

# 1801 ★ 1829

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## The Jeffersonian Republican Committee

The Committee of Ways and Means was included as a standing committee in the revised House Rules of 1802, when its jurisdiction expanded to include appropriations as well as revenue. Under the leadership of John Randolph (1801-1807), the committee became the pre-eminent standing committee in the House. Randolph and his successors in this period served as de facto majority floor leaders by virtue of their position as chairmen of the committee. The Jeffersonian Republican committee succeeded in repealing the Federalist excise taxes of the 1790s, and also played a prominent role in financing the Louisiana Purchase, the suppression of the Barbary pirates, and the War of 1812. In 1816, the committee drafted the first protective tariff in American history, but afterwards briefly surrendered its tariff jurisdiction to the Committee on Manufactures.

*“ . . .to examine into the state of the several public departments; and particularly into the laws making appropriations of moneys, and to report whether the moneys have been disbursed conformably with such laws. . . .”* (Annals of Congress, 7 January 1802)<sup>1</sup>

The development of the Committee of Ways and Means accelerated during the period of Jeffersonian Republican ascendancy as issues, events, and personalities thrust the committee to the forefront of legislative procedure in the House. Although this period has been named after the President and leader of the majority party, Congress became more independent of presidential leadership, especially after Jefferson left office in 1809. The development of legislative procedure in the House also strengthened both the committee system in general and the Committee of Ways and Means in particular because of its jurisdiction over revenue and appropriations. The Republican-dominated committee was chaired throughout this era by influential party leaders including John Randolph of Virginia, William Lowndes and Langdon Cheves of South Carolina, and Samuel Smith of Maryland.

Historians have characterized this period as one that witnessed the rapid decline of the Federalist Party, culminating in an era from 1816 to 1828 of virtual one-party rule, marked by intense intraparty divisions and personal political rivalries. Under Republican rule, the size of the national domain doubled with the purchase of the Louisi-

ana Territory from France in 1803. Another European conflict drew the United States into a second war with Great Britain from 1812 to 1815. The ensuing peace and postwar expansion increased the importance of economic issues, including a tariff to protect American businesses, a national bank to provide fiscal stability, and government-assisted internal improvements such as turnpikes, canals, and railroads to promote economic growth.

Although the national domain doubled, the federal government remained small. In 1802 the entire governmental establishment consisted of 9,237 employees, 6,479 of whom were military. Only 291 federal officials were located in Washington, DC, including 138 congressmen and a support staff of but 12 clerks, officers, and a librarian. By 1829 the Washington establishment had only increased to 625, of whom 273 were members of Congress with a staff of 25. By far the largest department other than the military was the Treasury, which included revenue collectors and post office personnel. The capital city reflected the isolation of the federal government. Few roads linked Washington to the outside world. Shortly after the government had moved to the District of Columbia in 1800, First Lady Abigail Adams wandered lost in the woods for two hours while returning from Baltimore. One congressman aptly described the capital as "neither town nor village," a city which "so many are willing to come to and all [are] so anxious to leave." Congressmen clustered in boarding houses around the unfinished Capitol, separated from the President's House and the executive departments by a swamp-like bog—a literal representation of the doctrine of separation of powers.<sup>2</sup>

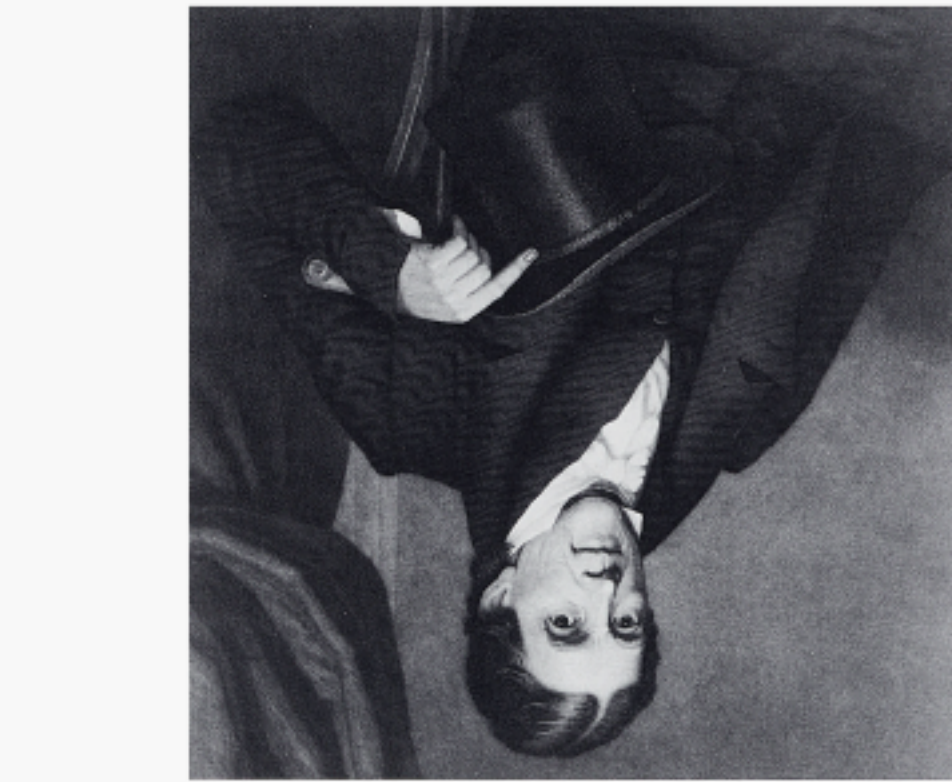
As the 19th century began, Congress reevaluated its relationship to the executive branch. Jeffersonian Republicans, no longer the party in opposition, stressed legislative autonomy from the President and the executive department heads, which had been one of the principal motives behind the establishment of the Committee of Ways and Means in 1795. For several years the committee endeavored to check the policies of the Federalist Treasury Department. After 1801 the Republicans found themselves in control of both Congress and the executive. Republicans now began to argue that the executive's greater knowledge and expertise justified deference to the recommendations of the executive departments.<sup>3</sup>

Yet, the older notion of legislative autonomy was never completely abandoned. Thus John Randolph, the first Republican chairman of the Committee of Ways and Means, could say, "This House is independent of the Executive Branch of Government," and yet urge his colleagues to accept the recommendations of the War Department as being "best acquainted with the subject."<sup>4</sup> But Congress was not content to surrender its autonomy through an uncritical acceptance of executive measures, even when those measures were submitted by Republicans. Party members in Congress demanded an independent

tees the right to report by bill, the House acknowledged the special permission to the committee to do so. By allowing standing committees to report back to the House, the House then either prepared a bill or granted House, then to a select or standing committee that prepared a report most subjects were referred first to the Committee of the Whole. Previously, standing committees to report bills at their own discretion. An additional amendment to the rules by the 1820s permitted

particular measure by a House resolution.<sup>5</sup> Usually, a committee could be discharged from consideration of any particular matter within their jurisdiction.

The Committee of Ways and Means' recognition as a standing committee in the House Rules, which was granted in 1802, eliminated the need to adopt a resolution establishing the committee in each Congress, thereby assuring regular appointment. Recognition in the rules during this period did not mean a grant of exclusive jurisdiction or of automatic referrals. Subjects within the jurisdiction of the Committee of Ways and Means, for example, were occasionally referred to another standing committee or to a select committee upon the majority vote of the whole House. Moreover, parts of very similar subjects, such as tariff and commerce measures, were referred to either of two different committees, sparking longstanding jurisdictional rivalries. Finally, a committee could be discharged from consideration of any particular measure by a House resolution.<sup>5</sup>



*A brilliant orator, John Randolph of Virginia became the first Jeffersonian Republican chairman of Ways and Means in 1801. He championed President Jefferson's retirement policy by urging economy in public expenditures and reduction of taxation and the Revolutionary War debt. The renowned parliamentary reformer led key congressional support for the Louisiana Purchase of 1803. In 1805, as a result of his opposition to a plan to acquire Florida from Spain and to a two-million-dollar appropriation, he fell out of favor with Jefferson. Nevertheless, Randolph stands as one of the major congressional leaders during the nation's early years.*

expertise, as well as the independent judgment, of those bodies. The amended House rules that granted this privilege, however, did not represent an innovation. Between 1815 and 1820, some committees had been given the power to report by bill when subjects were first referred. The rules change codified in 1822 merely provided official recognition to what had become a common practice.<sup>6</sup>

Both Jeffersonian Republican policy and the incremental development of the House benefited the power and prestige of the Committee of Ways and Means. Fiscal issues were central to the clash between Jeffersonians and Federalists, and the Committee of Ways and Means played a major role in resolving those issues in Jefferson's first term through the repeal of Federalist excise taxes. The committee also reviewed the executive department's estimates of revenue needs and prepared reports on most revenue and appropriations bills. Legislative autonomy was compromised to the extent that the committee and its chairman worked closely with the Treasury Department. In fact, throughout this period the committee maintained a close working relationship with the Republican Secretaries of the Treasury: Albert Gallatin, Alexander J. Dallas, and William Henry Crawford. The committee furthermore exercised an oversight function by examining the operations of the Departments of War and the Navy. Certain matters relating to foreign affairs were also referred to the committee. In only one jurisdictional area, the tariff, did they lose ground, clashing with the Committee on Commerce and Manufactures as early as 1801. By 1819, when that committee split into two separate committees, the primary responsibility for tariff legislation had been assumed by the Committee on Manufactures.

