Douglas Irwin on Peddling Protectionism: A Review Essay

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***Abstract*:** The narrative that follows is a review essay of Douglas A. Irwin's *Peddling Protectionism: Smoot–Hawley and the Great Depression* (2011). Although no attempt is made to review the literature devoted to modern trade policy in a systematic fashion, Irwin's book is placed in recent historical and intellectual context. One chief finding is that Irwin's research agenda is, in part, a product of a larger intellectual project led by Jagdish Bhagwati in which the case for free trade is further advanced on the grounds that commercial policy is often designed for the benefit of the few rather than the many. Another chief finding is that Irwin's account of the Smoot–Hawley tariff is sufficiently comprehensive, if not definitive, that there is a danger that his account will completely displace the earlier major tract devoted to this episode, namely, Elmar Eric Schattschneider's *Politics, Pressure and the Tariff* (1935). It is argued that Schattschneider's 1935 account of the Smoot–Hawley tariff constitutes an important contribution to the economics of pressure group activity and is systematically misrepresented in the secondary literature.

'… free trade is not passé, but it is an idea that has irretrievably lost its innocence. Its status has shifted from optimum to reasonable rule of thumb'

P. Krugman (1987):132.

1 Introduction

Douglas A. Irwin, a Dartmouth Professor of economics, is a prolific author of scholarly books relating to the intellectual history of trade, particularly the history of the theoretical and policy debates underpinning the near metronomic dispositional swing between protectionism and free trade through historical time. The publications bearing his name are invariably issued *via* senior university presses and include *Against the Tide: An Intellectual History of Free Trade* (Princeton 1996), *The Genesis of Gatt* (CUP 2008 and co-authored), *Free Trade Under Fire* (Princeton 2009) and now *Peddling Protectionism: Smoot–Hawley and the Great Depression* (Princeton 2011). Indeed, I see from the latest intelligence coming over the wire that there is yet another issue in this line: *Trade Policy Disaster: Lessons from the 1930s* (MIT 2012).[1] This frightening fecundity further manifests itself in a parade of articles in both mainstream and economic history journals – from the *American Economic Review* to the *Journal of Economic History* – but not, to my knowledge, in the history of economic thought journals. These articles are invariably finessed by carefully estimated parameters, a feature of the economic history journals that is now as American as white teeth, and, like uniform white teeth, a feature that has become ubiquitous across a wider Western world that strives to conform to twentieth-century American culture and science, while hypocritically deriding these products whenever the chance presents itself. Such technical papers demonstrate that Irwin is as comfortable with drawing down the capital from his North American PhD (and thereby signalling that he is a very model of a modern major economist) as he is with writing the clean prose of the

better cut of historical narrative. He is the sort of fellow who is interviewed for the *Economist* and has an occasional 'Op-ed' spot with the *Wall Street Journal*. I dare say that he is a public intellectual of sorts.

Irwin's *Peddling Protectionism* is a relatively slim volume, since, though it unfolds over 242 pages, the font sitting on Princeton's acid-free paper is quite large, and it is octavo paper at that. It nonetheless warrants a review of length for three main reasons. First, it is representative of, and interconnected with, Irwin's substantial body of work to date. Second, the formation of the Smoot–Hawley tariff was first modelled in 1935 by Elmar Eric Schattschneider in *Politics, Pressure and the Tariff*, the importance of which seems to have bypassed historians of economic thought and the contents of which need to be compared with Irwin's findings. And third, some historians of economic thought may be only half aware of Irwin's contribution to the field of intellectual history, either due to the way that they privilege the history of high theory over the history of policy in their own research agendas or, more understandably, due to their want of time to monitor the economic history journals.

With these justifications in mind, the review that follows is divided into three main sections. In section two I provide an account of how *Peddling Protectionism* relates to the Irwin *oeuvre* and the larger body of recent historical literature devoted to the issue of protectionism versus free trade. In section three I compare Irwin's representation of the formation of the Smoot–Hawley tariff with Schattschneider's account of 1935, and, in the process, reconstruct what may be called the Bentley-Schattschneider tradition of modelling the formation of legislative acts. In section four I review Irwin's modelling of the impact of the Smoot–Hawley tariff on the economy during the Great Depression. Section five provides a concise conclusion.

2 Free Trade Literature and the Columbia Connection

Irwin completed his doctorate under the supervision of Jagdish Bhagwati at Columbia University and, even though I have not met the individuals involved, I will put myself out on a limb here by stating that Irwin's research agenda is, in part, the product of a larger intellectual project led by Bhagwati at Columbia from the 1980s onwards that amounted to a renewed emphasis on providing a rhetorical justification of free trade, where 'rhetorical' is used in this instance with its non-derogatory, if not celebratory, McCloskeyesque meaning. The prefatory thanks at the start of their publications, the critical acclaim they provide at the back of each other's slip jackets, the editorial work they undertake for each other's collected essays, and the cross-referencing within refereed articles, are just some of the signals that a cooperative project was underway; and, indeed, these signals are detected easily enough in modern intellectual communities dominated by the publishing imperative. Something, in short, was afoot on matters pertaining to free trade, north of West 116th Street, on the Island of Manhattan, in the post-Carter world! Specifically, I detect three themes that define this Bhagwati-led movement: (1) the use of the rhetoric of scholarship – particularly historical scholarship – to persuade the reader that free trade is superior to protection; (2) the need to re-emphasise the advantages of free trade to a public audience in the face of the re-emergence of protectionist sentiment from the 1970s onwards; and (3) a shift in focus from models that show how trade is usually (but definitely not always) mutually beneficial to models that show how commercial policy is often designed

for the advantage of a few and the detriment of the many. Irwin's writings beyond the book under review are considered in the light of these numbered points.

