tariff measures, President Harding emphasized that "the maturer revision of our tariff laws should be based on the policy of protection" (Harding, 1921). However, consideration of the bill was delayed for more than a year due to the death of the Senate Finance Committee's chairman and as tariff reform was sidelined by more urgent tax legislation. Competing constituency pressures in the Senate resulted in a large number of amendments and roll-call votes on highly specific products, further delaying passage of the bill (Irwin, 2017a). The Fordney-McCumber Tariff was signed in September 1922. It shifted many goods from the free to the dutiable list and raised the majority of dutiable rates to the levels similar to those of the Payne–Aldrich Tariff (1909) (Berglund, 1923).

Classification. The motivation for the Fordney–McCumber Tariff was to permanently revise the tariff system on the basis of the Republican commitment to protection, replacing the temporary Emergency Tariff with a comprehensive and lasting tariff structure. While the Emergency Tariff of 1921 was explicitly enacted in response to the postwar recession and collapsing agricultural prices, the Fordney–McCumber revision reflected a longer-run objective of maintaining protection for domestic industry, consistent with a trade-ideology motivation.

Supporting this interpretation, Irwin (2017a) emphasizes that the postwar recession had ended in July 1921, whereas the Fordney-McCumber Tariff was enacted only in September 1922, fourteen months after the economic trough. The timing therefore suggests that the legislation was not a response to contemporaneous economic conditions, but rather a politically driven shift toward a more protective trade regime, which is why we classify the tariff change as exogenous.[3]

3.17. Smoot-Hawley Tariff Act (1930)

Signed:	June 17, 1930
Implemented:	June 18, 1930
Direction:	Tariff increase
Classification:	Exogenous (Distributional)

Historical context. During the 1928 Presidential elections, Democrats no longer pressed for tariff reform, as the party's increasingly influential industrial Northern wing was largely satisfied with existing levels of protection (Irwin, 2017a). Republican candidate Herbert Hoover advocated for protective tariffs – specifically for agricultural relief – while also emphasizing the importance of encouraging foreign trade (Hoover, 1928). Republicans won the election in a landslide, increasing their majorities in Congress and retaining the presidency. Following the election, House Republicans immediately began drafting legislation for a new tariff bill, initially intended to appease agricultural interests in the West (Irwin, 2017a).

Although the broader economy performed well during the 1920s, agricultural conditions remained weak throughout the decade. Farm incomes never fully recovered from the 1920–21 downturn, and farm prices continued to lag behind nonagricultural prices for

[3] We exclude the Fordney-McCumber Tariff from the exogenous series in our annual specification, because its timing coincides with the period covered by the distributed proxy for the endogenous Emergency Tariff.

many years thereafter. Farmers argued that this long-standing disparity reflected an uneven tariff structure that had favored manufacturers in the industrial East (Eichengreen, 1999). In response, representatives from Midwestern farm states supported "tariff equality" for agriculture (Irwin, 2017a). For example, during a House debate in April 1929, Republican Representative August Andresen of Minnesota argued:

> *The manufacturing industries have been able, to a large extent, to enjoy the benefits of the tariff because they have been able to control their production as well as price to the American consumer. The farmer, on the other hand, who supplies us with the dire necessities of life has had very little control over his production and absolutely nothing to say as to the price he was to receive for his products. [...] It is well that there is to be a readjustment of the tariff, but this readjustment should be a revision upward on only agricultural products in order to equalize agricultural duties with existing rates on manufactured products.*
>
> Andresen (1929)

The tariff revision quickly broadened as organized producer interests across the economy mobilized to secure protection. The open amendment process in the Senate encouraged extensive logrolling, with legislators trading votes across commodities (Irwin and Kroszner, 1996). As a result, the final bill represented a substantial tariff increase on top of the already high Fordney–McCumber rates. After a long and contentious legislative process, President Hoover signed the Smoot–Hawley Tariff Act into law on June 17, 1930 (Irwin, 2017a).

Classification. The primary motivation for the reform which led to the Smoot-Hawley Tariff was to appease Western agricultural interests. Statements by President Hoover and Midwestern representatives reflect a distributive rationale: extending to agriculture the kind of tariff protection long associated with manufacturing. The debate therefore centered on how tariff protection should be distributed across sectors. Once revision was initiated, industries across the economy mobilized to secure additional protection.

Consistent with this interpretation, Irwin (2017a) notes that "it was unusual for the Republicans to take up the tariff at this time: the economy was generally doing well, imports were not flooding into the country, and businesses were not agitating for higher tariffs". Moreover, preparations for the tariff revision begin in late 1928, and the House bill was passed on May 28, 1929, several months before the stock market crashed in late October 1929. As such, the motivation for the Smoot-Hawley Tariff was not a response to the Great Depression (Irwin, 2017a).

Based on this narrative evidence, we conclude that the primary motivation for the Smoot–Hawley Tariff was distributional and classify the event as exogenous.

Note: We assess whether deteriorating economic conditions during the legislative process affect this classification in Section 5.

3.18. Reciprocal Tariff Act (1934)

Signed:	June 12, 1934
Implemented:	September 3, 1934[4]
Direction:	Tariff reduction
Classification:	Endogenous (Countercyclical)

Historical context. During the Great Depression, countries around the world imposed higher tariffs, along with foreign exchange controls, discriminatory trade arrangements, and tighter import quotas, contributing to the collapse of international trade (Irwin, 2012). In March 1934, President Roosevelt asked Congress to grant him authority to negotiate reciprocal trade agreements and, within carefully defined limits, to modify existing tariffs. He argued that "a full and permanent domestic recovery depends in part upon a revived and strengthened international trade" and that the legislation "is part of an emergency program necessitated by the economic crisis through which we are passing" (Roosevelt, 1934). Congress responded by passing the Reciprocal Trade Agreements Act (RTAA). The statutory text defined the purpose of the Act as promoting foreign trade "as a means of assisting in the present emergency in restoring the American standard of living, in overcoming domestic unemployment and the present economic depression".[5] The first agreement negotiated under the RTAA was concluded with Cuba, which entered into force on September 3, 1934.

Classification. The narrative evidence indicates that the primary motivation for the RTAA was countercyclical. The legislation was explicitly framed as an emergency measure aimed at promoting domestic recovery during the Great Depression. We therefore classify the RTAA as an endogenous policy response.

[4] The RTAA authorized reciprocal tariff reductions but did not cut tariffs upon enactment. Tariff changes occurred as individual agreements entered into force; the date shown is the first agreement's effective date.

[5] *An Act to amend the Tariff Act of 1930*, ch. 474, 48 Stat. 943 (1934).

3.19. General Agreement on Tariffs and Trade (GATT) Rounds

Historical context. By the end of World War II, policymakers believed that interwar economic nationalism had contributed to global instability and conflict. In response, the United States and its allies sought to build a new international trading system based on cooperation and openness. This effort led to the creation of the General Agreement on Tariffs and Trade (GATT) in 1947, a multilateral agreement designed to reduce tariffs, eliminate discriminatory trade practices, and set common rules for trade policy (Irwin, 1995, 2017a).

Under the GATT framework, eight multilateral negotiating rounds were conducted in which countries exchanged tariff concessions and adopted additional measures to reduce trade barriers. These concessions were applied to all contracting parties under the most-favored-nation (MFN) principle (Irwin, 1995). Over time, many countries joined the agreement, and the final round led to the establishment of the World Trade Organization (WTO) in 1995. Throughout this period, U.S. participation in the negotiating rounds relied on the President's trade-negotiating authority granted by Congress, which had to be periodically renewed (Irwin, 2017a).

Classification. The primary motivation for the GATT rounds was to advance multilateral trade liberalization. Policymakers believed that freer trade would promote long-run economic development, reflecting a trade-ideology motivation. In addition, policymakers viewed a multilateral trade framework as a way to support a more stable international order, reflecting geopolitical considerations. We therefore classify the GATT rounds as tariff changes motivated by trade ideology as well as political considerations.