Because the Committee of Ways and Means considered the crucial revenue and appropriations bills of the period, its chairman was one of the most visible and active members in the House of Representatives. The chairman not only reported for the committee, he also led the floor debate on most measures. The committee's overall pre-eminent position in the Jeffersonian Republican committee structure was best illustrated by Chairman John Randolph's function as the party's majority leader in Congress. The respect congressmen accorded the committee was expressed by one member who felt obligated to defend the reluctance with which he dared to offer an amendment to a committee bill. "I propose the amendment with diffidence," he explained, "because I am also sensible of that deference which is always due, and generally paid, to the Committee of Ways and Means." Echoing arguments given in the Fourth Congress to support a small committee, this member maintained that the committee "have free and familiar access to facts and opinion, which the House, from its very nature and its numbers, could not have . . . they perform their business with a facility and a dispatch, which would be impractical to a large legislative assembly."<sup>7</sup>



## John Randolph's Committee, 1801–1807

When the Seventh Congress convened on December 7, 1801, the Jeffersonian Republican Party had a comfortable 68–38 margin in the House of Representatives.<sup>8</sup> The first official act of the House was to elect Nathaniel Macon of North Carolina as Speaker. The following day, immediately after the appointment of the standing committees in the rules, the House adopted a resolution appointing a nine-member “standing” Committee of Ways and Means. Under the revised standing rules adopted on January 7, 1802, five standing committees were listed. Included for the first time under official House rules was a standing Committee of Ways and Means:

. . . to take into consideration all such reports of the Treasury Department, and all such propositions relative to the revenue, as may be referred to them by the House; to inquire into the state of the public debt, of the revenue, and of the expenditures; and to report, from time to time, their opinion thereon. . . .

The punctuation may have changed slightly, but to this point the committee's mandate was a verbatim restatement of the 1795 resolution. The standing rule, however, went further and specified the committee's additional jurisdiction over appropriations and oversight of executive departments:

. . . to examine into the state of the several public departments; and particularly into the laws making appropriations of moneys, and to report whether the moneys have been disbursed conformably with such laws; and, also, to report, from time to time, such provisions and arrangements, as may be necessary to add to the economy of the departments, and the accountability of their officers.

This language conferred official recognition upon the committee's unique dual jurisdiction over both revenue and appropriations.<sup>9</sup> Moreover, the committee's size was set at seven, the same as four of the five other standing committees in the rules. No indication was given that two members were removed from the nine-member committee appointed earlier. The House may well have understood this rule to apply only to future sessions since the committee appointed in the second session of the Seventh Congress consisted of seven members.

The immediate reasons for the elevation of the Committee of Ways and Means to standing committee status were never specified in the House records. One explanation may be found in the incremental

growth of Congress as a legislative body. The steady increase in routine work carried over from session to session was one reason that led the House to adopt standing rather than select committees for certain recurring subjects. The standing committee system was a logical solution to the accumulating workload of the House. The Committee of Ways and Means, for example, had been consistently reappointed since 1795, thereby providing continuity to its transaction of routine business. Granting standing committee status in the rules was a simple recognition of this fact. Indeed the Committee of Ways and Means formed a precedent for the pattern that scholars have discerned in the origins of other standing committees. Select committees that were regularly reappointed in effect became standing committees, subsequently recognized in the standing rules of the House.<sup>10</sup>

Another reason often cited for the development of the standing committee system—the efforts of congressional leaders to transfer power from the President to Congress—is only partially applicable. Speaker Nathaniel Macon was by all accounts a loyal, if somewhat unexceptional, follower of President Jefferson. Moreover, Secretary of the Treasury Albert Gallatin worked just as closely with the chairman of the Committee of Ways and Means, who also served as the majority party's floor leader in the House.

A more plausible explanation for the committee's increased importance may be found in the men who planned and implemented the party's fiscal policy and the ideological perspective they brought to the task. These men, particularly Gallatin and the new committee chairman, John Randolph, were predisposed not only to dismantling the Hamiltonian system, but also to allocating an increased role to the legislature in financial matters. Just as Alexander Hamilton had been the preeminent Federalist financial thinker, so too was Albert Gallatin the dominant Republican theorist and administrator. Jefferson, recognizing his own inadequacies in finance, relied almost wholly upon his Treasury Secretary both to set policy and to administer it with little interference. Gallatin, in fact, wrote the sections on finance for the President's annual messages to Congress.<sup>11</sup> While in Congress, Gallatin had attacked the Federalists, especially Hamilton, for exercising executive control over finance at the expense of the legislature, and therefore of the people. Like Jefferson, he believed that democratic rule could best be exercised through elected representatives of the people, not through a government in which appointed executive departments initiated and directed legislation.

The four major goals Gallatin brought with him to office in 1801 encompassed Jeffersonian Republican fiscal policy: 1) a reduction in the national debt, 2) a reduction in taxes, 3) the institution of economy in government, and 4) the adoption of specific appropriations by the legislature. The last item was especially pertinent to the committee's new jurisdiction over appropriations bills. Gallatin had urged the

*A chart of salaries for federal clerks in 1807 reveals the tentative beginning of the Ways and Means role in supervising appropriations of public monies. In 1802, the committee's powers were expanded beyond revenue to include appropriations and oversight of government spending. This short list indicates how small the congressional bureaucracy was in the early 1800s. The last tally on the document showed legislators the average yearly cost of government clerks—\$1,009.09.*



seemed compelled to ridicule his political foes. He is reputed to have said of an opponent, "He is a man of splendid abilities but utterly corrupt. He shines and stinks like a rotten mackerel by moonlight." Biographers have attributed Randolph's compulsive and combative personality to his impotence, a condition that was the source of some gossip while he lived and that was confirmed by a postmortem examination. Biographers and historians have suggested that he overcompensated for his physical disability in vigorous displays of masculinity such as horse racing and duelling. His most bizarre behavior occurred during the last decade of his life when he drank heavily.<sup>14</sup>

Even with an antagonistic personality, Randolph emerged as the acknowledged Jeffersonian Republican floor leader in the Seventh through Ninth Congresses, largely because of his important position as chairman of the Committee of Ways and Means and his oratorical ability. Speaker Macon, whose duty it was to appoint all standing committees, named Randolph to the first place on the committee. The committees possessed the right to select their own chairmen, but as a matter of course the first-named member usually became the chair. Macon and Randolph were close friends in spite of, or perhaps because of, their opposite temperaments. There is no evidence that Jefferson played any role in the Speaker's decision. Although some scholars have argued that the majority leadership in this period was "distinctly the gift of the President," the evidence conclusively demonstrates that circumstances forced Randolph upon a reluctant Jefferson. For his part, the new chairman professed humility. "I feel myself pre-eminently embarrassed by the station which the partiality of the Speaker has assigned me," Randolph wrote to a friend, one suspects more in keeping with the code of a gentleman than out of conviction.<sup>15</sup>

As chairman, Randolph occupied a prominent position from which to exercise majority party leadership. He introduced and led floor debate on the most important issues the House considered. Given such a disagreeable temperament, his influence can only be understood within the context of late 18th-century politics. As a member of one of Virginia's most important families, he was related to many of the state's most influential leaders, including Jefferson. It probably didn't harm, and may well have helped, that he also claimed descent from Pocahontas. He also was capable of close friendships, though they were few. But Randolph's most salient attribute for political advancement was his speaking ability in an era that placed a great emphasis upon both the content and the presentation of speeches to affect the decision-making process. Tall, thin, and pale, he must have made quite a figure when speaking. His voice according to observers was high-pitched, either flute-like or shrill depending upon the desired effect. He used wit, sarcasm, and classical allusions to build arguments that even his enemies could respect.<sup>16</sup>



Randolph's career as House leader was a tempestuous one. Jefferson tried to make the best of the situation but Randolph remained haughty and independent. Moreover, there is ample evidence that he was unpopular with most congressmen, including the members of his own party. "This Randolph," one congressman wrote, "is a thorough going Democrat, but despising the feebleness of his partisans, he attempts to manage them with so much aristocratic hauteur, that they sometimes grow unmanageable and rebel, but they have no body else who really possess the talents requisite for a leader." <sup>17</sup> Randolph finally broke with the President in 1806, and he was removed as chairman of the committee in 1807.

From the outset Randolph was temperamentally incompatible with the role of party leader. He respected Jefferson but he would not defer to the President. Late in 1800 he had written to a colleague, "I need not say how much I would prefer J. [Jefferson for President] . . . but I am not like some of our party who are as much devoted to him as the Fed[eralist]s were to General Washington. I am not a monarchist in any sense. If our salvation depends on a *single* man, 'tis not worth our attention." <sup>18</sup> Jefferson, on the other hand, tolerated Randolph while he was useful to his purposes, but the two were never close. It would be inaccurate to say, as some have, that Randolph was the President's "legislative lieutenant." Jefferson understood the chairman's independence. Late in 1803 Randolph had written the President to refute charges of his lack of loyalty. Jefferson's reply indicated the differences between the two men. "I see too many proofs of the imperfection of human reason, to entertain wonder or intolerance at any difference of opinion on any subject," the philosopher President wrote, ". . . experience having long taught me the reasonableness of mutual sacrifices of opinion among those who are to act together for any common object." <sup>19</sup>

Randolph's relations with Gallatin were closer and more cordial. The Secretary of the Treasury provided the chairman's chief contact with the executive. The arrogant, aristocratic Virginian greatly admired the brilliance of the dour, frugal, Geneva-born Pennsylvanian. Gallatin and Randolph had been friends since they first met as members of the Sixth Congress. They formed a circle of colleagues together with Speaker Macon and Representative Joseph H. Nicholson of Maryland, also a member of the Committee of Ways and Means and the cousin of Gallatin's wife. The group often met at Gallatin's home near the Capitol to discuss legislation. The Secretary even attended committee meetings to present plans and suggestions, just as the despised Hamilton had done. On at least one occasion he submitted an itemized appropriations bill for the committee's approval. He had even included the sums to be appropriated, a task usually reserved for congressional determination. Gallatin evidently made no effort to hide his connection with Chairman Randolph, nor did he seem to worry



that his actions violated the Jeffersonian Republican theory of legislative autonomy, not to mention his own prior congressional service. For his part, Randolph remained a loyal supporter of the Secretary. When the chairman denounced a compromise Gallatin had arranged to resolve a particularly controversial issue, Randolph conspicuously refrained from publicly criticizing his colleague, while privately writing to a mutual friend, "for God's sake, try and find what is the matter with [Gallatin]." <sup>20</sup>

Randolph was a distinct asset to Secretary Gallatin's programs, although by some accounts his fiscal knowledge was suspect. An opposition newspaper, the *Washington Federalist*, editorialized that Randolph "has been found altogether inadequate to the discharge of his financial functions." The paper went on to state that a bill the chairman had introduced to repeal internal taxes required a clarifying amendment twice the length of the original bill. Randolph's "knowledge of parliamentary proceedings," the article concluded, "is not less defective, than his skill in fiscal concerns." None denied the Virginian's preeminence in the legislative process, however. Federalists referred to Randolph with mocking respect as "the Chancellor of the Exchequer," while even the President applied that title to the chairman as well as adding to it "First Lord of the Treasury." <sup>21</sup>

During Jefferson's first administration, Randolph and the Committee of Ways and Means greatly facilitated three of the four corner-

*Negotiating the Louisiana Purchase in 1803, special envoy James Monroe (seated at center next to U.S. minister to France Robert R. Livingston) studies a plat of the area presented by François de Barbé-Marbois, French minister of the public treasury. Ways and Means recommended the creation of 11 million dollars in certificates of stock to cover the purchase price of the Louisiana tract. The acquisition averted war between the United States and France, removed a potential political issue from the hands of Jefferson's Federalist opponents, and expanded the nation by 827,987 square miles—westward from the Mississippi River to the Rocky Mountains and northward from the Gulf of Mexico to Canada's border.*

stones of Secretary Gallatin's fiscal policy: 1) reduction of the public debt, 2) reduction in taxation, and 3) the institution of economy in government expenditures.