(1) The first theme – the rhetoric of championing free trade – is ever present in the publications of Bhagwati and his allies. Bhagwati, like Irwin, is demonstrably a free trader and was of this temper when he arrived at Columbia in 1980 following two decades of making seminal contributions to the modelling of truck and barter across national boundaries. This is readily seen in *Protectionism* (1988), *The World Trading System* (1991) and *Political Economy and International Economics* (1991). He proposes a defence of free trade that is not dissimilar to the one advanced by the Marshallians during the Edwardian Tariff Reform campaign; namely, that some justifications for protection are accepted as exceptions to the rule, but only because they are deemed to be so rarely relevant and the arguments in favour of free trade are seen to be so powerful that any empirical weighing of the competing forces at play must induce a noble-minded servant of the public to decide in favour of a cosmopolitan commercial policy. Like the Marshallians, this Bhagwati 'exception to the rule' position is also (a) extended to reject tariffs as a means to force trading partners to open their borders and (b) finessed by the recognition that the political agents, functionaries and lobbyists who implement the tariffs are often in pursuit of interests that are not noble and thereby may corrupt the commercial policy in question (of which more is said in point three below).[2] Bhagwati (1989: 8-9; 1988) actually dips his lid to this Marshallian position, but nowhere does he cite its chief antagonist at that time, the historicist W.J. Ashley, who argued that the advent of oligopolistic trusts with pronounced decreasing cost structures had elevated the protectionist arguments from being exceptions to the rule in the early 1800s to the relevant principles by the early 1900s (Moore 2003). Bhagwati does, by contrast, acknowledge the protectionist implications of the more sophisticated modern models that are based on this changed environment, the most famous of which emerged from Paul Krugman's 'New Trade Theory' (and how could he not?). Equally unsurprisingly, however, these protectionist implications are again explained away as exceptions to the rule or as incomplete assessments of the theoretical innovations (1989: 3). The main rhetorical strategy that is at play here seems to be that of reasonableness, in that the author grants that the opposition has a case *of sorts* in an environment of a singular nature, but then carefully adds the rider that this case is of secondary importance compared to his or her own case in most known environments.

Irwin too believes that the theoretical justifications for protection do not pass muster on the grounds that they are either illogical or of marginal relevance, and argues so, with some rhetorical skill, for a general audience in *Free Trade Under Fire* (2002, 2005) and for a more academic audience in *Against the Tide: An Intellectual History of Free Trade* (1996), not to mention indirectly in countless journal articles with more technical goals. The Marshallian strategy of marginalising protectionist contentions by suggesting that they have some merit, but only in the queerest of environments, is particularly writ large in *Against the Tide*. Irwin there itemises, within a broad historical sweep, very nearly every argument in favour of free trade and every half-plausible protectionist counter argument. The latter include, to name a few that are scrutinised, the Torrens-cum-Bickerdike terms-of-trade argument, the Mill-cum-List infant industry argument, the Brigden or 'Australian case' argument, and the Keynesian idle resources argument. The way in which he shows that these theorems are so rarely applicable that they amount to theoretical *curiosa* is sufficiently impressive that a more

interesting curiosity is why this monograph did not merit a single review in the HET journals (yet earning commentary from Krugman in the *JEL*). I venture that if such a review had been written, it would have focused on the way Irwin presses an ageing Stigler-cum-Schumpeterian historiography – in which economic ideas evolve *via* the *internal* dynamic of successive doctrinal debates – as a supplementary rhetorical tool to contest the protectionist case. Specifically, Irwin contends that the theory underpinning free trade is shown to be superior to each successive protectionist innovation that induces these doctrinal spats, not because of empirical evidence brought to bear or of *external* changes in environment, but because the protectionist innovations are found wanting and they spur on free traders to improve their case. (1996: 224).[3] Free trade, in other words, is shown to be superior *via* a bastardised Hegelian dialectic of free-trade thesis, protectionist anti-thesis and, following the demonstration that this anti-thesis is an exception to the rule, free-trade thesis redux. Even intellectual historians, like myself, who embrace contextual historiographies now on the up and who are thereby leery of histories driven by such whig-like trajectories, should be impressed with the skill with which Irwin makes his case. Any historiographical approach adds value if pressed home with scholarship.

(2) The second theme – the need to respond to historically specific forces favouring protectionism – is intimately related to the first, since the skill and near unprecedented force of the rhetoric used by Bhagwati and Irwin to champion a free-trade commercial policy suggests some sort of contemporaneous prompt in the political domain. Indeed, though I believe that the rhetorical devices discussed in the previous numbered point are of most interest to the intellectual historians reading this journal, they were not the only rhetorical tools deployed by these authors. The very fact that Bhagwati (with a lifetime of theoretical innovations in trade theory) and the younger Irwin (with a Stakhanovite storm-worker record for estimating key parameters in the orthodox journals) are authorities in the *science* of trade means that the rhetoric of authority is executed every time they write a narrative on the *art* of trade policy. Such books cannot be categorised alongside the usual airport paperbacks that are the product of the *obiter dicta* of some superficial policy activist, and instead should be, and are, seen as books written by experts who have wrestled with minutiae of the relevant data and relationships over many years. And, of course, anybody alive to recent history can easily narrow down one set of prompts for their shift from not-so-disinterested scientific scholarship to policy activism. Bhagwati and Irwin themselves explicitly justify their free-trade advocacy on the grounds that the pendulum was swinging back to protectionism from the 1970s onwards due to a number of *demand-side* stimuli in the political arena. They mention the anxieties that accompanied the competitive pressure placed on Western manufacturing by the rise of the Japanese economy in the 1970s and 1980s and the Chinese economy in the 1990s and 2000s; the threat of low-wage competition from Mexico following the NAFTA agreement in 1994; and the anti-corporate, anti-globalisation, anti-capitalist and often anti-rational groups that mustered for the 1999 Seattle WTO protest (Bhagwati 1988: 61ff; Irwin 2005:1-4). In an age awash with references to the diminishing giant syndrome, de-industrialisation and child-exploitation abroad – not to mention unrest in the streets – free traders needed to take off their scientific hats and put on their policy hats.

Bhagwati and Irwin also explicitly acknowledge that they were responding to *supply-side* stimuli pushing political agents towards protectionist sentiment. Bhagwati, in particular, feared that legislators would misread the policy

implications of one of the key developments in trade theory in recent times; namely, the modelling of firms with decreasing cost structures that, as mentioned earlier, accompanied Krugman's 'New Trade Revolution' in the 1980s (Bhagwati 1989: 3, 1994: 232). The key anti-free-trade insight seems to have emerged from the oligopolistic strategic trade models associated with James Brander and Barbara Spencer. The inferences drawn from such research was that tariffs and subsidies may allow the State to extract some of the rents earned by the foreign firm, permit a domestic firm to gain a greater share of such rents in a game-theoretic duel, or enable a domestic firm to gain complete ascendency over an international firm by allowing it to exploit increasing returns and dominate the market first. Irwin (1996) actually sets aside a late chapter in *Against the Tide* to strategic trade theory and, thereby, places it in the pantheon of protectionist theorems, from infant industry to the optimum tariff case, that need to be framed as worthy, but *curiosa* nonetheless. Bhagwati (1994) placed his own critique of these new theoretical challenges in historical perspective by interpreting them as a shift in attention from the factor market imperfections of his youth – the protectionist implications of which were sidelined by his contention that tariffs were a second-best tool by which to solve these imperfections compared to direct intervention – to the product market imperfections of the 1970s. In retrospect, however, the *supply-side* threat posed by such models was fleeting. In addition to the old Chicago argument that imperfect competition may produce competitive outcomes in effect, economists recognised that strategic intervention is a beggar-thy-neighbour policy, presumes non-retaliation, induces rent-seeking distortions, and faces Hayekian information constraints. It also helped that Krugman is himself a 'sophisticated' free trader and that his own formal modelling of monopolistic competition had no protectionist bent. Indeed, in spite of making sympathetic asides to strategic trade policies in general commentaries, Krugman argued that free trade was still the 'null hypothesis' or default policy, not necessarily because of the need to exploit comparative advantage within an efficient 'constant returns' world, but because the potential gains from interference are small, free trade is a simple device to avoid prisoner's dilemma outcomes between countries, and the State is susceptible to being captured by interest groups. Free trade had lost its innocence, but it was not passé (Krugman 1987, 1993, 1995), and, by the mid-1990s, Irwin (1996: 216) could conclude that the surge in strategic trade doctrine had subsided.