For example, after the first GATT round, President Truman addressed Congress in 1948 to request an extension of the trade negotiating authority needed for subsequent GATT rounds:

> *Since 1945 we have continued our efforts to reduce the strains imposed upon the world economy by narrow concepts of economic nationalism. Last summer at Geneva the United States and 22 other countries concluded the most important and comprehensive trade agreement in history. [...] It is a continuing evidence of the determination of the United States to contribute its full share to the reconstruction of a sound and growing world economy as the basis for enduring peace. As such, I strongly recommend that the act be extended for an additional 3 years.*
>
> Truman (1948)

Similarly, more than thirty years later, President Carter stated following the conclusion of the Tokyo Round in 1979 that:

> *Through such fair and open trade, we strengthen peace and trust in the world and make more efficient use of the world's human and material resources. The agreements steer us away from destructive protectionism and into a path of greater export opportunities, with the prospects of new jobs, improved productivity, and increased industrial and agricultural production.*
>
> Carter (1979)

The narrative evidence suggests that the GATT rounds did not systematically respond to short-run economic conditions but instead reflected commitments to free trade and geopolitical stability. Moreover, negotiations typically lasted several years, and the timing of their conclusion was often shaped by international bargaining dynamics and institutional constraints – such as the expiration of presidential negotiating authority – rather than by contemporaneous macroeconomic conditions. Taken together, this evidence leads us to classify the GATT rounds as exogenous. We briefly discuss the individual rounds below.

GATT: Geneva Round I (1947)

Signed:	October 30, 1947
Implemented:	January 1, 1948
Direction:	Tariff reduction
Classification:	Exogenous (Trade ideology; Political)

The first GATT round, which took place in Geneva, Switzerland, started in April 1947. The round established the basic rules of the multilateral trading system and the twenty-three participating countries agreed to significant tariff reductions (Irwin, 2017a). Partly due to its relatively high level of protection, the United States was viewed as having made the most generous concessions in the round (Bown and Irwin, 2015).

GATT: Annecy Round (1949)

Signed:	August 13, 1949
Implemented:	January 1, 1950
Direction:	Tariff reduction
Classification:	Exogenous (Trade ideology; Political)

The second round, held in Annecy, France, added eleven countries as new contracting parties to the GATT. Although the original twenty-three countries did not exchange new tariff concessions with each other, they negotiated tariff reductions with the newly acceding countries. Under the MFN principle, the tariff reductions agreed in earlier rounds were extended to the new contracting parties upon their accession (Irwin, 2017a).

GATT: Torquay Round (1950–1951)

Signed:	April 21, 1951
Implemented:	June 6, 1951
Direction:	Tariff reduction
Classification:	Exogenous (Trade ideology; Political)

The third round took place in Torquay, United Kingdom, and allowed the accession of seven new contracting parties. During this round, the original countries exchanged additional tariff concessions, resulting in slight overall reductions (Irwin, 2017a).

GATT: Geneva Round II (1955–1956)

Signed:	May 23, 1956
Implemented:	June 30, 1956
Direction:	Tariff reduction
Classification:	Exogenous (Trade ideology; Political)

During the fourth round in Geneva, participation in the GATT expanded further, most notably with Japan's accession. The United States supported Japan's entry for strategic reasons, while several Western European countries expressed concerns about increased import competition. Overall, the round produced additional, though relatively modest, tariff reductions (Irwin, 2017a).

President Eisenhower's negotiating authority to participate in the round was narrowly approved by Congress in 1955. However, this authority came with limitations: tariffs could be reduced by up to 15 percent only through three annual installments of 5 percent, introducing the concept of phased-in tariff reductions (Irwin, 2017a).

GATT: Dillon Round (1961–1962)

Signed:	July 16, 1962
Implemented:	December 31, 1962
Direction:	Tariff reduction
Classification:	Exogenous (Trade ideology; Political)

The fifth GATT round proceeded in two phases. From 1960 to 1961, negotiators examined whether the European Economic Community (EEC) complied with GATT rules. During the second phase, from 1961 to 1962, the GATT participants negotiated tariff reductions. The round concluded shortly before the President's negotiating authority expired (Irwin, 2017a).

GATT: Kennedy Round (1964–1967)

Signed:	June 30, 1967
Implemented:	January 1, 1968
Direction:	Tariff reduction
Classification:	Exogenous (Trade ideology; Political)

Forty-six countries participated in the sixth GATT round, which started in May 1964. By the end of the round the number of contracting parties had expanded to more than seventy. Disagreements between the United States and the EEC over tariff concessions on agricultural goods and the precise method of tariff reduction made the negotiations difficult. Moreover, the growing number of participants increased the complexity of the talks, and a dispute between France and its EEC partners further delayed progress (Irwin, 2017a).

The round ended in June 1967, taking more than three years to conclude. The deputy trade representative for the United States signed the agreement hours before the negotiating authority was set to expire. The round resulted in significant tariff reductions, particularly on industrial products. The agreement also established rules on non-tariff barriers, including import valuation and antidumping. While the tariff reductions went into effect by presidential proclamation, the non-tariff elements required congressional approval, which was ultimately not granted due to growing political opposition (Irwin, 2017a).

GATT: Tokyo Round (1973–1979)

Signed:	April 12, 1979
Implemented:	January 1, 1980
Direction:	Tariff reduction
Classification:	Exogenous (Trade ideology; Political)

The Tokyo Round started in November 1973. The negotiations experienced several delays, partly because the president's trade-negotiating authority was not granted until January 1975 due to political conflict within Congress. Despite a difficult global economic environment marked by recession and high inflation, the round successfully reduced tariffs further, particularly among advanced economies. Because tariff levels were already relatively low, much of the negotiation focused on non-tariff barriers, which were covered by optional agreements rather than mandatory rules. After more than five years, the round finally ended in April 1979 (Irwin, 2017a).

Note: We assess whether deteriorating economic conditions during the negotiating process affect this classification in Section 5.

GATT: Uruguay Round (1986–1994)

Signed:	April 15, 1994
Implemented:	January 1, 1995
Direction:	Tariff reduction
Classification:	Exogenous (Trade ideology; Political)

The eighth and final GATT round was launched in September 1986 and became the most far-reaching since the establishment of the GATT. The round was largely initiated by the United States, which argued the GATT was weakening due to rising protectionism, outdated coverage, and institutional flaws (GAO, 1994). They pushed for stronger enforcement and argued that developing countries should no longer 'free ride' but be subject to the same rules and contribute to liberalization (Irwin, 2017a).

The Uruguay Round addressed tariff reductions while also negotiating a broad range of other trade issues, including non-tariff barriers and reforms to trade rules and the multilateral system. After nearly a decade of negotiations, the round concluded and resulted in the creation of the World Trade Organization (WTO) (Irwin, 2017a).

3.20. Nixon Surcharge (1971)

Signed:	August 15, 1971
Implemented:	August 16, 1971
Direction:	Tariff increase
Classification:	Endogenous (External imbalances)

Historical context. By the late 1960s the Bretton Woods system was under strain because foreign holdings of dollars vastly exceeded U.S. gold reserves, making it impossible for the United States to honor its gold-convertibility commitment if foreign central banks demanded conversion. This imbalance was exacerbated by the growing overvaluation of the dollar, which reduced the competitiveness of U.S. exports, contributed to persistent trade deficits, and accelerated the accumulation of dollars abroad (Irwin, 2013, 2017a).

On August 6, 1971, a report by the Joint Economic Committee of Congress (1971) called for exchange rate realignment "to eliminate the existing structural payments deficit of the United States", warning that the overvalued dollar "increases the risk of an international monetary crisis that would break the system apart". On August 15, President Nixon announced a temporary surcharge on dutiable imports "to protect the dollar, to improve our balance of payments, and to increase jobs for Americans" (Nixon, 1971).

Classification. The primary motivation for the temporary import surcharge was to ease balance-of-payments pressures by inducing U.S. trading partners to revalue their currencies against the dollar. The surcharge thus functioned as a macroeconomic policy tool aimed at correcting external imbalances arising from contemporaneous economic conditions. We therefore classify the surcharge as endogenous, driven by external imbalance motivations.