The reduction of the national debt was Gallatin's highest priority. He felt contempt for Hamilton's sinking fund but he could not advocate its abolition since it was seen as a salutary check upon the fiscal operations of the government. Therefore, he developed a plan to retire the permanent debt within 16 years through the surplus of revenues over expenditures. The 82-million-dollar debt would be eliminated if the government could set aside 7.3 million dollars each year to pay the interest and principal. To accomplish this, the Secretary planned to drastically cut government spending while only partially reducing excise taxes. Tariff duties alone would provide 9.5 million dollars annually; internal taxes and other fees would raise the total revenues to 10.6 million dollars, which left the government with 3.3 million dollars above the annual amount needed to retire the debt. Since Federalist military appropriations for 1801 alone stood at 3.8 million dollars, Gallatin understood the necessity to cut government spending.<sup>22</sup>

With the cooperation of Randolph's committee, virtually all of Gallatin's plan was enacted. The only difference of opinion concerned excise taxes, whose immediate abolition was proposed in the President's annual message to Congress in 1801. Gallatin, on the other hand, recommended that excise taxes be retained for the time being. Randolph compromised the impasse by persuading the Secretaries of War and the Navy to cut expenditures by an amount sufficient to offset the repeal of excise taxes. With those promises secured, the Committee of Ways and Means reported two pieces of legislation, one repealing the hated excise tax and the other appropriating 7.3 million dollars annually towards the payment of the principal and interest on the public debt. The bills were enacted with little opposition in the form that Randolph and the committee requested. As a result, the debt declined from 82 million dollars in 1801 to 57 million dollars in 1808, even with the assumption of an additional debt of 11 million dollars for the purchase of the Louisiana Territory. Treasury reserves increased in the same period from three million to nearly four million dollars.<sup>23</sup>

Randolph's compromise simultaneously attacked the national debt, repealed internal taxes, and further stimulated economy in government administration. By virtue of his importance as committee chairman and floor leader, he was also able to influence foreign policy during Jefferson's first administration. Randolph was the key congressional leader in the Louisiana Purchase of 1803. He supported Jefferson and Secretary of State James Madison in their desire to purchase the territory from Napoleon to preserve peace and to remove a potential political issue from the grasp of the Federalists. Gallatin may have

arranged for Randolph's introduction in January 1803 of a resolution authorizing two million dollars for expenses incurred in foreign affairs. Following the negotiations, that portion of the treaty relating to the purchase price was referred to the Committee of Way and Means. According to one of his biographers, "Few men did more than [Randolph] to secure the purchase of Louisiana." His committee's bill creating certificates of stock in favor of the French Republic for the 11-million-dollar purchase price was passed by Congress on November 10, 1803.<sup>24</sup>

The Committee of Ways and Means also played a key role in defeating the Barbary pirates. Jefferson was unwilling to continue the payment of tribute to the four North African pirate states, but he had found himself without enough funds to support naval operations. The frigate *Philadelphia* and its crew were captured, forcing the President to ask Congress to raise naval appropriations to \$750,000 a year. Secretary Gallatin, in consultation with Randolph's committee, devised a scheme to finance the campaign against the pirates. Import duties were raised 2.5 percent by the committee's plan, with the increase forming a separate Treasury account known as the Mediterranean Fund. The chairman was absent when the emergency arose. His friend and colleague, Joseph Nicholson, introduced the committee measure on March 21, 1804. Federalist Roger Griswold, a former chairman and still a minority member of the committee, opposed the measure, arguing that the existing duties were high enough. Randolph returned in time to vigorously support the committee bill. Although he claimed not to be prepared to defend the bill in detail, he proceeded to do just that, concluding with a spirited assault upon Griswold's patriotism. "I shall ever prefer the fair adversary who meets me in the field of open enmity," Randolph boasted, "to the skulking assassin who declines the public combat only that he may spring upon me in an unguarded moment."<sup>25</sup> With the chairman's support, the legislation creating the Mediterranean Fund passed the House 98-0. The Navy financed by the fund was able to blockade the North African coast and bring the conflict to an end.

At the conclusion of Jefferson's first term, Randolph's committee had reason to rejoice over its achievements. Even years later the chairman could recall with pride: "Never was there an administration more brilliant than that of Mr. Jefferson. . . . Taxes repealed; the public debt amply provided for, both principal and interest; sinecures abolished; Louisiana acquired; public confidence unbounded."<sup>26</sup>

Characteristically, Randolph had overestimated the accomplishments of the first term, just as characteristically he could not remain the Jeffersonian Republican legislative leader much longer. He had already clashed with the administration over the Yazoo issue—a politically controversial land fraud—and as the House manager of the impeachment of Supreme Court Justice Samuel Chase he further alien-



*The rattle of musketry in New Orleans' Place d'Armes salutes the raising of the American flag and the lowering of the French tri-color. The ceremony on December 20, 1803, marked the official transfer of the Louisiana Territory to the United States. The event prompted days of rejoicing—known as the Louisiana Jubilee—in Washington, DC. Jeffersonian Republicans joyfully proclaimed, "Never have mankind contemplated so vast and important an accession of empire by means so pacific and just."*



ated many party members with his overwrought oratory. During Jefferson's second term, the chairman of the Committee of Ways and Means became particularly obstructionist.

Macon was reelected Speaker of the House at the outset of the Ninth Congress in December 1805 and promptly reappointed Randolph to chair the Committee of Ways and Means. Jefferson, according to many scholars, would have preferred the appointment of Barnabas Bidwell of Massachusetts to solidify the party's strength in the North, but he declined to interfere either in Macon's reelection or in the Speaker's choice of committee chairs. Republican dogma on legislative autonomy, not to mention the constitutional separation of powers, in this instance at least, prevented the President from intervening.<sup>27</sup>

CHAIRMEN OF THE COMMITTEE OF WAYS AND MEANS  
1801-1829

John Randolph (JR-VA)	Seventh-Ninth Congresses, 1801-1807
Joseph Clay (JR-PA) <sup>1</sup>	Ninth Congress, 1805
George W. Campbell (JR-TN)	Tenth Congress, 1807-1809
John W. Eppes (JR-VA)	Eleventh Congress, 1809-1811
Ezekiel Bacon (JR-MA)	Twelfth Congress, First Session, 1811-1812
Langdon Cheves (JR-SC)	Twelfth Congress, Second Session, 1812-1813
John W. Eppes (JR-VA)	Thirteenth Congress, 1813-1815
William Lowndes (JR-SC)	Fourteenth Congress-Fifteenth Congress, First Session, 1815- 1818
Samuel Smith (JR-MD)	Fifteenth Congress, Second Session-Seventeenth Congress, First Session, 1818-1822
Louis McLane (JR-DE)	Seventeenth Congress, Second Session-Nineteenth Congress, First Session, 1822-1827
George McDuffie (JR-SC) <sup>2</sup>	Nineteenth Congress, Second Session-Twentieth Congress, 1827-1829

<sup>1</sup> Clay was appointed chairman, but he stepped down to allow Randolph to regain the chair.

<sup>2</sup> McDuffie also chaired the committee in the Twenty-first and Twenty-second (First Session) Congresses (1829-32). Randolph was briefly chairman at the outset of the Twentieth Congress from Dec. 6-14, 1827.

Randolph clashed with the President over Jefferson's request in December 1805 for a general appropriation to purchase Florida from Spain. Randolph chaired both the select committee to which the matter was referred as well as the Committee of Ways and Means, which considered that part of the President's annual message that related to American neutrality. Randolph delayed the actions of both committees. He left town while the committees recessed. Upon his return, the chairman was met by Gallatin at the door of the committee room, but he could not be swayed by the Treasury Secretary's arguments. Gallatin then presented the administration's resolution for a two-million-dollar appropriation for the Florida negotiations to second-ranking committee member Joseph Nicholson. Randolph im-

mediately sought a conference with Jefferson, after which he announced his complete opposition to the policy. In part his reaction was due to an enormous dislike for his rival, James Madison, the Secretary of State. In floor debate Randolph alluded to a remark Madison reportedly made that France would have to be bribed to allow Spain to sell Florida to the United States. "I considered it a base prostration of the national character, to excite one nation by money to bully another out of its property," the chairman moralized.<sup>28</sup>

The House eventually voted the appropriation, but only over Randolph's strong opposition. Many Republican members agreed with Jacob Crowninshield of Massachusetts, who stated that the chairman's leadership had left the committee "deranged, disorganized." Randolph's actions even alienated his good friend Albert Gallatin, who was caught between the chairman's constant sniping at Jefferson and Madison. The Treasury Secretary was forced to sever his personal ties with Randolph, although official contact continued as a matter of course with the chairman of the Committee of Ways and Means.<sup>29</sup>

Both as chairman of the committee and as nominal floor leader of the House, Randolph obstructed the passage of administration bills following the Florida affair. He failed to convene the committee, he delayed action on appropriations bills, and, it was later charged, he then sneered at his colleagues for their inability to act. Jefferson responded by isolating Randolph from his support, ultimately engineering his removal from the chairmanship. Randolph's principal ally on the committee, Nicholson, was eliminated by an appointment to the federal judiciary, after which the President tried to persuade Speaker Macon to abandon Randolph.