(3) The third theme – that of modelling the self-interested political agents who mould the commercial policy – is perhaps the most relevant to a review of a book devoted to the Smoot–Hawley tariff, since if any legislative act was botched by the intervention of self-interested parties, it was the Smoot–Hawley tariff. It is also a research area to which the Columbia men have made a major contribution. Bhagwati's early landmark contributions to trade theory were followed, in the 1980s, by a greater focus on the political economy of the formation of commercial policy, particularly *via* the modelling of 'directly unproductive profit seeking' or DUP for short (and, according to Bhagwati, pronounced dupe, 1987: 130). The advent of this and allied modelling of rent-seeking behaviour is arguably second only to 'New Trade Theory' in importance in recent trade theory innovations. Bhagwati himself ranks the political economy of trade policy as equal in importance to New Trade Theory, even stating that the Krugman-led innovation amounts to putting new wheels on a bicycle, whereas the Bhagwati-led approach entails taking the bicycle down a different road (1991: xiv-xv, 3-4). It is, in his view, 'an area of exceptional importance', since economics and politics are 'natural

bedfellows' and how can we 'possibly explain what happens unless we bring the political equations into the modelling at the same time?' (1991: xvi). Bhagwati (1988: 103-5) also explicitly stated that such modelling strengthened the case for free trade in the face of the *supply-side* dangers posed by the imperfect competition revolution in the 1980s. In his words:

> While therefore the 1980s began by marrying the rising protectionist demand in the developed countries to the theoretical developments in the theory of imperfect competition in product markets, and protectionism did break out, making the period one of high threat to free trade, it ended with the proponents of the theory backing off into free trade and with the new developments in the political-economy theory of DUP and rent-seeking activities strengthening the case against protection. (1994: 238)

Rent-seeking behaviour would, of course, have been integrated into the international trade canon independently of any threat to free trade in the 1980s, but it is nonetheless interesting that the key scholar promoting this approach self-consciously linked it to the threat posed at this time by strategic trade policies.

Anyone raised in the Virginia Public Choice tradition of Buchanan and Tullock, or the pressure group tradition of Bentley and Schattschneider, or the Chicago 'Regulatory School' (which includes everyone from Stigler to Posner) would, in particular, suspect that this innovative tack was just a matter of time. Indeed, given the way that nearly all major innovations in trade theory have entailed drawing upon the theoretical advances originally designed for the autarkic case, it would be surprising if trade theorists *had not* drawn inspiration from the economic codification in the 1960s and early 1970s of political agents pursuing ends in domestic markets. The political economy of trade policy has led to an impressive body of knowledge for all this. Bhagwati, a careful and historically minded scholar, dutifully traces the origins of this approach before concluding that, in spite of the early forebears, the contributions made by trade theorists in this direction should not be underestimated due to the systematic way that they incorporated rent-seeking activities within the 'main corpus of general equilibrium theory' (1987: 130).[4] That is, his codification was better than their codification. It also must be emphasised that the modelling of trade policy, due to its later arrival, was accompanied by the deployment of inferential statistics to estimate the coefficients that govern the extent to which the proportion of sectoral or factor-specific winners from a protectionist measure drive either the voting patterns or the actions of legislators in different jurisdictions. The pioneering cliometric work undertaken along these lines in the 1970s by figures such as J.J. Pincus (1975; 1979) was followed by a veritable flood of papers in the 1980s and 1990s that constituted a minor empirical revolution within a larger theoretical revolution. Irwin himself played a prominent part in this movement by completing numerous empirical studies of both tariff revisions and elections in which tariff debates figured. This broader empiricist posture has acted as a healthy check to his abstract-deductive disposition to portray protectionism as destructive for the public weal, and, further, may be seen as another manifestation of the earlier mentioned rhetoric of reasonableness. Thus, while always emphasising the negative consequences of protectionism, one of Irwin's empirical findings in relation to the Smoot–Hawley tariff was that it had a less dislocating effect than usually supposed (1998), while in a *JPE* article, which he describes as an 'empirical exercise' in HET (1988: 1160), he accepts that, if considered in

isolation, there is merit in Torrens's terms-of-trade argument that a unilateral tariff reduction in the Corn Laws era of the 1840s could have harmed Britain's interests.

By way of a conclusion to this section, it is curious that although the political economy of trade policy dominates Irwin's own empirical-oriented publications, it does not figure in his intellectual history of free trade, *Against the Tide*. The lack of comment on Public Choice, DUP and allied modelling in that monograph is strange, given, as argued here, the essential role of such modelling in defending free trade in modern doctrinal debates. It might be that Irwin presumed that a true internalist doctrinal history should by definition focus on the analytical case for and against free trade, and therefore have nothing to do with the actual formation of policy. At most, he states that 'even when economists fail to make a positive case for free trade, they have a reservoir of other, non-economic arguments against protection' (1996: 229). But I contend that the DUP and like models are the very latest in a long line of high-theory arguments in favour of free trade in a five-hundred year doctrinal debate, and thereby should be included in any such history. The corruption of the government process sits well alongside the arguments that protectionism is relevant only in a queer environment, induces retaliation, is often a second-best means by which to correct market failures, and amounts to cosmopolitan immorality due to its nationalistic beggar-thy-neighbour consequences. The political economy of protection also marries, though awkwardly, with Irwin's internalist dynamic, since the doctrinal threat to free trade from the advent of imperfect competition in trade theory was sidelined, in part, because of a new doctrinal defence that rested on this political economy of protection. As a contextualist, I cannot really buy this argument in its entirety – and remember that Irwin did not advance it – but, as one would have expected from Irwin's internalist dynamic, there was a doctrinal spat of sorts in the 1980s from which free-trade doctrine emerged, *via* the injection of rent-seeking theory, in a new and improved form. My key goal is, in any event, not to review modern trade theory, but rather to show that any of Irwin's publications should be seen in the light of a larger movement that is fighting, in the most objective way possible, to preserve and extend free trade. His analysis of the Smoot–Hawley tariff, to which I now turn, certainly has more meaning once this context is in place.