3.21. Ford's Tax on Imported Oil (1975)

Signed:	January 23, 1975
Implemented:	February 1, 1975
Direction:	Tariff increase
Classification:	Endogenous (External imbalances)

Historical context. The 1973 oil price shock exposed the United States' vulnerability in international trade. When OPEC imposed an oil embargo, it triggered major global economic disruption and pushed the United States into recession. Soaring oil prices caused the value of petroleum imports to more than triple in 1974, rising to roughly one-quarter of total U.S. imports (Irwin, 2017a). President Ford discussed these developments in his State of the Union address:

> *Economic disruptions we and others are experiencing stem in part from the fact that the world price of petroleum has quadrupled in the last year. [...] Our growing dependence upon foreign sources has been adding to our vulnerability for years and years, and we did nothing to prepare ourselves for such an event as the embargo of 1973. [...] To provide the critical stability for our domestic energy production in the face of world price uncertainty, I will request legislation to authorize and require tariffs, import quotas, or price floors to protect our energy prices at levels which will achieve energy independence.*
>
> Ford (1975a)

As part of this strategy, Ford signed a proclamation that gradually imposed higher fees on imported oil (Ford, 1975b).

Classification. Because the import fee was intended to reduce oil imports and mitigate the economy's exposure to foreign supply shocks, amid ongoing economic distress, the policy response was directly linked to contemporaneous economic conditions. We therefore classify the event as endogenous.

3.22. Trump Tariffs (2018–2019)

Historical context. The 2016 presidential election marked a shift in rhetoric on trade policy, as the Republican candidate Donald Trump repeatedly criticized previous trade agreements, such as the North American Free Trade Agreement (NAFTA), and advocated the use of tariffs to combat what he described as unfair foreign competition (Irwin, 2017a; Trump, 2016b). These positions were framed within a broader campaign message that emphasized prioritizing American workers under an "America first" foreign policy approach (Trump, 2016a).

Following the 2016 election, Republicans retained majorities in both chambers of Congress and won the presidency. President Trump reiterated his trade stance during his inaugural address: "We must protect our borders from the ravages of other countries making our products, stealing our companies, and destroying our jobs. Protection will lead to great prosperity and strength." (Trump, 2017b). Shortly after, he addressed Congress and stated:

I believe strongly in free trade but it also has to be fair trade. It's been a long time since we had fair trade. The first Republican President, Abraham Lincoln, warned that the "abandonment of the protective policy by the American government... will produce want and ruin among our people." Lincoln was right – and it's time we heeded his advice and his words. I am not going to let America and its great companies and workers be taken advantage of any longer. They have taken advantage of our country. No longer.

Trump (2017a)

Classification. A central motivation for President Trump's tariff policy was to protect American workers and companies from foreign competition, marking a shift to renewed protectionism. Trump argued that previous trade deals and policies had allowed other countries to take advantage of the United States and that protectionism would "lead to great prosperity". These statements reflected beliefs about which trade regime best promotes long-run national development. A second motivation was political, as Trump repeatedly used tariffs as leverage in ongoing trade negotiations.

The individual tariffs implemented over the course of 2018 and 2019 each had their own legal justifications and stated motivations, but overall were consistent with the administration's broader protectionist agenda. For example, the Section 201 tariffs on solar panels and washing machines were introduced as safeguard measures intended to provide temporary relief to domestic producers. The Section 232 tariffs on steel and aluminum were justified on national security grounds. The Section 301 tariffs on Chinese imports were explicitly framed as a response to alleged unfair trade practices and were used as leverage in bilateral negotiations.

Taken together, this evidence indicates that the Trump tariffs were not responses to contemporaneous or prospective macroeconomic conditions, but instead reflected protectionist and strategic political objectives. We therefore classify these tariff changes as exogenous. We briefly discuss the two episodes below.

2018 Trump Tariffs

Signed:	January 23, 2018[6]
Implemented:	February 7, 2018
Direction:	Tariff increase
Classification:	Exogenous (Trade ideology; Political)

Consistent with the "America First" foreign policy agenda, the Trump administration imposed a series of tariff increases aimed at protecting domestic industries, addressing national security concerns, and pressuring China to change unfair trade practices. These included Section 201 tariffs on solar panels and washing machines, Section 232 tariffs on steel and aluminum, and Section 301 tariffs on a wide range of Chinese imports (Amiti, Redding, and Weinstein, 2019; Fajgelbaum et al., 2020). Altogether, tariffs were applied to roughly $283 billion of imports, raising average U.S. tariff rates from approximately 1.5 percent at the start of the year to around 3.3 percent by December (Amiti, Redding, and Weinstein, 2019).

2019 Trump Tariffs

Signed:	May 9, 2019
Implemented:	May 10, 2019
Direction:	Tariff increase
Classification:	Exogenous (Trade ideology; Political)

The tariff measures implemented in 2019 underscored the Trump administration's continued escalation of trade policy as a strategic tool and expanded both the scope and persistence of its protectionist measures introduced in the year prior. After talks with China broke down in May 2019, the administration raised tariffs on Chinese imports from 10 to 25 percent on approximately $200 billion of imports (Bown, 2021). In October, the United States imposed retaliatory tariffs on the European Union following a WTO ruling in the Airbus subsidies dispute (Federal Register, 2019).

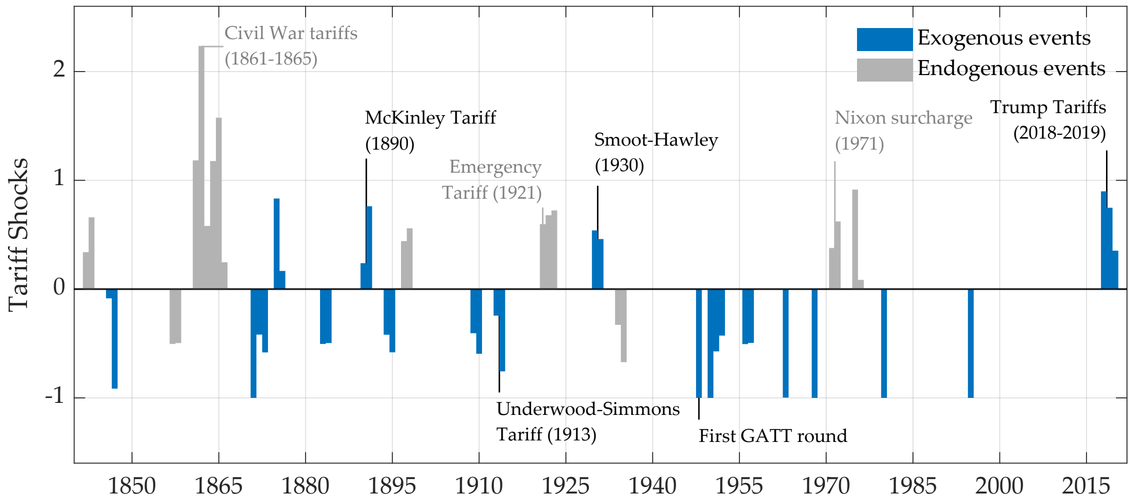
4. Results

Based on the narrative classification described above, we identify 21 plausibly exogenous tariff policy events, alongside 14 endogenous episodes. As described in detail in our main paper (Den Besten and Känzig, 2025), we construct a narrative tariff shock series based on the dates on which the tariffs went into effect and the direction of each reform. We distribute each narrative shock across the two adjacent years in proportion to the number of days remaining in the year of implementation. Figure 2 displays the resulting shock

[6] For the 2018 and 2019 tariffs, signing and implementation dates reflect the earliest instance of a tariff change within the calendar year.

series, which we use as an instrument to identify a structural tariff shock.

Figure 2: Narrative Tariff Shock Series



Notes: Tariff shock series based on our narrative analysis of the history of U.S. trade policy, distributed over years of policy influence. Blue bars: plausibly exogenous tariff changes. Gray bars: endogenous tariff changes.

In Den Besten and Känzig (2025), we perform a series of diagnostic checks on the narrative shock series. Importantly, based on Granger causality tests, we find no evidence that macroeconomic or financial variables – such as output, exports, imports, the terms of trade, stock prices, or government finances – have predictive power for the narrative tariff shock series. This supports the interpretation that the exogenous tariff changes identified from narrative sources are not systematically anticipated by observable economic conditions. By contrast, the same variables strongly predict endogenous tariff events, consistent with those actions being taken in response to underlying macroeconomic developments.

Although the diagnostic evidence supports the validity of the narrative classification, narrative identification inevitably involves judgment. We therefore examine the robustness of our results to alternative classification choices in the following section.