At the beginning of the second session of the Ninth Congress in December 1806, the revolt against Randolph was in full swing. At the conclusion of the previous session James Sloan of New Jersey had listed several devastating complaints against the chairman, including allegations that he tied up committee business, kept the estimates "in his pocket, or locked up in his desk," and held bills until the end of the session "when many members are gone home." Are these the actions of a "champion of liberty," he asked, or "a petted, vindictive school-boy, in the absence of his master . . . a maniac in his strait-jacket, accidentally broke out of his cell?" Sloan's motion to appoint all standing committees by ballot failed, but Speaker Macon feared that a motion would be made to expel Randolph. Since the Virginian was not present in the House when the Speaker named the committees for the second session, Macon with great personal anguish omitted his friend's name from the list of members for the Committee of Ways and Means.<sup>30</sup>

Randolph regained the chairmanship soon thereafter through a set of unusual circumstances. One of his close friends on the committee, James M. Garnett of Virginia, asked to be excused from service,



whereupon Macon appointed Randolph to the vacancy. The first-named member of the committee, Joseph Clay of Pennsylvania, then stepped aside and informed the House that the committee had selected Randolph as its chair. His influence, however, was greatly diminished. When the Tenth Congress convened in October 1807, he was finally ousted from the committee following the replacement of Speaker Macon. The new Speaker, Joseph Varnum of Massachusetts, named George W. Campbell of Tennessee—whom Randolph once called “that Prince of Prigs and Puppies”—to chair the Committee of Ways and Means, bringing an end to the first of the committee’s great chairmanships.<sup>31</sup>

In his diary, Randolph attributed his removal to President Jefferson, claiming that this information came “from the most direct and authentic sources.” The reaction of the one man who may have been that source, Albert Gallatin, provided a better measure of Randolph’s chairmanship. “Varnum has, much against my wishes, removed Randolph from the Ways and Means,” the Secretary of Treasury wrote. “It was improper as related to the public business, and will give me additional labor.”<sup>32</sup>

## Committee Operations Under Randolph

The Committee of Ways and Means under Randolph’s leadership was in some ways representative of all Jeffersonian standing committees, but in other ways it was unique and preeminent. At the outset of this period there were five standing committees: Ways and Means, Elections, Claims, Commerce and Manufactures, and Revisal and Unfinished Business. The Committee of Ways and Means was reduced from nine members in 1801 to seven members under the revised rules of January 7, 1802. With the exception of Revisal and Unfinished Business with only three members, all standing committees were standardized at seven members. Between 1803 and 1808 four new standing committees were added: Accounts, Public Lands, District of Columbia, and Post Office and Post Roads. Of the nine standing committees, scholars have concluded that the Committee of Ways and Means was the most important to the House’s legislative role, especially since the revised rules recognized the committee’s dual jurisdiction over revenue and appropriations.

The Committee of Ways and Means considered a large proportion of the major legislation of Jefferson’s tenure. The committee’s broad responsibilities over revenue and appropriations, as well as its oversight function, necessitated arduous work. The committee continued its earlier function of compiling the annual budget. Estimates of government expenditures were itemized under three broad categories: the civil list and general administrative costs, military expenditures,



*With pistol fire, Stephen Decatur fights off a Barbary pirate aboard the frigate Mashuda. Commodore Decatur captured the Algerian flagship in June 1815. Three months earlier the United States had declared war on Algiers for past hostile acts committed against U.S. merchant seamen during the War of 1812. In 1803, Ways and Means had created the Mediterranean Fund to finance a naval blockade of four pirate states on Africa's Barbary Coast. The fund financed the naval force Decatur led to North Africa in the summer of 1815. After taking the Mashuda, the commodore extracted a treaty from the dey of Algiers. Years of extortion on the high seas came to an end, and American commercial vessels once again sailed the Mediterranean in safety.*



and foreign affairs. The committee normally presented a comprehensive annual report in January for consideration by the House. The committee also followed Gallatin's wishes for specific appropriations. The act appropriating funds for the Navy for the year 1804, for example, specified exact sums. The act stated that "the following sums be, and the same hereby are, respectively appropriated." Specific amounts were listed ranging from \$234,328 for "the pay and subsistence" of officers and seamen to \$12,852.76 for clothing and \$452 for "military stores" for the Marine Corps.<sup>33</sup>

The committee, though controlled by Republicans, did not simply accept the estimates prepared by the Republican administration. It

made its own evaluation of the needs of government and acted accordingly. The committee naturally worked most closely with the Secretary of the Treasury, but it also inquired into the operations of the other executive departments. Randolph recorded one incident that gave a vivid insight into the operation of the oversight function. "I called some time since, at the Navy office," the chairman wrote to Nicholson in 1807, "to ask an explanation of certain items of the estimate for this year." Secretary of the Navy Robert Smith called in his chief clerk, but neither could provide the necessary information. "I propounded a question to the head of the Department—he turned to the Clerk, like a boy who cannot say his lesson, and with imploring countenance beseeches aid. The Clerk with much assurance gabbled out some common place jargon, which I could not take for sterling," Randolph recalled. ". . . There was not a single question, relating to the department, that the Secretary could answer."<sup>34</sup> Considering the source, the letter cannot be accepted as an authentic depiction of the operation of the Navy Department, but it does provide a revealing glimpse of the lengths to which Randolph went to obtain needed information.

The committee's role in foreign affairs during the Jeffersonian period also reinforced its unique importance. A standing committee on foreign affairs was not established until 1822. Several matters relating to foreign affairs were referred to the committee, including the appropriation for the Louisiana Purchase and the President's message on neutrality in 1805. Other matters were referred to select committees or to the Committee on Commerce and Manufactures. There does not appear to have been a clear, consistent rationale governing these referrals. Two years after the committee had been referred the issue of neutrality, for example, the issue of maritime rights raised by the *Chesapeake* incident was referred to the Committee on Commerce and Manufactures.<sup>35</sup>

Like the members of all standing and select committees, those of the Committee of Ways and Means were appointed by the Speaker. The House rules of November 1804 stated that "The first named member of any committee appointed by the Speaker, or the House, shall be the Chairman, and in case of his absence, or being excused by the House, the next named member, and so on as often as the case shall happen, unless the committee shall, by a majority of their number, elect a Chairman." Randolph's election by his colleagues in December 1806 was the most noteworthy instance in which this rule was invoked. There was no clear pattern of tenure for chairmen in this period. Randolph, in fact, was the only powerful chairman to keep his position for six years.<sup>36</sup>

In the absence of a seniority system, the criteria for appointment to the committee were party affiliation, previous experience, and geographical balance. Of the 34 appointments to the Committee of Ways





vania, Massachusetts, and Georgia were represented on the committee in each of three Congresses; New York, Delaware, and Tennessee were represented in two, all of which corresponds closely to other findings that in general the states with the largest delegations were given the key committee assignments.<sup>37</sup>

The importance of the Committee of Ways and Means to the Jeffersonian committee structure was exemplified by Randolph's role as party leader in the House. The urgency of Gallatin's fiscal reforms thrust Randolph's committee to the forefront of the legislative process. Randolph's drive, intellect, and oratorical ability then propelled him through a stormy career as House leader. When he was ousted in 1807, the upheaval rippled through the entire committee structure. A completely new Committee of Ways and Means was named, and not only was a new Speaker elected, but the turnover in all committee assignments was nearly as great as when the Republicans took control in 1801. The Committee of Ways and Means remained a key committee, but it would be some time before it again reached the level of importance it had achieved under Randolph.

## The Committee of Ways and Means and the War of 1812

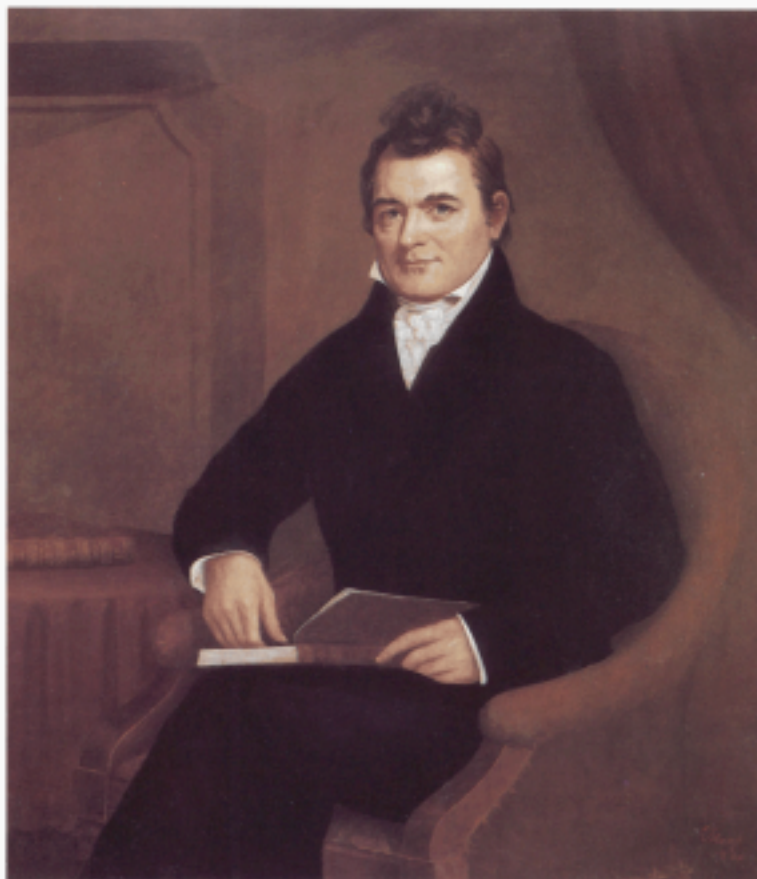
The committee continued to review budget estimates and to oversee the expenditures of the executive departments after Randolph was removed. Numerous petitions also provided the committee with a heavy workload, but the greatest challenge came from events abroad. The European conflict between France and Great Britain inevitably affected the United States. As a nation heavily involved in shipping and foreign trade, the United States was drawn into a war that the Committee of Ways and Means was to help finance.