3 Irwin's Account of the Smoot–Hawley Tariff: The Passing of the Bill

The Smoot–Hawley tariff was sponsored by Senator Reed Smoot and Representative Willis Hawley, and, strictly speaking, it should be called the Hawley–Smoot tariff if one follows the convention of placing the name of the representative from the House first. The complex mechanics of the drafting, passing and consequences of these tariff revisions are meticulously presented by Irwin and, hence, only the briefest of outlines needs to be presented here. They were prompted by Hoover's commitment in the 1928 presidential campaign to provide assistance to the agricultural sector, which was then in a deep malaise. Instead of providing some form of direct aid, it was decided to extend tariff protection to the agricultural sector, which was in part justified on the grounds that the farmers were merely being compensated for the higher input prices charged for the protected manufactured products. The associated bill for general revisions was introduced at the peak of the business cycle and debated between January 1929 and June 1930, before being signed into law by Hoover on June 17, just as the economy was

sliding from a severe recession into a great depression. The United States had a commitment to a high tariff wall and, hence, a proposal to revise tariffs was not at that time controversial amongst non-economists. There had, however, been a hard-fought campaign to place the setting of tariffs on a more 'scientific' footing *via* the policy of adjusting rates to 'equalize costs' from the 1909 tariff revisions onwards. Free traders, such as F.W. Taussig (1939: 518), pointed out that such a policy effectively eliminates the gains from trade if systematically employed, since the key benefit from trade arises from directing resources away from industries in which a country has a comparative disadvantage (that is, relatively high unit costs) to those in which it has a comparative advantage (that is, relatively low unit costs), and then trucking on better terms with another country that makes the reverse re-allocation towards those ends for which it has a comparative advantage. The equal cost method, in short, prevents the yield from simple division of labour on an international scale. If, indeed, the equal cost principle was applied by each of the 50 states operating within a broken Union, it would entail establishing vast orchards of orange trees in northern Vermont and never-ending green belts of vegetables in the deserts of Nevada. The approach lacks the logic of either an infant-industry argument for selected winners or a terms-of-trade argument for large economies. The saving grace of this so-called 'scientific' policy is that the industries so protected are not able to impose monopoly prices on the consumer.[5]

The 1930 Tariff Act, in any event, quickly and unexpectedly became controversial once the log-rolling, horse-trading and bartering between the special interest groups, lobbyists and legislators over the period 1929-30 led to revisions across the board that made a mockery of the equal cost principle: first, by increasing rates above what was required to equalise costs and, second, by imposing rates on products that the United States did not produce, or even import, in any great quantity. Over one thousand American economists signed, on principle, a petition to implore Hoover not to sign the bill into law, while the farmers, for pecuniary reasons, displayed displeasure at the higher purchase prices of the manufactured goods that they bought and the potential curtailment of agricultural goods that they sold abroad. This controversy grew once the United States slid into depression, since, not surprisingly, individuals began to make simple-minded (and sometimes not so simple-minded) associations between the tariff revisions and the downturn that unfolded in the same real time. The controversy, and its association with the depression, then spiralled out of control once the rest of the world, as predicted, retaliated by imposing their own protectionist measures and competitive devaluations, and thereby curtailed their purchases of exports from the United States. Canada, in particular, turned to Imperial Preference within the British Empire, a process that culminated with the Ottawa Trade Agreements of 1932. The link between the Smoot–Hawley tariff and the economic malaise that followed (and, hence, its portrayal as a self-defeating policy) thereafter became part of the popular imagination. This awareness perhaps peaked with that great late-twentieth century American cultural product, *Ferris Bueller's Day Off*, in which ('anyone, anyone …') a high-school teacher bores his class in one scene that turns on a lesson in which the Smoot–Hawley tariff figures. Irwin (2011: 6) himself points out that the actor playing the teacher, Ben Stein, ad-libbed the Smoot–Hawley passage by drawing on half-forgotten conversations with his father, Herbert Stein, an economics professor and one-time Chairman of the Council of Economic Advisers.

Irwin's book therefore arrives into the hands of a readership that is familiar with the folklore rather than the true historical record of the Smoot–Hawley tariff. The long-awaited revisionist account of this event is duly delivered by Irwin. He devotes the first half of the book (in a single chapter!) to the mechanics of the passing of the Smoot–Hawley bill. Those without training in the Public Choice and allied traditions may be surprised at the amount of economic theory that has already been brought to bear on this political episode. Indeed, given both this literature and the references to the importance of the political economy of tariff formation in the previous section, I believe that the proportion of the book Irwin devotes to this modelling issue is entirely appropriate. He devotes the second half of the book to investigating the direct economic consequences of the tariff (in chapter two) and the indirect economic effects *via* retaliation (in chapter three). This natural dichotomous division is adhered to in this review essay, in the sense that I devote this section to analysing Irwin's account of the passing of the bill and the next section to considering his analysis of the direct and indirect economic effects of the resulting tariff revisions. In the process I seek to value-add by teasing out the secondary literature on which Irwin bases his findings, and which, though invariably cited by Irwin, may be overlooked by a reader swept along by his healthy narrative rhythm. I wish, in particular, to explore how Schattschneider's *Politics, Pressure and the Tariff* has been misrepresented in the subsequent journal literature and, to some extent, misread by Irwin himself. Any review of the literature must certainly start with Schattschneider's 1935 monograph, which is the classic text, if not the Ur-text, on the passing of the 1930 tariff revisions.

Schattschneider famously drew upon the submissions to the House and Senate committee hearings that were devoted to preparing the revisions for the voting process on the floors of Congress to show how producer pressure group activity caused tariffs to escalate across the board, in what was called protection all round, in a way that bore no resemblance to the equal cost principle. The first historian to question Schattschneider's narrative (and one who Irwin does not cite in the book under review, but does cite in his articles) was Robert A. Pastor in *Congress and the Politics of U.S. Foreign Economic Policy*. Pastor (1980: 80-81) argued that Schattschneider's 'parsimonious' account based on pressure groups lobbying in the two Congress committees failed to account for the fact that the bill was fought and passed largely along party lines on the floors of the House and Senate (with Republicans largely for and Democrats against), while the committees themselves were dominated by the Republicans. Thereafter, two competing narratives on the passing of the 1930 revisions crystallised in the literature, one based on pressure group lobbying and log rolling (*à la* Schattschneider) and one based on partisan party politics (*à la* Pastor).