5. Sensitivity Analysis

In this section, we assess the robustness of our baseline results, presented in Den Besten and Känzig (2025), to alternative event classifications. Specifically, we account for the possibility that fiscal considerations or other secondary motivations present at the time of passage influenced tariff decisions, and assess whether this affects our results. We separately examine tariff events which were passed alongside other significant policy measures. Finally, we analyze events where economic conditions deteriorated during the legislative process or negotiations over tariff reform, potentially affecting the timing or content of the final law.

5.1. The Role of Fiscal Motives

As discussed in Section 2.4, tariff changes motivated by efforts to correct fiscal deficits or surpluses can be problematic for identification because government revenues – especially before 1913, when tariffs were a main revenue source – moved with the business cycle, thereby creating pressure for tariff adjustments. However, the direction of this pressure is not entirely clear, which somewhat mitigates concerns about a mechanical cyclical pattern in tariff adjustments. For example, during the "Great Tariff Debate of 1888", Democrats advocated tariff reductions to reduce customs revenue, while Republicans argued for tariff increases to lower customs receipts (Irwin, 1998b).[7] These opposite positions reflected the parties' broader views on free trade and protectionism, illustrating that tariff policy often depended on partisan control of government.

To confirm that fiscal considerations do not confound our identification, we examine the robustness of our results to alternative classifications and event selections for episodes in which fiscal motives may have played a role.

Excluding 1870, 1872, and 1875 tariffs. During the early 1870s, government revenues exceeded federal needs, resulting in growing budget surpluses, which contributed to political pressure to reduce tariffs. These secondary motivations were present in the tariffs of 1870 and 1872, apart from the strategic political motivations discussed in Section 3. In a similar vein, after the Panic of 1873, the surpluses turned into deficits which Republicans used to justify the higher tariffs of 1875.[8]

To assess whether fiscal considerations during these episodes affect our results, we reestimate the baseline VAR in Den Besten and Känzig (2025) after excluding these events from our instrument. More broadly, this exercise tests the robustness of our results to excluding politically motivated events. Figure 3 shows the resulting impulse responses: the yellow dashed line represents estimates excluding the Tariff of 1870, the green dashed

[7]Irwin (1998b) shows that whether higher tariffs raised or reduced revenue depended on the elasticity of import demand and the initial level of tariff rates, with sufficiently elastic import responses implying that tariff increases could reduce, rather than increase, customs revenue.

[8]Historical accounts suggest that these fiscal arguments overstated the necessity of higher duties (see e.g. Taussig, 1910).

line excludes the Tariff of 1872, the purple line with circle markers excludes the Tariff of 1875, and the red dotted line excludes all three episodes jointly. In all cases, the resulting responses remain similar to the baseline.

Including all fiscally motivated tariffs. In excluding events motivated by fiscal-balance considerations, we adopt a more restrictive classification than Romer and Romer (2010), who treat deficit-driven tax changes as exogenous. Their rationale is that inherited deficits primarily reflect past economic conditions and earlier budgetary decisions rather than contemporaneous macroeconomic developments; as a result, tax increases aimed at deficit reduction are not intended to stabilize current output or counteract cyclical fluctuations. In our setting, one could defend an exogeneity interpretation, as policymakers often framed such tariff reforms in terms of fiscal prudence or long-run budgetary sustainability.

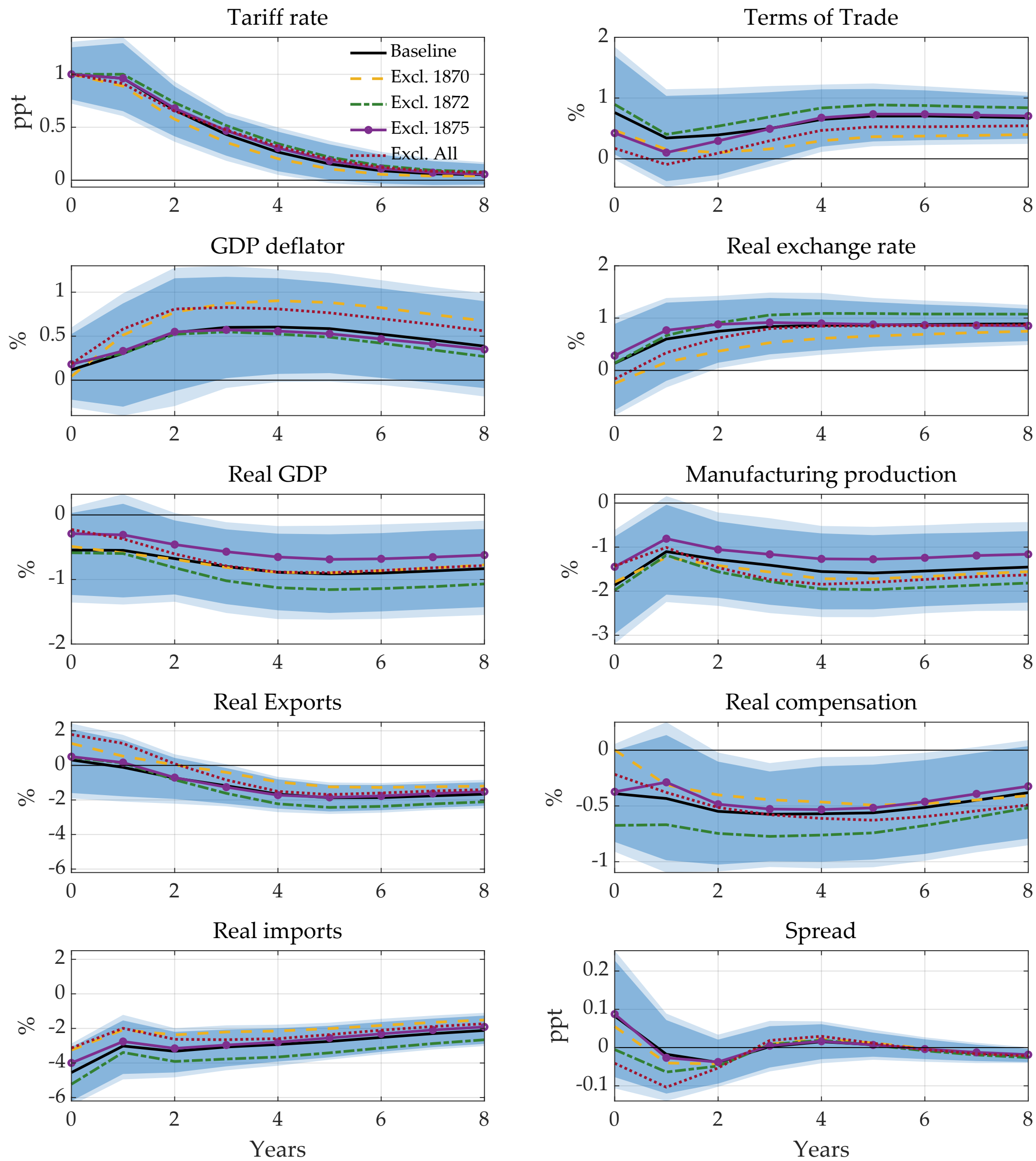
How sensitive are the results to including these fiscally motivated tariff changes? Figure 4 shows the responses when including tariff changes primarily motivated by fiscal imbalance concerns in our instrument. Because such episodes occur mainly in the early part of the sample, we extend the estimation sample back to 1840. Overall, the results are very similar to the baseline. There are some notable differences for the GDP deflator and the terms of trade. Therefore, we err on the conservative side, and exclude these events in the baseline specification.

5.2. Accounting for Potentially Confounding Policies

A more daunting concern arises in episodes where tariff legislation was enacted alongside other major policy measures, raising the possibility that estimated tariff effects may partly capture the influence of contemporaneous legislation.