Randolph's successor as chairman was George Washington Campbell, a Scottish-born lawyer from Tennessee. Although Campbell was later to serve as Secretary of the Treasury, chairman of the Senate Finance Committee, and as a director of the Nashville branch of the Bank of the United States, he was a rather ineffective chairman during the Tenth Congress (1807-1809). Gallatin's prediction that Randolph's departure would mean more work for the Secretary of the Treasury proved all too prophetic, although by some accounts Campbell was both a loyal and effective floor leader.<sup>38</sup>

The major issue confronting Congress when it reconvened in November 1808 was the fate of American overseas commerce. Jefferson had hastily pushed through the Embargo Act in 1807 in an effort to disengage the United States from the economic warfare on the high seas between Britain and France. The embargo prohibited American ships from disembarking for any foreign port. The impact upon shipping in New England was disastrous. Many Republicans, including



*A Scotland-born lawyer from Tennessee, George Washington Campbell succeeded John Randolph as chairman of Ways and Means in 1807. Although a lackluster leader, he caught the attention of Congress with a position paper known as "Campbell's Report." The treatise expressed the dismay shared by many lawmakers over the failure of Jefferson's Embargo Act of 1807.*



Gallatin, feared a backlash against their party. With an election looming in 1808, congressional leaders looked to the White House for guidance, but Jefferson made no mention of the embargo in his annual message to Congress. Campbell, according to Gallatin's biographer, most likely expressed the mood of Congress to the Secretary of the Treasury. The result of Campbell's collaboration with Gallatin was a reformulation of the terms of the embargo that amounted to a confession of failure for the President's policy of peaceful coercion.<sup>39</sup>

On November 22, 1808, Campbell submitted a report to Congress from the select committee he chaired to consider the President's message. Although known as "Campbell's Report," it was actually written by Gallatin.<sup>40</sup> In the report Gallatin argued that the nation had but three choices: enforce the embargo, submit to foreign domination, or go to war. Not surprisingly the Secretary opted for a renewed enforcement of the embargo. Yet, at the same time, he believed that the United States should prepare for war. Loans, Gallatin argued, could easily finance war preparations, his earlier horror of a public debt having evaporated after years of experience managing one. Campbell's Report was adopted by the House on December 17. A similar measure introduced in the Senate by William Branch Giles

of Virginia became law on January 9, 1809. The embargo proved disastrous. It did not prevent the nation from being drawn into the European war, and it was financially distressing as well. Customs revenues fell from 16 million dollars in 1808 to just over seven million dollars in 1809, while military expenditures for preparedness increased.<sup>41</sup>

When the Twelfth Congress convened in 1811, a new generation of political leaders appeared on the scene. Dubbed the "War Hawks" by John Randolph, they included Henry Clay of Kentucky, and John C. Calhoun and Langdon Cheves of South Carolina. Clay was elected Speaker, and he used his influence to appoint fellow War Hawks to key committee assignments. Calhoun, for example, was named to the Committee on Foreign Affairs, and Cheves was appointed to the second position on the Committee of Ways and Means, chaired by Ezekiel Bacon, a relatively obscure Republican from Massachusetts. Bacon was evidently incapacitated at times, for Cheves acted as chairman during certain crucial periods in the committee's consideration of measures to finance the War of 1812.<sup>42</sup>

Cheves, who as chairman of the Select Committee on Naval Affairs also helped to strengthen the Navy, steered Gallatin's finance measures through the committee and the House. In a letter of January 10, 1812, to Chairman Bacon, the Treasury Secretary had proposed levying taxes and raising loans. Gallatin accepted the committee's estimate that an annual loan of ten million dollars would be necessary in the event of war. He also proposed increasing customs duties some six million dollars and imposing excise taxes, including a reimposed salt tax, to raise another five million dollars. Gallatin's report made it clear that he blamed Congress for the sad state of the government's finances. Congress had refused to impose the taxes he had requested, and it had failed to recharter the national bank that could have obtained the necessary loans. Cheves led the floor debate on the committee's bill. He spoke in favor of the salt tax, and along with Calhoun, he stymied Randolph's effort to delay consideration of the bill. The tax bill finally passed on March 4 with the provision that it would not go into effect until after a declaration of war.<sup>43</sup>

On May 18, 1812, Cheves, on behalf of the committee, informed Congress that only slightly more than half of the annual loan amount had been subscribed. The Secretary of the Treasury had asked the committee for the authority to issue five million dollars in 5.4 percent interest-bearing Treasury notes that would be acceptable for payment of all duties, taxes, and debts of the United States. This unprecedented proposal was debated for several days, finally passing on June 17, one day before President Madison signed the declaration of war.<sup>44</sup>

The committee's bill to impose war taxes was less successful. Gallatin requested Chairman Bacon, who had resumed his place, to act on the fiscal program that had been approved in March. Even though war had been declared, the House refused to impose new taxes. On

A cartoon snapping turtle Ograbme, "embargo" spelled backwards, clamps down on a smuggler whose attempt to deliver American tobacco to a British merchant ship violates the Embargo Act of 1807. In reprisal against trade restrictions placed on U.S. ships by England and France during the Napoleonic wars, Jefferson called for an embargo. It prohibited shipment of American raw materials and finished products to the European belligerents. A drain on American shipping profits, the controversial trade measure was repealed in 1809, three days before Jefferson left office.



June 26, the House voted by a wide margin, 72–46, to postpone action until the following session. Yet once again the House adjourned in March 1813 without passing the tax bill. Gallatin had once more appeared before the committee to plead for internal taxes. The House refused, but it did approve the Committee of Ways and Means' recommendation to issue another five million dollars in Treasury notes and to raise an additional 16-million-dollar loan. Cheves, upset nonetheless at the inaction on taxes, warned his colleagues that "the imposition of taxes must (eventually) be adopted."<sup>45</sup> They were adopted in 1814, after Cheves had been removed from the committee the previous year.

Cheves was removed from Ways and Means because he differed with Clay and many Republicans over the issue of raising revenue for the war. Not only did Cheves support the unpopular taxes on items such as salt, spirits, and carriages, but he also supported the claims of seaboard merchants against the government. The latter issue was complicated, volatile, and embroiled the Committee of Ways and Means in controversy.

In November 1812 the committee opened hearings on what was called the "merchants' bond case." The case grew out of the Jeffersonian embargo and nonintercourse policies. The policy of nonintercourse with Great Britain provided that trade would be resumed when the British revoked their blockade of European ports to American shipping. After the blockade was rescinded in June of 1812, huge shipments of previously ordered goods from Britain were deposited in

American ports. Congress and the President, however, had declared war, and the goods were seized. They were released only after American merchants purchased bonds from the Treasury Department equal to the value of the cargoes. By law, the government could keep one-half of the bonds and customs officers the other half. Gallatin proposed that the custom officials' half be returned to the merchants, but that the other half be kept by the Treasury to finance the war.<sup>46</sup>

Although the merchants had made profits due to the inflated prices at which the British goods were sold, they petitioned the Committee of Ways and Means to recover the full amount of the bonds, which were in excess of 40 million dollars. Committees of merchants represented by counsel, such as the noted New York author Washington Irving, presented testimony. This was one of the few instances in which the committee held hearings in the early 19th century. The members were understandably unfamiliar with hearing procedure. Jonathan Roberts of Pennsylvania complained that members went into the hearings unbriefed, and were therefore unable to ask intelligent questions. Moreover, since the merchants who testified were "gentlemen of high respectability," even the chairman was restrained in asking questions. "The Committee had no authority to examine them," Roberts protested, "and it pressed no question where any delicacy was felt to answer." As a result, Roberts considered the testimony vague, erroneous, and self-serving. In his opinion at least, the hearings had been of little value.<sup>47</sup>

Chairman Cheves, on the other hand, was enthusiastically supportive of the merchants' position. "I would rather see the objects of the war fail; I would rather see the seamen of the country impressed on the ocean and our commerce swept away from its bosom," Cheves said, "than see the long arm of the Treasury indirectly thrust into the pocket of the citizen through the medium of a penal law."<sup>48</sup>

The full committee overrode the chairman, siding with Gallatin by recommending that the House take no legislative action other than referring the petitions to the Secretary of the Treasury. The committee report led to a spirited debate in the Committee of the Whole House in which Cheves vigorously opposed his own committee's position. The chairman, who represented mercantile Charleston, took the opportunity to attack the entire restrictive system of the embargo and nonintercourse policies. "No cause has contributed so much to the civilization of man . . . as commerce," he argued, adding that "without commerce we would be simple shepherds or barbarian hordes," a statement that no doubt thrilled his agrarian colleagues in the Republican Party. Outraged members threatened to denounce Cheves, and Speaker Clay openly criticized his friend. In the end, Cheves, with the support of fellow Carolinians Calhoun and William Lowndes, was successful. The committee's report was defeated 52 to 49. A few days later the House passed a Senate bill to repay American merchants for



the bonds on all American-owned goods shipped to the United States before news of the war had reached Britain.<sup>49</sup>

The vehemence with which he pled the merchants' case cost Cheves his seat on the Committee of Ways and Means. When the Thirteenth Congress convened in special session on May 24, 1813, Speaker Clay named John W. Eppes of Virginia to chair the committee. With more than a touch of self-pity, Cheves wrote: "I have no influence in this House. What little I might once have claimed is gone—I have dared to dissent from the course laid down for the Government of the majority, and, consequently have bartered for the privilege of thinking for myself, all right and share in prescribing the policy to be pushed."<sup>50</sup> Events were to vindicate him, both in his own eyes and in those of Congress. Clay was named to the peace commission to negotiate with Britain, and a coalition of Federalists and dissenting Republicans elected Cheves to the speakership in January 1814. He later served as a president of the Second Bank of the United States and as chief commissioner of claims under the Treaty of Ghent. Eppes, the new chairman, was a more orthodox Republican as befitted a man who was both the nephew and the son-in-law of Thomas Jefferson. His major actions as chairman concerned the attempt to re-charter the Bank of the United States and the continuing problems of



*Massive and striking in appearance, Langdon Cheves of South Carolina sat at the head of Ways and Means during the early phase of the War of 1812. His stewardship successfully guided war finance plans through heavy opposition in the House of Representatives. His unpopular and courageous stand for raising military revenue and his sympathy for businessmen in the merchants' bond case cost him the committee's chairmanship in 1813. Cheves served as Speaker for the second session of the Thirteenth Congress. From 1819 to 1822, he served as president of the Bank of the United States.*

war finance. The Bank had been allowed to expire in 1811 over the objections of Secretary Gallatin, who favored its recharter. The question resurfaced in 1814 following a petition from citizens of New York City that requested a charter for a national bank "from the sincere belief that the establishment of a National Bank will be no less beneficial to the public than to the individuals who may be concerned in it."<sup>51</sup> The House referred the petition to Eppes' committee. The chairman reported on January 10, 1814, that it was the committee's opinion that a bank was unconstitutional. The report was concise:

That the power to create corporations within the Territorial limits of the States, without the consent of the States, is neither one of the powers delegated by the Constitution of the United States, or essentially necessary for carrying into effect any delegated power.<sup>52</sup>

The report was mainly the work of the chairman, for when the bank came to a vote in October, only Eppes and one other committee member voted against it.