Eichengreen (1986) was the first to delineate these alternative hypotheses in a lengthy article that, for all its faults, rehearses many of the points that Irwin later makes and must itself be considered something of a landmark. On the one hand, he accepts Pastor's line by arguing that although Schattschneider's work is correctly perceived as a 'classic monograph' and marries well with the demonstrable rise in pressure group lobbying in the first part of the twentieth century, it falls short of an 'adequate explanation' since it does not consider why the votes for the bill were split along party lines (1986: 4-8). On the other hand, he contends that Pastor's partisan party politics approach does not explain the timing or the form of the tariff revisions. To rectify these failings and resolve these contradictory positions, Eichengreen proposes a thesis that is consistent with both Schattschneider's

account of pressure group activity and Pastor's account of the partisan voting patterns in Congress. Specifically, he attributes the prompt for the 1930 tariff revisions to the need to support distressed agricultural districts (1986: 10) and, without undertaking any formal empirical estimation of the parameters governing the relationships, draws upon Alexander Greschenkron's model of tariff formation in Bismarck's Germany to suggest that regional and sub-sectoral interests that would gain most from the passing of the tariff revisions (such as those working in the agricultural districts along the Canadian border and light industry) formed coalitions to pass the bill (1986: 19).

Eichengreen (1986) effectively set up a classic Kuhnian-cum-Lakatosian puzzle that the cliometricians who were then emerging from North American doctoral programs could resolve: two clearly defined competing hypotheses and a tentative resolution, without empirical backing, added to the mix. Eichengreen's 'coalition of interests' compromise was subsequently rejected in favour of Pastor's partisan voting hypothesis in a string of empirical studies published in the journals by Hayford and Pasurka (1992), Callahan *et al.* (1994) and Cupitt and Elliott (1994). There was, in short, no room for Schattschneider's pressure group account, even within Eichengreen's compromise. Irwin and Kroszner (1996) then combined traditional protocol statements drawn from the written records with a formal empirical model to demonstrate that economic interests of the political constituencies did in fact shape the bargains struck in the repeated roll-call votes in the Senate towards the end of the legislative process and, thereby, showed that pressure group activity and log rolling supplemented partisan voting behaviour. This conclusion is closer to the Eichengreen compromise, but without subscribing to its specifics, and remains, in a more toned down and qualified fashion, in the book now under review. Irwin there provides a majestic sweep of the regional, political and historically specific elements in play in the US in 1928-30 that created a pro-tariff environment. In the process, he states that Schattschneider's focus on the committee hearings caused him to overlook the largely partisan debates in Congress and the way that a coalition of Democrats and agricultural-based Republicans opposed the bill as a block (Irwin 2011: 98). Irwin once again shows that hardline protectionist Republican senators used log rolling tactics to reverse some of the tariff reductions engineered by this coalition late in the day (*ibid.*: 59-66), but adds that legislators as a rule did not 'accede to whatever private interest demanded' (*ibid.*: 98). And, indeed, it is hard to dispute this reasonable account given the evidence that Irwin brings to bear on each page.[6]

It is my contention, however, that the 'Schattschneider thesis versus the Pastor thesis' that is subscribed to in this literature is a false dichotomy. The fact is that Schattschneider, contrary to the representation in this secondary literature, occupied himself with presenting mechanisms that explained why successful pressure activity could not be represented in a simple-minded increasing monotonic function between the rents on offer and pressure exerted on individual legislators. More importantly, his tracing out of the paradoxical unevenness of the pressure exerted given the rents on offer in the 1930 tariff revisions, which led to protection all round, fits very nearly perfectly with the party partisan voting observed. It is as if applied econometricians, fixated with tightly bound null and alternative hypotheses that define their undergraduate training, need to construct binary oppositions that turn on an existing puzzle where no such binary opposition exists (and where there need be none to construct their estimates). The multilayered studies by Eichengreen and Irwin (and Kroszner) are admittedly closest to the mark due to the way that

they combine explanations from both hypotheses and take into account the protocol statements in the written historical records in addition to any empirical tests. But even they succumb to pigeon-holing Schattschneider's position, within this dichotomy, as one that attributes the 1930 tariff revisions to pressure group lobbying and log rolling of individual legislators, with Irwin (2011: 97) concluding bluntly that Schattschneider's account is misleading. I leave it to a footnote to parade the quotations that demonstrate that the cliometricians who explored what may be called the Eichengreen puzzle do, in fact, subscribe to a false dichotomy in which Schattschneider and Pastor are representatives of two opposing camps.[7] A more useful exercise in the text proper is to provide a closer reading of Schattschneider's narrative – even if the confines of a review essay necessitate that this remain brief – to show the complexity of his position and how it marries with the observed party partisan voting in Congress.

Schattschneider is usually portrayed as a product of the pressure group tradition of modelling legislative acts that was established by Arthur Bentley's *The Process of Government: A Study of Social Pressures* (1908) and which reached its peak in North American political science after World War Two, and in which an individual's right to vote at the ballot-box means little in the face of special interest lobbying. Pincus (1975; 1979), who was one of the first economists to draw upon Schattschneider's approach to tariff formation when he channelled it through Mancur Olson's public good theory of group activity, actually refers to a Bentley-Schattschneider tradition (Pincus 2009). This largely correct association of Schattschneider with the 'dark pluralist' interpretation of the democratic process perhaps explains why later cliometricians, who have not undertaken close readings of the relevant texts, are so ready to pigeon-hole him within the aforementioned false dichotomy. Schattschneider's modelling of the formation of legislative acts is nonetheless far more subtle than Bentley's original heavy-handed approach. Specifically, his 1935 monograph constitutes one of the first self-conscious efforts to model political behaviour within an economic model in a way that was made fashionable in economics 25 years later with the Virginia Public Choice revolution. Schattschneider followed Bentley in rendering the agency of action in the group rather than the individual (which is one of the key differences between this and the Virginia approach), but, unlike Bentley, preoccupied himself with explaining why producer groups did not always exert pressure on legislators to extract all the rents on offer. Schattschneider's meticulous appraisals, and exceedingly dull adumbrations, of the submissions to the Congress committees showed, in particular, that producer groups baulked at maximising effective protection for their industries when they failed to combat the increased input costs (or some other detrimental effect) caused by the tariffs engineered by other producer groups. The evidence suggested that these groups had adopted a policy of reciprocal non-interference.