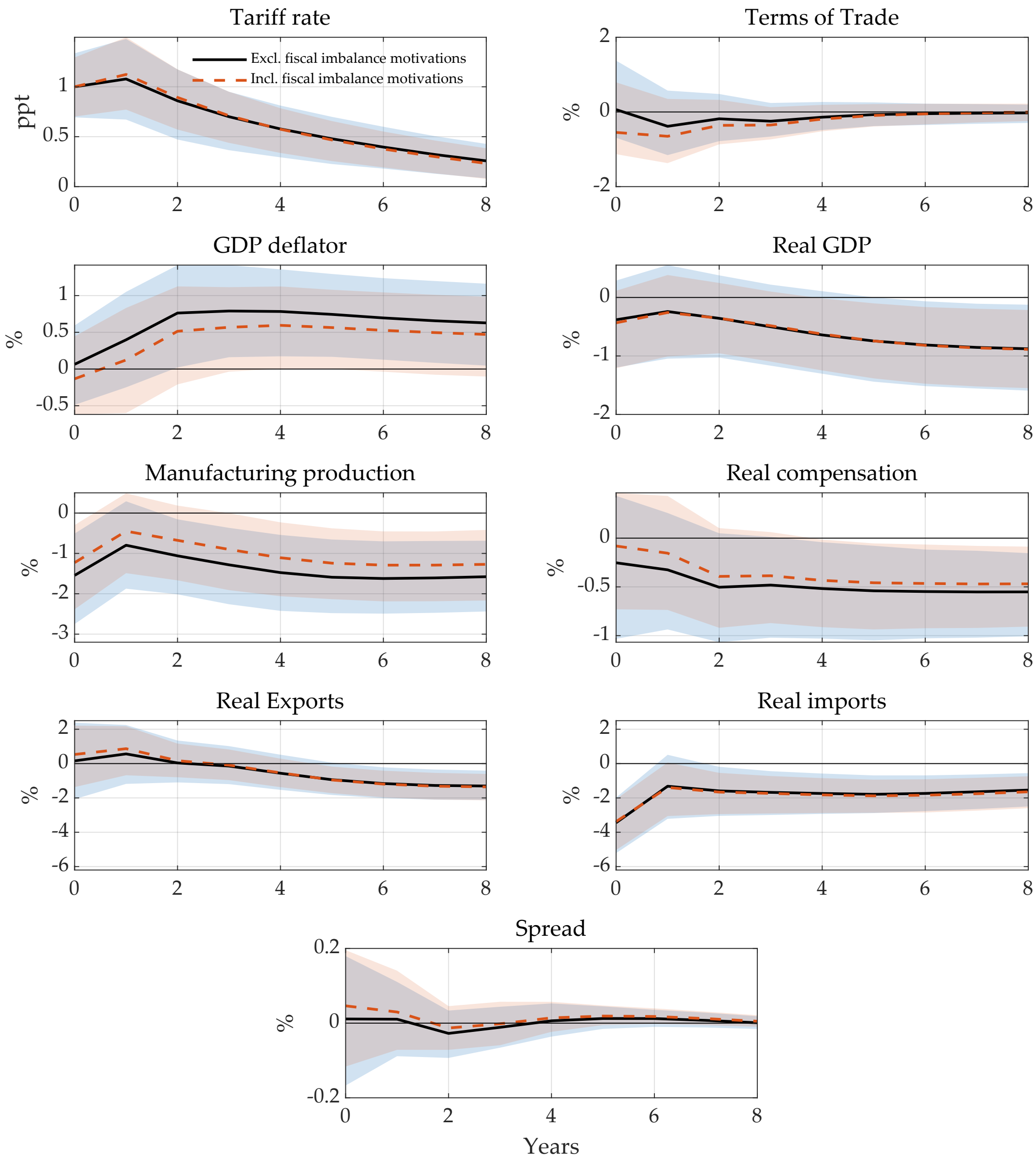
Tariffs of 1883 and 1909. The Mongrel Tariff of 1883 and the Payne–Aldrich Tariff of 1909 warrant some caution, as both tariff revisions coincided with other fiscal policy changes. Based on the narrative record, fiscal considerations do not appear to have been central to the motivation for the tariff reforms themselves, which we therefore classify as exogenous. Instead, contemporaneous concerns about revenue imbalances were primarily addressed through non-tariff instruments. In the early 1880s, President Arthur emphasized reductions in internal taxes to manage excess revenues, while maintaining taxes on distilled spirits to preserve fiscal balance (Arthur, 1882). Similarly, following the Panic of 1907, President Taft proposed a corporate income tax to address revenue short-

Figure 3: Excluding Events with Potential Fiscal Considerations



Notes: Impulse responses to a tariff shock, normalized to increase the dutiable tariff rate by 1 percentage point on impact, estimated based on the VAR model using the narrative tariff shock series as an instrument. Lag order: 2. Solid line and shaded areas: baseline response with 90 and 95 percent confidence bands based on moving-block bootstrap. Dashed and dotted lines: point estimates when excluding selected events from the instrument.

Figure 4: Including Events Motivated by Fiscal Imbalances



Notes: Impulse responses to a tariff shock, normalized to increase the dutiable tariff rate by 1 percentage point on impact, estimated based on the VAR model using the narrative tariff shock series as an instrument. Sample: 1840–2024. Lag order: 2. Solid line and blue shaded area: baseline response with 95 percent confidence bands based on moving-block bootstrap. Dashed line and orange shaded area: point estimate when including selected events from the instrument with 95 percent confidence bands based on moving-block bootstrap.

falls (Taft, 1909b).

Because these fiscal measures were enacted as part of the same legislative packages as the tariff revisions, estimated macroeconomic responses attributed to tariffs may partly reflect the effects of accompanying fiscal policy changes. To assess robustness, we re-estimate the baseline VAR excluding these two episodes. In Figure 5, the purple line with circle markers shows impulse responses obtained after excluding the Mongrel Tariff, while the green dashed line shows responses after excluding the Payne–Aldrich Tariff. In both cases, the resulting responses remain closely aligned with the baseline.

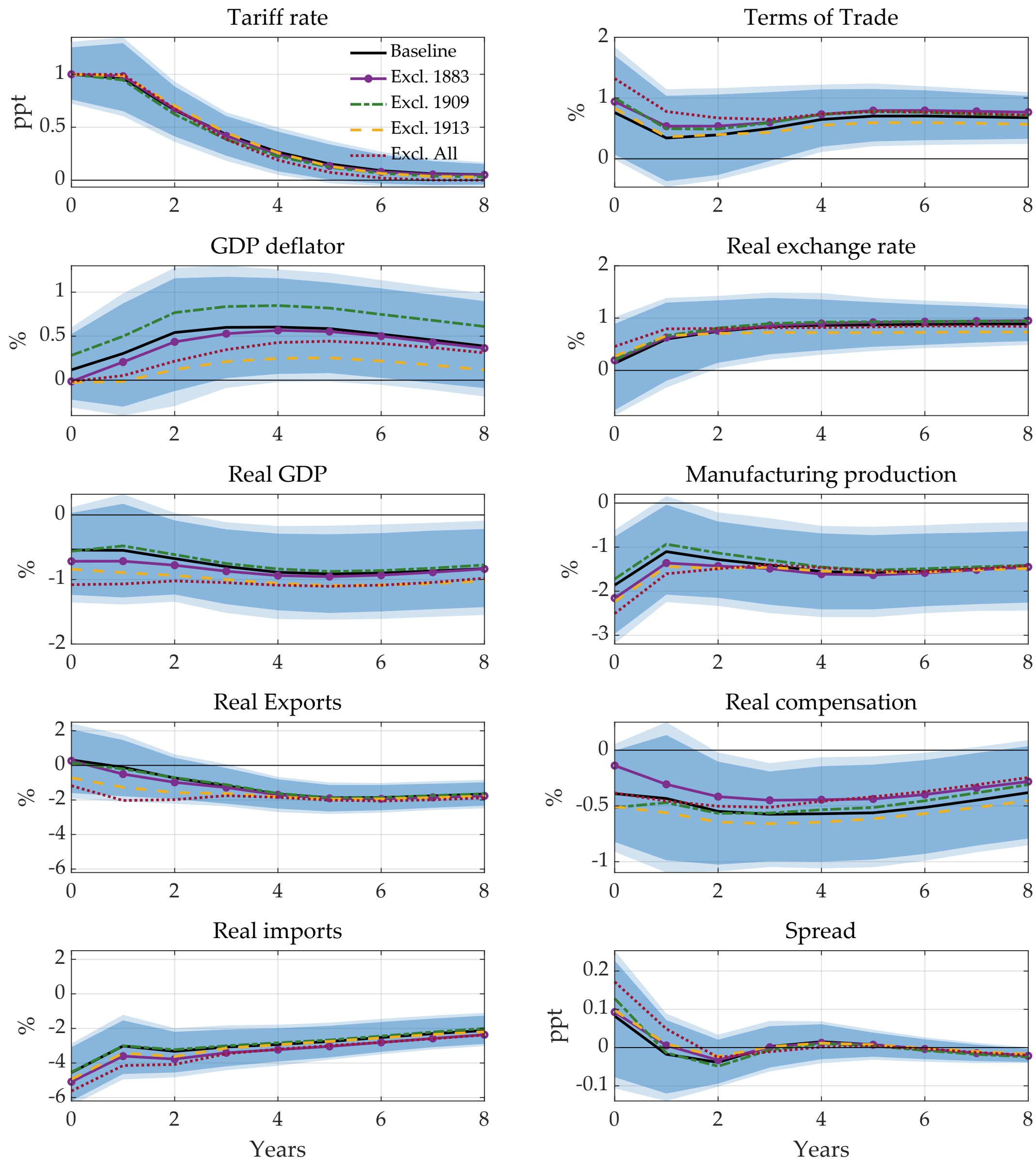
Tariff of 1913. The Underwood–Simmons Tariff of 1913 coincided with the introduction of the federal income tax, a major fiscal reform that can independently affect macroeconomic outcomes and thus confound the estimated response to tariff changes. In addition, the outbreak of the First World War shortly thereafter severely disrupted international trade, further complicating attribution. Figure 5 shows that re-estimating the baseline VAR excluding the Underwood–Simmons Tariff yields impulse responses that are similar to the baseline estimates.