The committee's division on the bank question was clearly evident when the second-ranking member, John W. Taylor of New York, reported a bill in February to charter a national bank in the District of Columbia. In debate, Eppes argued that the committee still considered a bank unconstitutional, but that they had reported the bill in order that the House could decide the issue. The chairman's pique was obvious when he suggested that if the matter were to be recommitted, "the bill should be referred to a select committee, and not the Committee of Ways and Means, who had already expressed their opinion on the subject."<sup>53</sup> No action was taken on the bill, possibly because chartering a bank in the District of Columbia did not resolve the constitutional issue of establishing branch banks in the states.

In January of 1814, the Committee of Ways and Means was also referred the annual report of the Treasury Department, which outlined an anticipated deficit of 29 million dollars for 1814. In February, Eppes proposed a loan of 25 million dollars and another five million dollars in Treasury notes to meet the deficit. The bill passed with only slight opposition among Republicans. As the war continued to go badly, agitation for the creation of a bank intensified, even including an attempt to amend the Constitution to permit the incorporation of a national bank. The nation's finances continued to deteriorate under the new Secretary of the Treasury, former Chairman George W. Campbell, who resigned in late September leaving a nearly destitute Treasury. The loans authorized by Congress had not been subscribed; banks had suspended specie payments, i.e., the redemption in gold and silver of bank notes, and the Treasury was forced to suspend payments on the interest of the national debt in November.<sup>54</sup>

*Protected by the breastworks below New Orleans, militia sharpshooters commanded by Gen. Andrew Jackson turn back the British and save the Mississippi Valley at the end of the War of 1812. The Ways and Means Committee's reliance on loans and war taxes to fund the American army set a money-raising precedent used to finance wartime needs. Claims by American merchants against the U.S. government for goods confiscated during the War of 1812 prompted the committee to hold hearings. The "merchants' bond case" became one of the few occasions that Ways and Means held hearings during the early 19th century.*



Under Eppes, the Committee of Ways and Means reported a program to restore health to the nation's finances on October 10, before Alexander J. Dallas had assumed office as the new Secretary of the Treasury. The committee report, while admitting that taxes should be doubled, recommended the issuance of Treasury notes in small enough denominations that they could supply a circulating medium in the absence of specie. The notes would be receivable at any time for United States stock, purchases of public lands, or payments of taxes. Four days after reporting to the House, the chairman informed Dallas that no action would be taken on their recommendations until the Secretary had had an opportunity to respond. Dallas answered with a sweeping program almost completely at odds with the committee's wishes. The Secretary's report of October 17 requested an annual revenue of 21 million dollars to be raised by doubling excise taxes, but the most controversial provision was his recommendation to charter a national bank as "the only efficient remedy for the disordered condition of our circulating medium."<sup>55</sup>

Dallas lobbied the Committee of Ways and Means to accept his program, writing to Chairman Eppes: "In these times the establishment of a national bank will not only be useful in promoting the general welfare, but is necessary and proper for carrying into execution





*"I think the wisest man I ever knew was William Lowndes," said Henry Clay of this Ways and Means chairman from South Carolina. During Lowndes' leadership of the committee from 1815 to 1818, Ways and Means wrote the bill that repealed taxes imposed during the War of 1812 and called for the first protectionist tariff in American history. The 1816 measure put high import duties on inexpensive foreign goods to enable American firms to compete domestically on a favorable basis. A proponent of a sound national banking system, Lowndes supported the chartering of the Second Bank of the United States in 1816.*

some of the important powers constitutionally vested in the government." <sup>56</sup> The Secretary requested and was granted a receptive hearing before the committee. On October 24 the committee reported to the House that it was "expedient to establish a National Bank, with branches in the several States." The resolution was accepted without debate, and four days later a motion to delete the reference to branch banks in the states was defeated. James Fisk of Vermont reported the committee bill on November 7, perhaps an indication that the chairman had not yielded his constitutional objections. The bill was drafted along the lines suggested by Dallas, with capital of 50 million dollars of which 20 million dollars would be subscribed by the government and the remainder by private corporations and individuals. The committee's proposal was attacked from all sides. Federalists, and Republicans such as Calhoun, Cheves, and Daniel Webster, so altered the details that the bill eventually bore little resemblance to Dallas' outline. President Madison consequently vetoed the bill on January 30, 1815.<sup>57</sup>

The bill that finally established the Second Bank of the United States in 1816 was the result of Calhoun's change of heart. As chair-



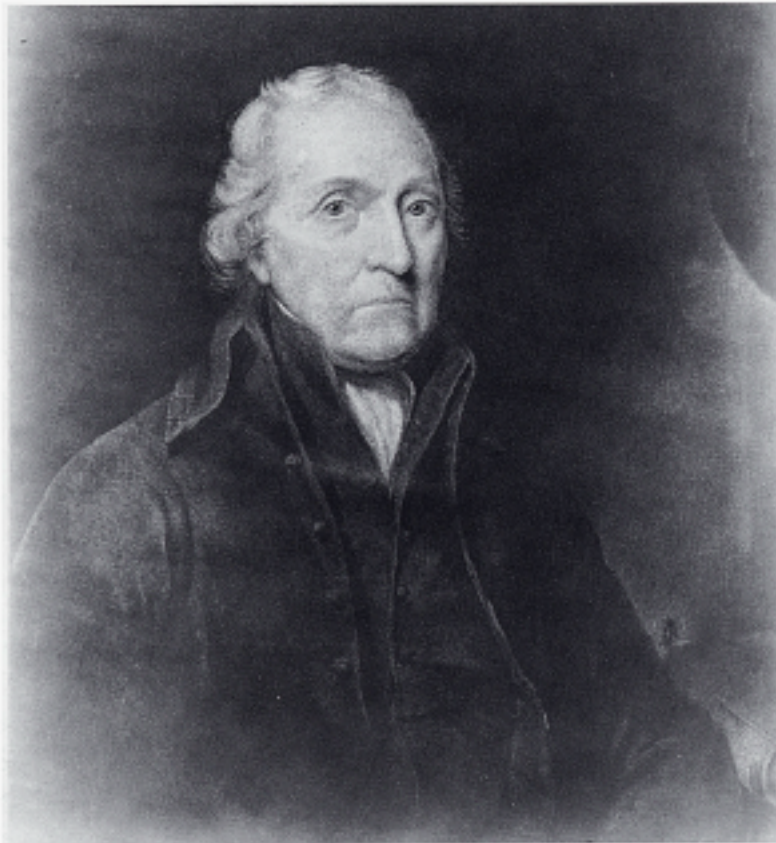
man of the House Committee on Currency, he reported the bill that became law on April 10, 1816, with only minor modifications to the proposal originally submitted by Secretary Dallas.<sup>58</sup> The Committee of Ways and Means in the meantime had reported a loan bill that became law on March 3, 1815. The Treasury was authorized under the terms of the bill to issue 18.5 million dollars in 6 percent government stock, an amount equal to the outstanding Treasury notes. Since the notes could be redeemed for the new interest-bearing stock, it was hoped that most of the notes could be withdrawn from circulation.<sup>59</sup>

One last unresolved issue of war finance was also settled by the Committee of Ways and Means. In December of 1817 the committee, now chaired by Cheves' South Carolina colleague, William Lowndes, reported a bill to abolish wartime excise taxes. This followed the report of the new Treasury Secretary, William H. Crawford, predicting a surplus of three million dollars even without the taxes. That the House quickly passed the repeal, on December 11, by a vote of 161-5 came as little surprise.<sup>60</sup>

The Committee of Ways and Means under the chairmanships of Cheves and Eppes played a key legislative role in financing the War of 1812. Both chairmen favored loans and the creation of Treasury notes; somewhat more reluctantly they accepted increased excise taxes that the committee helped repeal once the war had ended. The committee, however, refused to support the incorporation of a national bank. Cheves, and Eppes especially, were major roadblocks to Secretaries of the Treasury Gallatin and Dallas in their efforts to charter a mechanism to bring some order and soundness to the nation's banking and currency problems. When the Second Bank of the United States was chartered, it was reported through another committee, the Committee on Currency. Committee rivalries were inevitable, created in part by overlapping jurisdictions, such as that with regard to banking. Political issue-oriented differences and personal rivalries also played a role. All of these factors were notably evident in the intense rivalry between the Committee of Ways and Means and the Committees on Commerce and Manufactures over tariff policy in the Jeffersonian period.

### The Committee of Ways and Means and the Tariff, 1816-1828

Twenty-four acts modifying import duties were passed between the tariff of 1794 and the general revision enacted in 1816. With minor exceptions these acts were drafted for the purpose of raising revenue only. The tariff was not a controversial issue in these years; widespread bipartisan agreement existed on the need and propriety of a federal tariff to supply revenue. However, with the end of the War of



*Diversity characterized Samuel Smith of Maryland. He amassed wealth as a Baltimore merchant, then entered Congress in 1793 and served for 40 years in the House and Senate. During the War of 1812, he took up arms and led the land and sea forces that defended Baltimore against the British. At separate times he served as chairman of Ways and Means and of the Committee on Commerce and Manufactures. He paid no heed to protocol if ignoring it advanced the cause of protectionism that he favored. During a particular proceeding in 1820 when Manufactures reported a protective tariff bill—a procedure arguably limited to the revenue jurisdiction of Ways and Means, which Smith then headed—he allowed the referral without protest.*

1812, the protection of American manufactured goods by means of the tariff became a hotly contested political issue. The war had stimulated both American nationalism and the development of manufacturing. When Great Britain dumped cheaper goods on the American market after the war, many businessmen and political leaders looked for relief to a protective tariff.