One explanation Schattschneider (1935: 127-8) offered for this mutual inaction – and the explanation that rings in the ears of economists most readily today and for which Schattschneider is now best known – was the way that the perceived benefits of a tariff are concentrated and, thereby, rejoiced upon, while the perceived costs are dispersed so widely that they are rarely noticed and, hence, do not evoke a response. It is important to note that Schattschneider deployed this ill-dispersion mechanism not to explain the passivity of consumers (whom he deemed ineffective in executing group pressure and who rarely figure in his analysis), but instead the passivity of the producer groups when rents seemed to be in danger from higher

input costs. Schattschneider was also not the first to use this ill-dispersion mechanism to explain apparent paradoxical behaviour (with at least Pareto beating him to it), even though he did play an important role in disseminating the idea among those who model trade policy through Public Choice lenses. More importantly, and this cannot be emphasised enough, Schattschneider (1935: 126-44) devoted equal space to a range of additional explanations for the observed uneven pressure, including (to name only a few he considered) inside knowledge held by lobbyists, a nationalist commitment to tariffs, and an understanding that, like confederates in a conspiracy wishing to avoid a wider confrontation in which all might be lost, each group needs to accept some incidental disadvantage to gain the overall advantage. Schattschneider, in short, and, in contradistinction to some of the suggestions in the literature, did not confine himself to the ill-dispersion mechanism, did not use this mechanism to explain the passiveness of the consumer, and was concerned just as much with *producer* pressure group *inactivity*, in the form of reciprocal non-interference, as *producer* pressure group *activity*.

Schattschneider's reliance on evidence presented before the committee hearings to construct this model admittedly draws the reader's attention away from the voting patterns in Congress, and Irwin is therefore to some extent correct to charge Schattschneider with presenting an unbalanced account of the episode. It is important to note, however, that Schattschneider never intended to study the entire episode and focused on the committee stage of the 1930 revisions partly because the pressure group submissions to these hearings were observable and partly to make his study manageable. He also never denied party partisan voting was at play and never claimed, as those who subscribe to the false dichotomy contend he claimed, that a Congressman's vote tended to be related in a simple-minded way to the constituent based pressure group activity (and associated log rolling activity) in which all of the rents on offer were pursued. Indeed, if anything, the fact that he focused on the observed submissions to the hearings meant that he commented little on the pressure placed on the actual voting processes in Congress, log rolling or otherwise. Most importantly, his 1935 model is entirely consistent with the observed party partisan voting patterns. Producer groups paradoxically did not squabble amongst themselves, collectively agreed to reciprocal non-interference and protection all round, signalled this in the committee hearings, and then placed this request before the party that had a mandate for the tariff revisions from the 1928 elections, namely the Republican Party. Congressmen, with the few exceptions identified by Irwin, then voted for the revisions largely along party lines. The conflation of Schattschneider's approach with the idea that every elected representative is a lackey of strong pressure groups is simply bemusing. Irwin's elegant account of the passing of the Smoot–Hawley tariff is not in dispute and steers clear of some of the stranger misreading of Schattschneider's 1935 narrative, but his account of this narrative is still slightly off-kilter. It lacks the nuance that comes from a close reading of a text, which, I believe, is one of the main functions of an historian of thought (with the other being to place it in its context).

Before leaving this issue, and as something of a postscript, when later in life Schattschneider got around to presenting a study of how group pressure actually exerted itself through political parties in *A Semisovereign People* (1960), he once again dwelt on how pressure activity is deflected and controlled in complex ways. He contended that conflict between groups is usually resolved by the weaker group socialising the conflict by bringing in third parties, such as the government or media. The uncertain consequences of introducing third parties induces most

groups to avoid conflict where possible and, more importantly, causes strong industrial groups to seek control over one party (and in Schattschneider's eyes the Republican Party had long been the party of industry) to ensure that any intervention by a government dominated by that party acts in its favour (such as, say, sanctioning protection all round in 1930). Schattschneider believed that this commitment to one party explodes the myth that pressure groups are non-partisan animals that reward and penalise individual politicians in a ruthless fashion. An unintended consequence of the party capture process is, furthermore, that US industry groups have one alternative only (the Democrats), and hence the party so captured (the Republicans) can sometimes dictate terms to industry rather than the reverse. Whereas Schattschneider's 1935 monograph is perhaps not widely read (or closely read) due to the way the tedious adumbrations of committee submissions overwhelm his famous epigrammatic flourishes, I have no explanation for why economists rarely even cite his more mature and sharply written 1960 narrative, especially as it can be read in one sitting.

4 Irwin's Account of the Smoot–Hawley Tariff: The Economic Effects

The second half of Irwin's *Peddling Protectionism* is devoted to considering the extent to which the tariff revisions had a direct and indirect impact on economic activity. The issue of isolating the *direct* dislocating effects of the 1930 tariff revisions is tricky to say the least for a number of reasons. The deflation caused by the larger macroeconomic collapse increased the effective tariff rates independently of the legislated revisions since the tariffs at this time were often set in absolute, rather than *ad valorem*, terms. The revisions induced consumers to substitute away from the now relatively more expensive imported goods to domestic goods by an amount governed by an array of elasticities that were in a state of flux due to the dislocation caused by the depression. And, of course, most importantly, net exports and aggregate economic activity collapsed across the globe due to the larger world downturn. The number of econometric techniques, counterfactuals and data sets that could be, and have been, deployed to untangle these three issues alone is bewildering. As an undergraduate teacher of inferential statistics, and as a consumer rather than a producer of parameter estimation, I am simply unwilling to provide a critique of the techniques so used – other than to state that I am convinced by the general conclusions but, given the complexities involved, not convinced by the precision of the estimates that issue from these heroic studies. I therefore, instead, restrict myself to reporting the different positions. Eichengreen (1986) bucked the then trend by deploying a basic Keynesian model of the AE=C+I+G+NX type to conclude that the tariff revisions actually provided a mild stimulus of approximately 2% of GNP *via* an increase in net exports. Crucini and Kahn (1996) deployed a real business cycle narrative, in which imports are treated as intermediate goods, to show that tariff revisions decreased GNP by 2% *via* lower labour productivity (and caused further damage by retarding long-term growth in capital). Irwin (1998) himself used both partial and general equilibrium analyses, within a tightly written 11-page article, to suggest that deflation contributed more than the tariff revisions to the relative increase in import prices, and that since tariffs reallocate expenditure from net exports to the domestic expenditure components (as both imports and exports fall) and since imports were such a small proportion of US GNP (falling from 4.2% in 1929 to 2.3% in 1932), the revisions

had at most a mild negative impact on activity. All of the studies accept that the identified impacts were minor compared to the observed catastrophic downturn in economic activity.