The red dotted line represents the impulse responses obtained when we jointly exclude the three events discussed above. The resulting estimates are closely aligned with our baseline responses. Taken together, these sensitivity checks suggest that our baseline results are robust to alternative treatments of episodes in which confounding fiscal shocks may have played a role.

GATT rounds. Beyond fiscal measures, tariff reforms may also be bundled with other trade policy changes that could confound identification. Several multilateral negotiating rounds reduced tariffs while also including agreements affecting non-tariff barriers. If such non-tariff liberalizations coincided with tariff cuts and affected outcomes in the same direction, estimated responses could overstate tariff effects. To assess this concern, we re-estimate the external-instrument VAR after excluding the Tokyo, Kennedy, and Uruguay rounds – episodes in which non-tariff commitments were negotiated alongside tariff reductions. The resulting impulse responses in Figure 6 are nearly identical to the baseline results, both when events are excluded individually and when they are excluded jointly, suggesting that our baseline responses are not driven by broader trade liberalization associated with these rounds.[9]

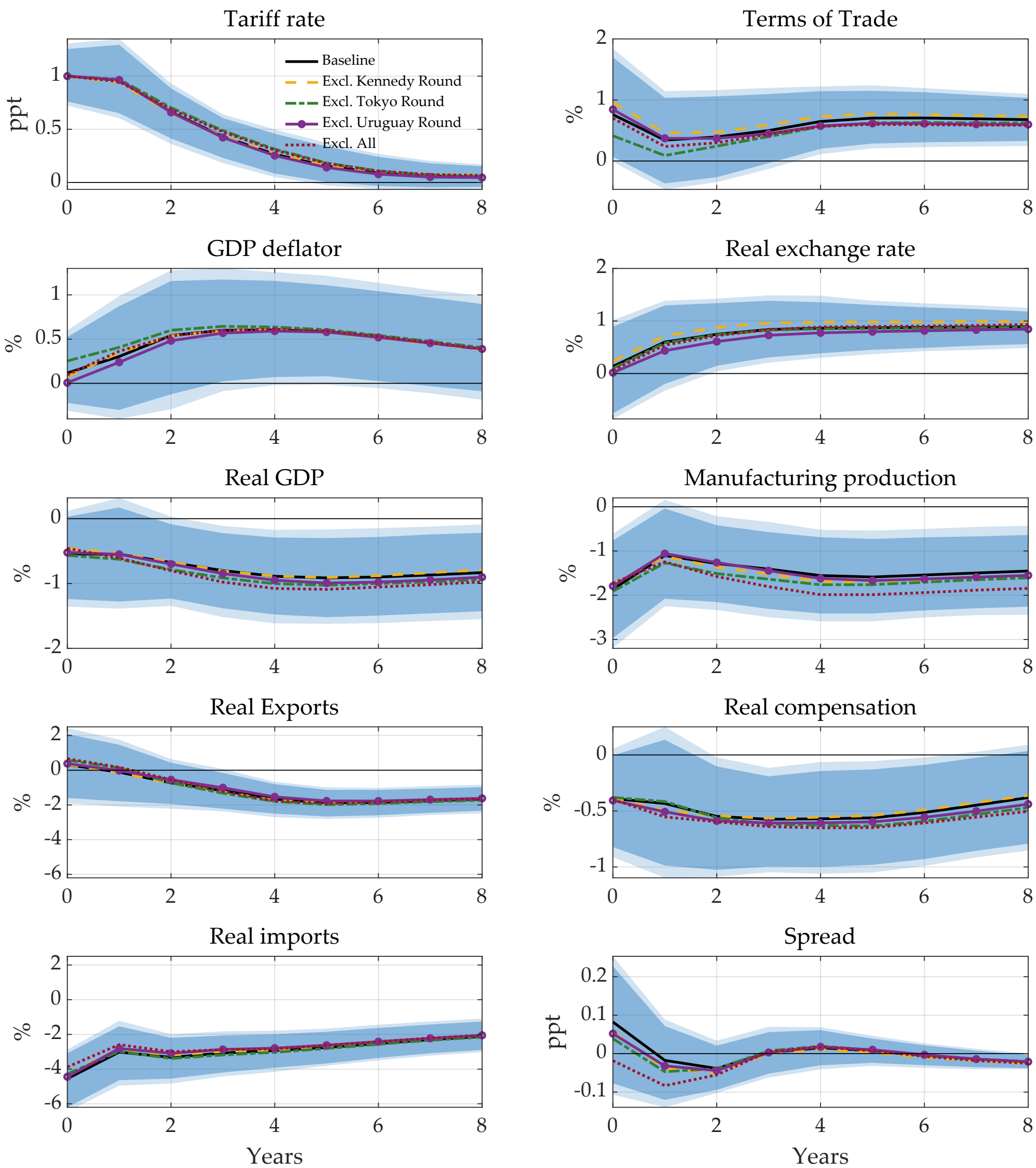
[9] Tariff reductions negotiated under GATT rounds were implemented by presidential proclamation, while non-tariff measures required congressional approval, making simultaneous implementation less likely.

Figure 5: Excluding Events with Potential Confounding Fiscal Policies



Notes: Impulse responses to a tariff shock, normalized to increase the dutiable tariff rate by 1 percentage point on impact, estimated based on the VAR model using the narrative tariff shock series as an instrument. Lag order: 2. Solid line and shaded areas: baseline response with 90 and 95 percent confidence bands based on moving-block bootstrap. Dashed and dotted lines: point estimates when excluding selected events from the instrument.

Figure 6: Excluding GATT Rounds with Non-Tariff Measures



Notes: Impulse responses to a tariff shock, normalized to increase the dutiable tariff rate by 1 percentage point on impact, estimated based on the VAR model using the narrative tariff shock series as an instrument. Lag order: 2. Solid line and blue shaded area: baseline response with 95 percent confidence bands based on moving-block bootstrap. Dashed line and purple shaded area: point estimate when excluding selected events from the instrument with 95 percent confidence bands based on moving-block bootstrap.

5.3. Economic Pressures

After the introduction of the federal income tax in 1913, customs duties generated only a small fraction of federal government revenue, reducing concerns that fiscal considerations played a meaningful role in motivating subsequent tariff reforms. Instead, in this section we examine two cases in which the initial motivation for reform was clearly exogenous, but in which deteriorating economic conditions during the legislative process or negotiations may have affected the timing or content of the final law.