Protectionism postulated that high import duties on cheaper foreign manufactures would permit American industries to compete on an equal if not favorable basis, which would help to promote a stronger national economy. President Madison in his December 1815 message to Congress broached the issue of protectionism. "In adjusting the duties on imports to the object of revenue, the influence of the tariff on manufactures will necessarily present itself for consideration," the President observed.<sup>61</sup>

The House referred the revenue issues raised in Madison's message to the Committee of Ways and Means, chaired by Lowndes. The committee reported a set of resolutions dealing with tariffs and postal rates—another source of federal revenue—on January 9, 1816. After a month of discussion in the House, the resolutions were referred back to the committee with instructions to report bills along these lines. The section relating to the tariff read as follows:

*Resolved*, That it is expedient so to amend the rates of duties upon imported articles, after the 30th of June next, as that they shall be estimated to produce an amount equal to that which would be produced by an average addition of forty-two per cent. to the permanent rates of duties.<sup>62</sup>

In drafting the Tariff of 1816, Lowndes' committee relied upon a report submitted by Secretary Dallas. The bill recommended a tariff rate 42 percent above the prewar rates. It also included an ingenious proposal to establish a "minimum" on cotton cloth, suggested by New England industrialist Francis C. Lowell to protect American mills from cheaper imports from India. All imported cloth valued at less than 25 cents per yard would be charged with a 25 percent duty at the minimum valuation of 25 cents per yard. The rates reported by the committee on other goods were also protective, but not as high as Dallas had requested. As one tariff historian has cleverly observed, "the Committee of Ways and Means seems to have been made up with a strong majority of protectionists, but not with a majority of strong protectionists."<sup>63</sup>

The committee bill was reported to the House on March 20, passed on April 8, and signed into law by the President on April 27. The bill as reported by the Committee of Ways and Means placed an average duty of 25 percent on those imports that competed with American-made goods. The bill provided for yearly reductions until a uniform 20 percent rate was reached in 1819. Lowndes introduced the bill, but he fell ill and the responsibility for guiding it through the House rested with the second-ranking member, Samuel Smith of Maryland. Smith energetically defended the bill, succeeding in increasing the rates on certain types of manufactured iron, but failing to prevent an amendment limiting the duration of the tariff to four years.<sup>64</sup>

Opinions varied on the first protective tariff in American history. Smith considered the Tariff of 1816 as the best in his long career (he served in Congress from 1793 to 1833) because he believed its rates were high enough to protect manufacturing but low enough not to hurt commercial interests. Others, probably including Secretary Dallas, have considered the tariff as protective in intent, but an act for revenue only in practice. Tariff scholars have concluded that the Tariff of 1816 settled nothing and did little to protect manufactures. But opponents of protectionism such as John C. Calhoun detected the onset of an ominous trend. Any tariff that even in principle went beyond revenue only, Calhoun contended, threatened to become "an immense tax on one portion of the community to put money into the pockets of another."<sup>65</sup> As events were to prove, the agrarian South especially came to resent protective tariffs that seemingly taxed them for the benefit of Northern manufacturers.

In 1818, Congress passed measures to amend the Tariff of 1816 by extending the duty on cotton and woolen goods to 1826, and by increasing the duties on iron and certain manufactures. These were to be the last major tariff measures initiated by the Committee of Ways and Means for more than a decade. Popular opinion in the meantime had been captured by the tariff issue. Petitions and counterpetitions inundated Congress arguing for and against protective tariffs. It is perhaps difficult to understand how emotional and volatile the tariff issue became in the 19th century. The tariff meant far more than the difference between profit and loss for certain manufacturing or agricultural interests. The tariff involved the very nature of what kind of political economy would prevail: a basically agrarian Jeffersonian republic, or a bustling, commercial Federalist-Whig society.

The function of originating tariff bills was transferred from the Committee of Ways and Means following the creation of separate committees on Commerce and Manufactures by the Sixteenth Congress in 1819. As long as the purpose of the tariff was revenue only, it was clearly a subject for the Committee of Ways and Means, but when the purpose became primarily the protection of American commerce, the tariff fell more properly within the jurisdiction of the Committee on Manufactures. Speaker Clay named protective tariff advocates to the Committee on Manufactures, to which were referred the majority of tariff petitions. The Committee of Ways and Means declined to deal with the tariff issue, simply recommending a loan to cover the five-million-dollar deficit forecast by Secretary of the Treasury Crawford in 1820.<sup>66</sup>

Conflict between the committees was inevitable given their overlapping jurisdictions. The tariff was both a matter of public revenue, and, as such, a proper subject for the Committee of Ways and Means, as well as a matter concerning Commerce and Manufactures. The two committees had tangled over defining jurisdictional boundaries as early as 1801. Samuel Smith, as then chairman of the Committee on Commerce and Manufactures, was a strong champion of protectionism, while John Randolph's committee advocated the agrarian position of the Jeffersonian Republican Party, which the chairman once cogently expressed: "It is not consonant with the principles of a wise policy to lay duties not for the purpose of raising revenue to the government, but to operate as a bounty on any particular species of labor at the expense of the community in general on whom taxes are laid."<sup>67</sup> The two men, who were personal foes, and the two committees continually jostled for position.

In December 1801, Smith had moved that the Committee on Commerce and Manufactures be instructed to inquire into the whole subject of import duties. In Randolph's absence, Federalist Roger Griswold rose to object on behalf of the Committee of Ways and Means, arguing that because import duties were revenue, they more

*A handwritten petition from Tennessee citizens requests Congress to exempt distiller Robert Shaddin from payments of duty imposed on the making of "spirituous liquors." Mr. Shaddin should be exempt, they argued, because he "is a poor man [and] is also blind." The document illustrates methods of communication between congressmen and their constituents around 1814. The petition also shows that Ways and Means not only coped with complicated issues of public finance but also, through the committee's jurisdiction over revenues, dealt with ordinary citizens and their everyday concerns about paying taxes.*



To the Honorable The Senate and House of  
Representatives of the United States of America  
in Congress Assembled. The Petitioners  
being Inhabitants of Jackson County and  
State of Tennessee They have to state  
That Robert Shaddick is a citizen of  
said County of Jackson is a poor  
man. is also Blind. His occupation  
is Distilling & Making Spirituous  
Liquors - From considering his  
situation We pray your Honorable  
body to pass an act Authorizing  
him to Distill Spirituous Liquors  
without being Compelled to pay  
for a License under the Revenue  
Law and We your Petitioners as in  
Duty bound will ever pray &c

Wm. Hoggard } Jas. Rayland  
Jacob Baker } Spencer Dillingham  
Matthew Rogers } Samuel Cunningham  
John Brown } John Wiggins  
Robert White } Wm. Cook

clearly pertained to his committee's jurisdiction. Smith countered that "it was necessary for the subject to be discussed by commercial men, of whom alone the Committee of Commerce and Manufactures was composed."<sup>68</sup> The House agreed with Smith in this instance and referred the subject to his committee.

A survey of congressional action on the tariff before 1820 provides no clear rationale to govern the referrals of tariff petitions. In the Fourteenth Congress, for example, petitions involving questions principally of revenue and only incidentally of protection were referred to the Committee of Ways and Means, but no clear and consistent practice was followed in other sessions. In fact, between 1801 and 1820 more tariff work was performed by the Committee on Commerce and Manufactures.<sup>69</sup>

Samuel Smith's previous attitude on the tariff perhaps explains why, as chairman of the Committee of Ways and Means in 1820, he allowed the Committee on Manufactures to report a protective tariff without protest. Smith's committee report of April 24, 1820, made no reference to the tariff whatsoever, and ignored the other committee altogether. Henry Baldwin of Pennsylvania, chairman of Manufactures, reported a tariff bill with some professed embarrassment. His committee, Baldwin argued, had been forced to report a bill that went beyond protecting manufactures to one that would replenish the Treasury because of the inaction of Smith's committee. Baldwin's bill passed the House but failed in the Senate.<sup>70</sup>

Both the Tariffs of 1824 and 1828 (the infamous "tariff of abominations") were also initiated by the Committee on Manufactures. In the course of debate in 1824, Chairman Louis McLane of the Committee of Ways and Means indicated a general acceptance of Manufactures' jurisdiction over protective tariffs. When another member requested that McLane's committee examine the impact of the proposed tariff on revenue, the chairman disagreed, arguing that requests for information should be directed to the committee that had drafted the bill in question. Since the tariff was drafted to protect manufactures, not to raise revenue, it "appertained wholly to the other committee." McLane was, as one might suspect, as ardent a protectionist as Samuel Smith. As chairman in 1823, McLane had postponed action on the committee's major business—appropriations bills—in order that a proposal from Manufactures to raise the tariff might receive preferential consideration.<sup>71</sup>

The apparent acceptance of the Committee on Manufactures' jurisdiction over tariffs ended with the uproar accompanying the Tariff of 1828. Southern opponents of protective tariffs, inspired by John C. Calhoun's *Exposition and Protest*, attacked the tariff as unconstitutional and dangerous to the South's peculiar institution—slavery. Calhoun's fellow South Carolinian, George McDuffie, became chairman of the Committee of Ways and Means in 1827, and in December of 1828 he

*As ardent a protectionist as Samuel Smith, Louis McLane of Delaware assumed leadership of Ways and Means in 1822. He echoed Smith's general interpretation that tariffs had more to do with protecting American commerce than with raising revenues; thus he viewed such tariff issues as the province of the Committee on Manufactures, not Ways and Means. His outlook fueled heated debate. McLane became Secretary of the Treasury in 1831 and Secretary of State in 1833 under President Andrew Jackson, exemplifying Ways and Means chairmen who went on to attain high Cabinet posts.*



reported a bill to reduce the rates of the tariff of abominations. The House voted 107–79 to table the bill without debate, but McDuffie's committee had served notice that they intended to reassert their claim to jurisdiction over import duties. As the Jeffersonian era merged into the Jacksonian period, the tariff had become a volatile political issue even more than a question of procedural jurisdiction.<sup>72</sup>

### The Committee in Transition: The 1820s

The inauguration of Andrew Jackson in 1829 has marked a convenient line of demarcation between the Jeffersonian and Jacksonian periods. Historical processes, of course, are not so abrupt. Change is gradual, often imperceptible, and periodization is at best a useful descriptive tool. The development of the Committee of Ways and Means from 1801 to 1829 reflected the politics of the Jeffersonian period to be sure, but the functions the committee performed owed as much to the growth of Congress as an institution.