Irwin then uses his 2011 monograph to extend these empirical findings, and extend them in innovative ways, or at least in ways that enriched my understanding of the episode.[8] His key conclusion is, however, the same: the Smoot–Hawley tariff did not cause the 1930s downturn *via* direct channels. Thus, instead of just rehashing Irwin's narrative, I bring into sharp relief the peculiar (and, for me, troubling) categorising device that dominates the way economists invariably marshal the Schumpeterian troops when reviewing the competing explanations of the Great Depression. Specifically, Irwin follows convention by reviewing both the causes of the depression and the above Smoot–Hawley literature *via* an adjusted version of Peter Temin's original dichotomous division in *Did Monetary Forces Cause the Great Depression* (1976), in which authors are represented as subscribing to either a Keynesian expenditure explanation (shown by an IS curve shift) or a Friedman–Schwartz monetarist explanation (shown by a LM curve shift). It was a useful dichotomy in its day, but it is now a tad tiresome, as it restricts more nuanced accounts that do not fit into either category. This is reflected by the way in which scholars, such as Irwin, invariably adjust it by (a) awkwardly injecting more sophisticated modern accounts into these categories when they really sit astride both (such as Ben Benanke's thesis that the disintermediation and deflation which followed the bank failures caused real borrowing costs to rise) and (b) adding satellite categories containing transmission mechanisms that sit outside the dichotomous division (such as international trade-cum-finance shocks or real business cycle production shocks). Every author, it seems, leads with the two main prizefighters of Keynesianism and Monetarism, even when he or she moves on to more interesting bouts on the fight program. It not only misleads non-US readers who tend to deploy these explanations to explain their own downturns – even if, like in Australia, sometimes the Friedman–Schwartz story is irrelevant for want of a banking crisis – but also leads to the forcing of square pegs into round holes and to the rounding up of marginal accounts to ensure that each category has a representative. Irwin does the latter, for example, by devoting a disproportionate amount of space to Meltzer's (1976) unconvincing monetarist claim that the 1930 revisions were deflationary due to the way they disrupted international gold flows and caused bank runs in agricultural districts *via* a collapse in export prices. Meltzer's narrative does not fit the timeline of gold flows and ignores the fact that the agricultural malaise was demonstrably the product of larger forces (Irwin 2011: 132; Eichengreen 1986: 44-6). It seems that Irwin needed someone to take a fall for these boxing colours and Meltzer was his representative bunny.[9]

Irwin has nonetheless demonstrated beyond dispute that the Smoot–Hawley tariff did not cause the depression *via* direct means. There remains, however, the problem of determining the extent to which the tariff revisions magnified the downturn in the United States by inducing foreign countries to execute retaliatory protectionist measures and, further, by creating a leaderless and beggar-thy-neighbour world economy in the 1930s. The historical record clearly shows that, following the passing of the Smoot–Hawley bill, countries across the globe increased tariffs, devalued their exchanges or introduced exchange controls. The most cited work in which the downturn is attributed to foreign retaliation is Joseph Jones's 1934 monograph, *Tariff Retaliation: Repercussions of the Smoot–Hawley Bill*. Eichengreen (1986: 46-52) was the first to question Jones's retaliation

argument by suggesting that, independently of the 1930 tariff revisions, various governments implemented tariffs and devaluations as emergency measures to overcome the twin problems of external deficits and low effective demand. It is therefore difficult to disentangle retaliatory measures from those that would have been introduced in the absence of the Smoot–Hawley tariff. Indeed, Eichengreen's extended dissection of Jones's argument marries well with his larger, and better known, 'international origins' thesis of the depression advanced in *Golden Fetters: The Gold Standard and the Great Depression* (1992), in which the malaise is attributed to world deflation caused by the mismanagement of the gold standard, especially in the face of the sequence of financial crises in the early 1930s. Eichengreen further argued that it was only once countries broke from the gold standard and embraced more fluid exchange rates that they could deploy expansionary policies to curtail the deflationary spiral. It stands to reason that, from this perspective, each country had an incentive to act as they did for non-retaliatory reasons. At the same time, Eichengreen's critique of Jones also strangely fits with Kindleberger's very different, if not opposite, 'international origins' thesis of the depression delineated in *The World in Depression* (1986 [1973]), in which the malaise is attributed to a leaderless international order and the beggar-thy-neighbour polices, including the devaluations applauded by Eichengreen, that followed the collapse of the gold standard. Kindleberger (1986 [1973]: 83, 123-5) specifically challenged the Jones thesis, claiming that the tariff revisions contributed to the malaise less by inducing retaliation and more by contributing to a leaderless world in which each country was given *carte blanche* to pursue its own protectionist policies and competitive devaluations. To Kindleberger, the revisions made clear that no one was in charge.[10]

The upshot of this analysis is that a country-by-country assessment of the motives of the different governments that implemented protectionist measures is required before one may entertain the retaliation argument. Irwin (2011) does just this in a lightning sweep. I must admit that I would have liked a greater focus on how these multiple government actions knit with the competing research agendas that Kindleberger and Eichengreen proposed for the breakdown of the international economy in the 1930s. There seems to be a gap in the literature on this confusing issue (or at least I am confused). Irwin (2011: 152, 183) admittedly briefly mentions Kindleberger's argument that the Smoot–Hawley tariff contributed to a leaderless world climate in which beggar-thy-neighbour policies were allowed to flourish, but he does not dwell on the competing explanations of the demise of the world economy. His predominant focus is on the Jones thesis alone. I also see from a late reading of his most recent book, *Trade Policy Disaster: Lessons from the 1930s* (2012), that he uses this tract to review this very issue, and, counter to Kindleberger, concludes that a movement to flexible exchange rates allowed governments to use expansionary policies to raise effective demand without the need to resort to protectionist measures to defend the external balance. Still, we must be thankful for rich insights in the book under review even if a companion volume needs to be consulted for a fuller picture. Specifically, Irwin shows that exports were harmed by Canadian retaliation; by the crushing of the purchasing capacity of those economies that were dependent on exporting staples to the US, such as Cuban sugar; and by tariffs that diverted trade by specifically discriminating against the US. Irwin also readily accepts that some countries took the protectionist turn for reasons other than direct retaliation. The predominantly Australian readers of this journal would be particularly aware that Australia acted

independently of US policy. Australian tariffs were raised prior to the downturn to achieve import replacement, its exchange rate was devalued in 1930-31 by the Davidson-Shann-Melville team to re-float the bankrupt agricultural districts and to overcome a pressing external-balance crisis, and tariffs were raised further in the 1930s to diversify away from the agricultural sector. Irwin does not include Australia in his review, but he does consider like-actions by other governments and accepts that they had nothing to do with the Smoot–Hawley tariff. His key conclusion is that the 1930 revisions did have some sort of impact on US economic activity by inducing a combination of retaliation and a beggar-thy-neighbour atmosphere. The upshot is that I have even fewer quibbles with Irwin's account of the economic consequences of the tariff than I do with his half-misrepresentation of Schattschneider.