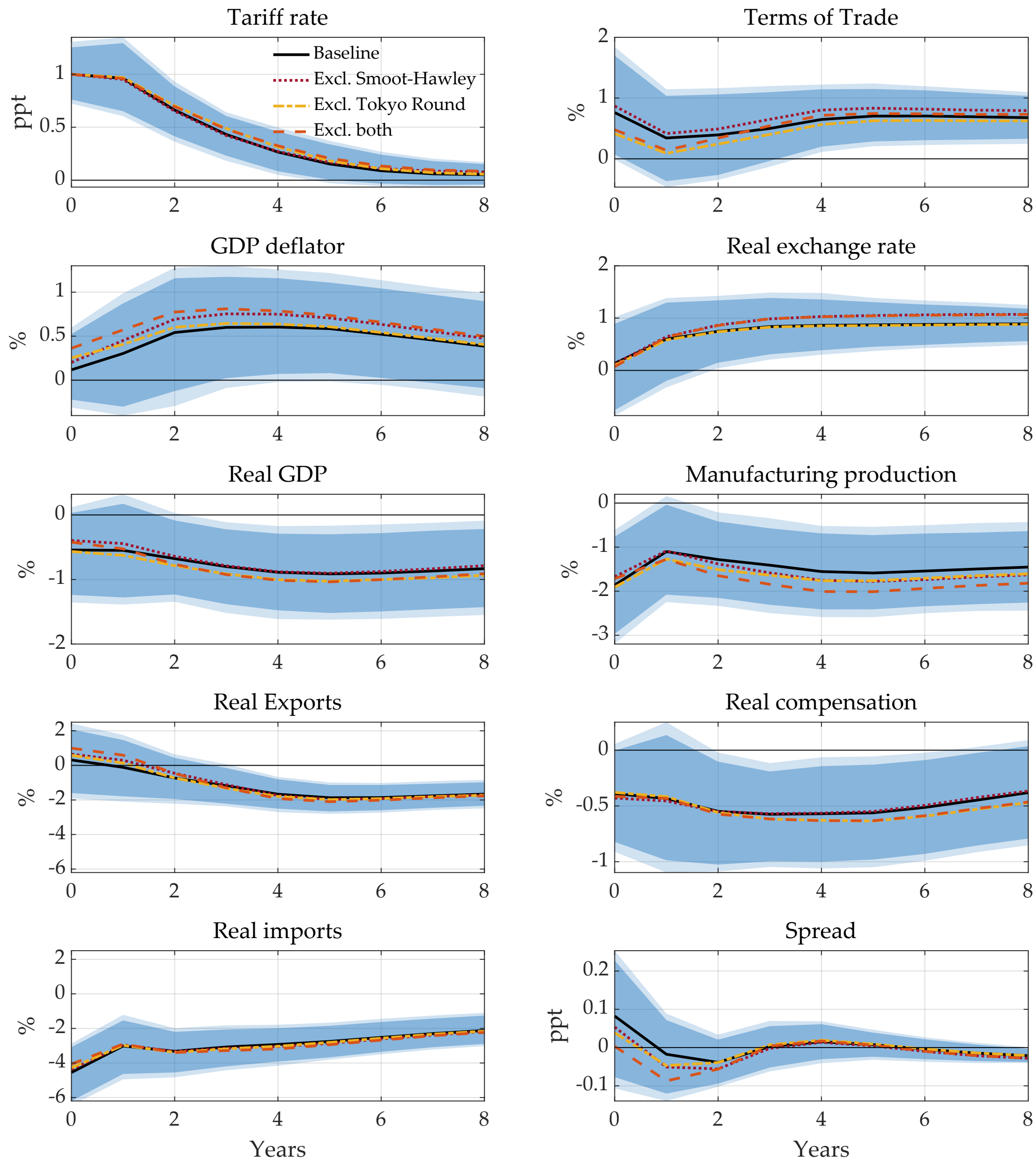
Smoot-Hawley and Tokyo Round. The motivation for the Smoot–Hawley Tariff originated in distributional considerations – particularly the desire to extend protection toward agriculture. The House passed the bill in May 1929, well before the stock market crash, but by the time the Senate debated the bill in early 1930, economic conditions had begun to weaken, potentially influencing political pressures and the timing or content of the final legislation.

The Tokyo Round was launched in pursuit of multilateral trade liberalization, reflecting a broader postwar effort to reduce trade barriers and support a stable international economic order. However, by the time negotiations effectively began, the global economic environment had deteriorated sharply, which may have strengthened domestic protectionist pressures and reduced governments' willingness to push for liberalization, slowing the pace of negotiations and affecting the timing of the resulting tariff reductions (Irwin, 2017a; Kakabadse, 1981).

Because in both cases adverse economic conditions may have shaped the legislative or negotiation process, despite exogenous initial motivations, we assess the robustness of our results by excluding these two episodes from the set of exogenous events. Figure 7 shows that our findings remain unchanged. The red dotted line reflects impulse responses obtained by re-estimating the baseline VAR after excluding the Smoot-Hawley Tariff, and the dashed yellow line corresponds to excluding the Tokyo Round. The red dashed line shows the impulse responses when both events are excluded at the same time.

In all cases, the results remain closely aligned with our baseline responses; it is therefore unlikely that economic conditions during the legislative or negotiation processes of these events drive our baseline findings.

Figure 7: Excluding Events Potentially Influenced by Economic Conditions



Notes: Impulse responses to a tariff shock, normalized to increase the dutiable tariff rate by 1 percentage point on impact, estimated based on the VAR model using the narrative tariff shock series as an instrument. Lag order: 2. Solid line and shaded areas: baseline response with 90 and 95 percent confidence bands based on moving-block bootstrap. Dashed and dotted lines: point estimates when excluding selected events from the instrument.

6. Conclusion

This paper constructs a systematic narrative record of major U.S. tariff policy changes from 1840 to 2024 and classifies each event according to its underlying motivation. Using historical accounts and contemporaneous government and legislative sources, we identify 35 major tariff reforms, documenting their economic and political context, direction, and implementation timing. Based on the narrative evidence, we classify 21 events as plausibly exogenous and 14 as endogenous.

We classify a tariff change as plausibly exogenous when the historical record indicates that it was motivated by normative or political considerations rather than by contemporaneous or prospective macroeconomic conditions. Within this group, we distinguish three closely related but conceptually distinct motivations: trade ideology, distributional concerns, and political motivations. By contrast, we classify a tariff change as endogenous when the narrative record indicates that tariff policy was explicitly used to pursue spending-driven objectives, countercyclical stabilization, or the correction of fiscal or external imbalances.

The central contribution of this companion paper is to provide the historical foundation for the narrative tariff shock series used in Den Besten and Känzig (2025). By separating tariff changes plausibly unrelated to short-run macroeconomic conditions from those responding to economic developments, the narrative classification supports an instrumental-variables strategy that mitigates both endogeneity and measurement issues in observed aggregate tariff measures. The diagnostic evidence reported in Den Besten and Känzig (2025) – in particular the absence of forecastability of the exogenous shock series by a wide range of macroeconomic and financial variables – reinforces the interpretation that the timing and sign of these exogenous tariff events are not systematically driven by observable economic conditions, while endogenous events are.

Because narrative identification involves judgment, we assess the robustness of the empirical results in Den Besten and Känzig (2025) to alternative classifications. Specifically, we examine whether the results are sensitive to how episodes are treated when tariff reforms may have been influenced by fiscal considerations, bundled with other major policy changes, or affected by deteriorating economic conditions during the legislative or negotiation process. Across these specifications, the estimated responses remain close to the baseline, suggesting that the main results are not driven by the treatment of these potentially contentious episodes. Taken together, these findings indicate that the narrative shock series provides a useful and historically grounded basis for studying the aggregate effects of tariff policy over nearly two centuries.

References

Amiti, Mary, Stephen J. Redding, and David E Weinstein (2019). "The impact of the 2018 tariffs on prices and welfare". *Journal of Economic perspectives* 33.4, pp. 187–210.

Andresen, August H. (1929). *Congressional Record: Proceedings and Debates of the 71st Congress, First Session, Vol. 71, Part 1*. U.S. Government Printing Office.

Arthur, Chester A. (1882). *Second Annual Message*. The American Presidency Project.

Berglund, Abraham (1923). "The Tariff Act of 1922". *The American Economic Review* 13.1, pp. 14–33.

Bown, Chad P. (2021). "The US–China trade war and Phase One agreement". *Journal of Policy Modeling* 43.4, pp. 805–843.

Bown, Chad P. and Douglas A. Irwin (2015). *The GATT's Starting Point: Tariff Levels circa 1947*. NBER Working Paper Series 21782. National Bureau of Economic Research.

Buchanan, James (1860). *Fourth Annual Message to Congress on the State of the Union*. The American Presidency Project.