The Committee of Ways and Means remained a key participant in legislative affairs in the decades after Randolph left the chairmanship. The committee continued to consider and revise executive department budget estimates, to draft appropriations bills, and to oversee the expenditures of the departments. The workload was correspondingly heavy. Chairman McLane in the 1820s, for example, complained of the burden of committee meetings that were normally held three mornings a week while Congress was in session.<sup>73</sup>

With the evolution of the speakership under Clay as the focus of political and legislative leadership in the House, the chairmanship of the Committee of Ways and Means became less important than it had been under Randolph. None of his successors tried to make a career out of service on the committee. There was little apparent interest in making advancement in Congress the sole goal of a politician's life. Cheves, for example, went on to become Speaker of the House, but the pinnacle of his public life came in his duties as president of the Second Bank of the United States and as chief commissioner of claims under the Treaty of Ghent. McLane likewise capped his career as Secretary of the Treasury (1831–1833) and Secretary of State (1833–1834), having failed to obtain the appointment to the Supreme Court that he most desired. Length of tenure, therefore, was not a priority during this period. McLane, contemplating his resignation from the committee, observed, "A man loses character by remaining too long, without change in one place."<sup>74</sup>

Chairmen continued to be named by the Speaker, in close consultation with the executive, on the basis both of political ability and financial expertise. Samuel Smith was chosen in 1818 because he possessed "unmatched knowledge of commercial and financial affairs," and because he was closer to President Monroe and Secretary Crawford than he was to Madison and Gallatin. Both Smith and McLane were particularly loyal to the Secretary of the Treasury. Part of this was in consequence of the closeness with which the committee worked with the Treasury. Crawford kept in touch with Smith, not only through the 17 reports the Secretary annually made to Congress, but also in private correspondence, even to the point of soliciting Smith's advice to present to the Cabinet. McLane refused to leave the committee in 1823, fearing that it would fall into the hands of Crawford's enemies. McLane's biographer, moreover, claimed that the chairman's loyalty to the Secretary of the Treasury caused his law practice to suffer.<sup>75</sup>

When Crawford's chief rival within the party, John Quincy Adams, assumed the Presidency in 1825, Speaker John W. Taylor decided that the party leadership could not displace the previous chairmen, including McLane, but that they could name new members more amenable to the administration. As a result, only three members of the seven on the Committee of Ways and Means were reappointed;



the four new members gave Adams control of the committee. McLane suffered through two more years, but left the committee in disgust in 1827. "I am giving my talents and wasting my health for my enemies and against my friends," he wrote to his wife.<sup>76</sup>

Membership on the committee, as well as the chairmanship, had become politicized. From the beginning of the period the Republican control of Congress had been reflected in the committee's composition. The most noticeable changes were the disappearance of geographical balance and the dominance of Southern members. Not only was every chairman in this period from the South, with the exception of the ineffectual Bacon of Massachusetts and McLane of Delaware, the committee itself also developed a distinct Southern slant. In the Seventh Congress, the previous concern for geographical balance continued with three members from the South, three from Middle Atlantic states, and three from the North. From the Twelfth through Twentieth Congresses (1811-1829), however, the South reigned supreme with majorities as high as 5-1-1. In part this change represented the decline of the Federalist Party, but it also signified the importance of Southern leadership to the Republican Party.<sup>77</sup>

As the House appointed new standing committees, the Committee of Ways and Means encountered challenges to its traditional areas of jurisdiction. The conflict with Commerce and Manufactures over the tariff and with Calhoun's Currency Committee regarding the Second Bank of the United States were but two examples of overlapping jurisdiction. The Committee of Ways and Means in the Fourteenth Congress, for example, was referred the subject of tonnage duties, that is, the existing tax per ton upon foreign vessels entering American ports. Chairman Lowndes reported a bill to regulate tonnage duties, but he admitted that the Committee on Foreign Affairs shared jurisdiction. Some ships entering American ports engaged in trade with nations that excluded American shipping, which was a question of foreign affairs outside his committee's jurisdiction. The House accepted Lowndes' report and committed the bill to the Committee on Foreign Affairs for consideration.<sup>78</sup>

During this period, the Committee of Ways and Means also considered numerous petitions from private citizens regarding revenue matters, of which the merchants' bond case was but the most controversial. Most petitions were more direct and uncomplicated. In 1814, for example, several citizens of Tennessee asked that one Robert Shaddin "may be exempted from the payment of the duty imposed on spiritous liquors, on the ground that the said Shaddin is poor & blind." The committee recommended that the petition be rejected. The duty on liquor and stills provided several similar petitions, most of which were rejected. Some were imaginative, if not persuasive. Mary Andrews, for example, asked to be relieved of the responsibility for paying a bond her late husband had taken to secure payment of

duties on his still. The husband's fatal illness prevented the still from producing sufficient income to pay the bond. The committee did not agree, arguing that Mrs. Andrews would have been able to pay the bond if her agent had conducted her husband's estate with greater diligence.<sup>79</sup>

Chairman Lowndes announced the committee's general policy governing such petitions in 1817. Two distillers had petitioned for remission of duties on the ground that their wares had been destroyed by fire. Lowndes admitted that the petitioners had good reason to ask for relief. Indirect or excise taxes, such as those on distilled spirits, although paid at the time of manufacture or importation, were considered taxes on consumption to be passed on to the purchaser. It was unfair, the petitioners reasoned, not to remit duties on goods destroyed before they were sold. "The committee feel that in many cases such relief cannot be denied with much pain," the chairman reported, "but they think it cannot be granted without imprudence." The payment of duties upon goods, he argued, added to their value, which it was the owner's obligation to insure. The government, in short, could not act as an insurance company for American commerce.<sup>80</sup>

Other examples of the committee's broad jurisdiction included postal rates and Indian affairs. Postal rates, as sources of revenue, fell within the committee's purview. Rates were doubled during the War of 1812, for example, to increase federal income. The committee's control over appropriations included treaty appropriations involving American Indians. During this period, land-hungry Southern whites pressed the federal government to confine to reservations the five great Indian nations of the South—Creek, Cherokee, Chickasaw, Choctaw, and Seminole. Treaties such as the one concluded with the Creek Indians in 1817 involved treaty appropriations to purchase lands or to satisfy claims, which were routinely considered by the Committee of Ways and Means.<sup>81</sup>

The committee remained preeminent in the field of appropriations. It raised the revenue to finance military operations to fight the War of 1812, for example. After the war, under Samuel Smith, who had served as a general in the defense of Baltimore, the committee resisted strong sentiment to drastically cut military appropriations. The role of chairmen in steering appropriations bills through the House gave them a leadership position second in importance only to the Speaker. Since revenue and appropriations bills were the most important legislation considered by the House, the chairman arranged the order of business, fixed the hours of adjournment, and determined when the sessions closed.<sup>82</sup>

By 1819, the committee's control over appropriations was such that the chairman, Lowndes, could report an appropriations bill with the blanks filled in. It had been the custom for the committee to

MILESTONES IN THE HISTORY OF THE COMMITTEE  
1801-1829

1801	John Randolph appointed chairman
1802	The Committee of Ways and Means was listed for the first time as standing committee in the revised House Rules
1802	Repeal of Federalist excise taxes
1803	Louisiana Purchase Treaty appropriations
1804	Mediterranean Fund to finance naval operations against the Barbary pirates
1807	Randolph ousted from the committee
1812	Measures to finance the War of 1812 include increased excise taxes and issuance of Treasury notes
1812-1813	Merchants' Bond Case
1814	Unsuccessful committee bill to charter Second Bank of the United States
1816	Tariff of 1816, the first protective tariff in American history
1817	Repeal of wartime excise taxes
1823	Separate appropriations bill for fortifications
1826	Separate appropriations bill for pensions
1828	Separate appropriations bill for rivers and harbors

report the various items without stating specific amounts. The amounts would be supplied following debate in the Committee of the Whole House. Lowndes argued that his committee, having examined and revised the executive department estimates, was justified in reporting specific sums. The House, he concluded, could change any figure that they deemed necessary or extravagant. In the 1820s, the appropriations process became even more refined. A single omnibus bill previously had met the needs of all departments, but in 1823 a separate appropriations bill for fortifications was passed. This was followed by similar separate bills for pensions (1826) and for rivers and harbors (1828). In the following period, separate bills were prepared for post offices and post roads (1844), deficiencies (1844), consular and diplomatic service (1856), and for legislative, executive, and judicial expenses (1857).<sup>83</sup>

## Conclusion

The continued evolution of the standing committee system significantly altered congressional procedure. The original dilemma confronting

the Jeffersonian Republicans had been the role of the executive vis-à-vis the legislature. Their solution was to create a system of shared responsibilities. Although the executive continued to provide information and policy initiatives, it did not dictate to Congress, but rather funneled policy through the standing committees as agents of the legislature. The emphasis of the Jeffersonian Republicans on legislative autonomy and an increasing legislative workload gradually allowed these committees to become more active in the process of drafting bills and creating policy. Standing committees thus became truly legislative bodies. This new role of committees in initiating bills marked the first significant turning point in the development of our legislative system. The practice of according to committees the right to initiate legislation within their jurisdictional boundaries contrasted sharply with the traditional British parliamentary ideal of committees as subordinate to the instructions of the whole House, a notion that had guided Congress since its inception in 1789. The importance of committees as policymakers would be further enhanced as the second party system took shape in the 1830s and '40s.

These changes particularly affected the role of the Committee of Ways and Means. As the House developed a more sophisticated institutional apparatus by appointing new committees, these bodies began to impinge upon the jurisdiction of the Committee of Ways and Means, most notably in the areas of tariffs and banking. In the 1820s the committee shared its authority over tariffs with the Committee on Manufactures and over banking with the Committee on Currency, but it remained preeminent in appropriations, a subject that would consume more of its energies in the ensuing decades. Jurisdictional challenges notwithstanding, the Committee of Ways and Means remained among the most active of the House standing committees. The partisan battles of the Jacksonian period would once again thrust the committee into the forefront of congressional politics and procedure.