5 Conclusion

The only real weakness I can find in Irwin's splendid little monograph on the Smoot–Hawley tariff is his half-misreading of Schattschneider's framework. And given that Irwin's book is manifestly going to displace Schattschneider's monograph as the standard text on this episode, and since Schattschneider is more violently misrepresented in the wider secondary literature, I felt it necessary to highlight its worth before it is consigned to the landfill to which librarians tend to send unread books. Schattschneider is usually represented as a naked pressure group theorist who, by focusing on the evidence submitted to the Congress committees, incorrectly portrays the 1930 tariff revisions as a product of pressure group lobbying and log rolling activity rather than a product of party partisan voting on the floors of Congress. Schattschneider's pressure group model, however, is perfectly consistent with the observed party partisan voting. He wished to explain the uneven and complex relationship between pressure group activity and the rents on offer. The evidence he derived from the 1930 committee hearings showed that the pursuit of rents was very uneven indeed, and that for a *range of reasons* producer groups chose a policy of reciprocal non-interference rather than to challenge every tariff increase that might damage their interests. In some ways it is a model of pressure group inactivity. Put simply, industry groups supported tariff increases across the board by adopting a policy of non-interference at the committee stage of the revision process, and the Republicans, who were the party of industry, then voted for the associated tariff bill largely along party lines. Pressure was almost certainly successfully placed on certain legislators to change their voting behavior and, as Irwin has shown empirically, there was evidence of some log rolling. But this was not Schattschneider's chief concern.

In any event, this book, like all Irwin's books, should be ordered for all good libraries that pride themselves on stocking narratives that capture the state of play in a research domain. Although it has been demonstrably written by a free trader – as shown by my opening remarks in this review in relation to Irwin's Bhagwati-school heritage – and although the wider free-trade debate may drive much of Irwin's research agenda, the book under review is fair-minded and objective. The degree to which Irwin's free-trade orientation is removed from the foreground is only matched by the way the easy and swift nature of Irwin's prose removes from the reader's attention the voluminous technical work, much of it Irwin's own, that underpins his findings. As I have tried to emphasise in the middle sections of this review, Irwin and others of his cliometric generation have estimated the parameters

governing the causes and effects of tariffs in numerous articles for the leading journals. Orthodox readers may be uneasy at some earlier cheap shots at the modern penchant for regression running, such as my introductory claim that it was now as ubiquitous as American-style white teeth. There is, however, nothing necessarily wrong with white teeth if the resulting dentistry offers a yield that is not artificial, blinding and depressingly uniform across smiling faces. If the estimation process is done with purpose and effect, which seems to be the case with most of Irwin's work, and if it does not crowd out other forms of research in some sort of anti-Newmanite dystopia in which certain imperialistic disciplines and research techniques dominate the research terrain, the resulting parameter estimates add value. Indeed, if anything sets Irwin apart, it is his capacity to combine parameter testing with traditional historical scholarship – both in economic and intellectual history – as shown by the traditional narrative seen in *Peddling Protectionism*.

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Notes

1 This review essay was written in late 2012, submitted in 2013 and accepted for publication in 2014, and hence the secondary literature since these dates has not been integrated into the narrative.

2 This defence is at times buttressed by Bhagwati's far more modern contention (but one which he developed in his youth) that protection is often a second-best policy to correct market imperfections that should be corrected by more direct means. This argument is different to that which dominates the narrative here, since the latter may relate to first-best protectionist policies (even if the environments in which this first-best policy is relevant rarely exist).

3 Irwin's recognition of the limited role played by empirical evidence in such internalist dynamics is, to say the least, an interesting admission by a cliometrician who has made a name for himself estimating parameters in the leading orthodox journals.

4 For the acknowledgment of his forebears, see Bhagwati (1988: 31, 72, 103ff; 1989: 9; 1987: 130; 1994). Any future intellectual history would also need to consider the role of Bhagwati's own youthful reflections on the Byzantine trade rules of his country of origin, India.

5 The equal cost method, or 'flexible tariff', was introduced in 1909 to take the politics out of tariff formation by 'scientifically' designing tariffs, but a Tariff Commission of experts to determine equal costs was not used until the 1922 revisions. The executive could also alter tariffs if the equal cost principle was not met, but this power was always contested and rarely executed. In the end, the equal cost principle was a failure not only because it defeated the purpose of trade, but also because the voluminous data that needed to be accessed in a short period made a nonsense of any 'scientific' report on the matter. The principle was nonetheless still aired in public to give the appearance that politics was not at play. This was shown dramatically in Schattschneider (1935).

6 Irwin (2011: 74) also does not neglect the last moment adjustments of the bill to ensure that it was not vetoed by Hoover, and this too shows some constituent-driven voting, in the sense that the Democrat Senators voting in favour represented sugar

(Louisiana), wool (Wyoming) and fruit (Florida). Hoover neither vetoed the bill nor adjusted its final form (Koyama 2009).

7 Eichengreen (1986: 1) states that Schattschneider 'portrays the tariff as a classic case of pork-barrel politics' while 'revisionist treatments [that is, Pastor] characterize it instead as a classic instance of party politics'. Callahan *et al.* (1994: 683) state that Schattschneider saw the 'bill as the result of out-of-control log-rolling, while Pastor believes that Republicans capitalized on their landslide victory in the 1928 election'. Culpitt and Elliott (1994: 197) state that while 'the standard historical studies argue for a distributive, log-rolling analytical framework for understanding the decision process, we suggest that a strong element of partisan polarization was at play'. Irwin (1996: 1) states that Schattschneider 'attributed the act not to party politics or an ideological attachment but rather to an extensive, unprecedented, and essentially unchecked lobbying campaign', while Pastor argues that tariff was 'simply an outgrowth of the landslide Republican victory of 1928'.

8 Amongst other things, Irwin shows that the revisions also had a modest impact because many imports were duty free. The decrease in expenditure on 'duty free' imports is used as a control experiment to determine how much 'duty' imports would have fallen without the tariff cuts, and finds that the impact of the tariff revisions on import demand was modest (about 5%) compared to falling incomes.

9 Note that Irwin does not cite Temin (1976), which is understandable since Temin's category schema is now ubiquitous, and mercifully he does not himself make reference to IS and LM curves.

10 The Kindleberger and Eichengreen 'international origins' hypotheses should not be confused. Both focus on the negative consequences of the disintegration of international cooperation, but Eichengreen dwells on the lack of leadership that was required to make the gold standard work properly and believes that moving off this standard allowed the monetary expansions and exchange devaluations that were required to prevent world deflation, while Kindleberger, who had a life-time commitment to fixed exchange rates, focuses on the lack of leadership that was required to prevent competitive devaluations and other beggar-thy-neighbour policies once the gold standard was abandoned.

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