Carter, Jimmy (1979). *Multilateral Trade Negotiations Agreements Statement by the President*. The American Presidency Project.

CBO, Congressional Budget Office (1979). *The Effects of the Tokyo Round of Multilateral Trade Negotiations on the US Economy: An Updated View*. US Government Printing Office.

Cleveland, Grover (1893a). *First Annual Message (second term)*. The American Presidency Project.

— (1893b). *Inaugural Address*. The American Presidency Project.

Convention, Democratic National (1892). *1892 Democratic Party Platform*. The American Presidency Project.

Cox, Samuel Sullivan (1870). *The Tariff—Its Oppressions, Absurdities, and Spoliations. Speech of Hon. Samuel S. Cox, of New York, Delivered in the House of Representatives, March 28, 1870*. F. & J. Rives & G.A. Bailey, reporters and printers.

Den Besten, Tamar and Diego R. Känzig (2025). "The Macroeconomic Effects of Tariffs: Evidence From US Historical Data". *Available at SSRN 5938997*.

Dobson, John M. (1976). *Two Centuries of Tariffs: The Background and Emergence of the U.S. International Trade Commission*. USITC Publication Pub. 0000. United States International Trade Commission.

Eichengreen, Barry (1999). "The Political Economy of the Smoot-Hawley Tariff". *International Political Economy*. Taylor & Francis Ltd. Chap. 2, pp. 37–46.

Fajgelbaum, Pablo D., Pinelopi K. Goldberg, Patrick J. Kennedy, and Amit K. Khandelwal (2020). "The return to protectionism". *The Quarterly Journal of Economics* 135.1, pp. 1–55.

Federal Register (2019). *Preliminary Product List: U.S. Section 301 Investigations*. Federal Register Notice, 84 Fed. Reg. 3541.

Fisk, George M. (1910). "The Payne-Aldrich Tariff". *Political Science Quarterly* 25.1, pp. 35–68.

Flaherty, Jane (2001). "Incidental Protection: An Investigation of the Morrill Tariff". *Essays in Economic & Business History* 19, pp. 103–118.

Ford, Gerald R. (1975a). *Address Before a Joint Session of the Congress Reporting on the State of the Union*. The American Presidency Project.

— (1975b). *Remarks Announcing Establishment of Oil Import Fees*. The American Presidency Project.

GAO, United States General Accounting Office (1994). *The General Agreement on Tariffs and Trade: Uruguay Round Final Act Should Produce Overall U.S. Economic Gains*. Tech. rep. Washington, D.C.: U.S. General Accounting Office.

Harding, Warren G. (1921). *Address to a Joint Session of Congress on Urgent National Problems*. The American Presidency Project.

Hoover, Herbert H. (1928). *Campaign Speech: St. Louis, MO*. Pepperdine University School of Public Policy.

Irwin, Douglas A. (1995). "The GATT in Historical Perspective". *The American Economic Review* 85.2, pp. 323–328.

— (1998a). "Changes in US tariffs: the role of import prices and commercial policies". *The American Economic Review* 88.4, pp. 1015–1026.

— (1998b). "Higher tariffs, lower revenues? analyzing the fiscal aspects of "the great tariff debate of 1888"". *The Journal of Economic History* 58.1, pp. 59–72.

— (2000). "Did late-nineteenth-century US tariffs promote infant industries? Evidence from the tinplate industry". *The Journal of Economic History* 60.2, pp. 335–360.

— (2012). *Trade Policy Disaster: Lessons from the 1930s*. Cambridge, MA: MIT Press.

— (2013). "The Nixon shock after forty years: the import surcharge revisited". *World Trade Review* 12.1, pp. 29–56.

— (2014). *Tariff Incidence: Evidence from US Sugar Duties, 1890-1930*. Tech. rep. National Bureau of Economic Research.

— (2017a). *Clashing over commerce: A history of U.S. trade policy*. University of Chicago Press.

Irwin, Douglas A. (2017b). “The False Promise of Protectionism: Why Trump’s Trade Policy Could Backfire”. *Foreign Affairs* 96.3, pp. 45–56.

Irwin, Douglas A. and Randall S Kroszner (1996). “Log-rolling and economic interests in the passage of the Smoot-Hawley Tariff”. *Carnegie-Rochester Conference Series on Public Policy*. Vol. 45. Elsevier, pp. 173–200.

Kakabadse, Mario A. (1981). “The Tokyo Round and After”. *The World Today* 37.7/8, pp. 304–310.

Kennon, Donald R. and Rebecca Rogers Bushong (2020). *The Committee on Ways and Means: A History, 1789–2019*. Washington, DC: U.S. Government Publishing Office.

McKinley, William (1890). *Congressional Record—House: 'Tariff Bill'*. U.S. Government Printing Office.

— (1897). *First Inaugural Address*. The American Presidency Project.

Nixon, Richard M. (1971). *Address to the Nation Outlining a New Economic Policy: “The Challenge of Peace”*. The American Presidency Project.

Pierce, Franklin (1855). *Third Annual Message*. The American Presidency Project.

Porter, Robert P. (1897). “The Dingley Tariff Bill”. *The North American Review* 164.486, pp. 576–584.

Romer, Christina D. and David H. Romer (2010). “The macroeconomic effects of tax changes: estimates based on a new measure of fiscal shocks”. *American Economic Review* 100.3, pp. 763–801.

— (2023). “Presidential address: Does monetary policy matter? The narrative approach after 35 years”. *American Economic Review* 113.6, pp. 1395–1423.

Roosevelt, Franklin D. (1934). *Message to Congress Requesting Authority Regarding Foreign Trade*. The American Presidency Project.

Savage, James Drew (1986). *Balanced budgets and American politics*. University of California, Berkeley.

Sylla, Richard and Jack W. Wilson (1999). “Sinking funds as credible commitments: Two centuries of US national-debt experience”. *Japan and the World Economy* 11.2, pp. 199–222.

Taft, William Howard (1908). *Address Accepting the Republican Presidential Nomination*. The American Presidency Project.

— (1909a). *Inaugural Address*. The American Presidency Project.

— (1909b). *Message to the Congress Concerning Tax on Net Income of Corporations*. The American Presidency Project.

— (1910). *Congressional Record—Senate: 'The President's Lincoln Anniversary Speech'*. U.S. Government Printing Office.

Tarbell, Ida Minerva (1911). *The Tariff in Our Times*. Macmillan.

Taussig, F. W. (1922). "The Tariff Act of 1922". *The Quarterly Journal of Economics* 37.1, pp. 1–28.

Taussig, Frank W. (1891). "The McKinley Tariff Act". *The Economic Journal* 1.2, pp. 326–350.

— (1910). *The Tariff History of the United States*. 5th. New York and London: G.P. Putnam's Sons / The Knickerbocker Press.

Taussig, Frank William, ed. (1892). *State Papers and Speeches on the Tariff, with an Introduction by F. W. Taussig*. Cambridge, MA: Harvard University.

Truman, Harry S. (1948). *Special Message to the Congress Requesting Extension of the Reciprocal Trade Act*. The American Presidency Project.

Trump, Donald (2016a). *Donald Trump's 'America First' Foreign Policy Speech*. TIME Magazine.

— (2016b). *Donald Trump's Speech on Trade*. TIME Magazine.

— (2017a). *Address Before a Joint Session of the Congress*. The American Presidency Project.

— (2017b). *Donald Trump's Presidential Announcement Speech*. The American Presidency Project.

U.S. Congress (1913). *Congressional Record - House of Representatives*. U.S. Government Printing Office.

United States Congress Joint Economic Committee (1971). *Action Now to Strengthen the U.S. Dollar: Report of the Subcommittee on International Exchange and Payments*. Report of the Subcommittee on International Exchange and Payments, 92nd Congress 517. U.S. Government Printing Office.

United States Tariff Commission (1922). *Report on the Emergency Tariff Act of May 27, 1921*. Senate Document 224. Washington, D.C.: United States Government Printing Office.

Walker, Robert J. (1845). *Annual Report of the Secretary of the Treasury on the State of the Finances*. Report on the Finances. Washington, D.C.: United States Department of the Treasury.

Wilson, Woodrow (1913). *Address to a Joint Session of Congress on Tariff Reform*. The American Presidency Project.