

# 1829 \* 1861

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## Appropriations, Banking, and the Tariff

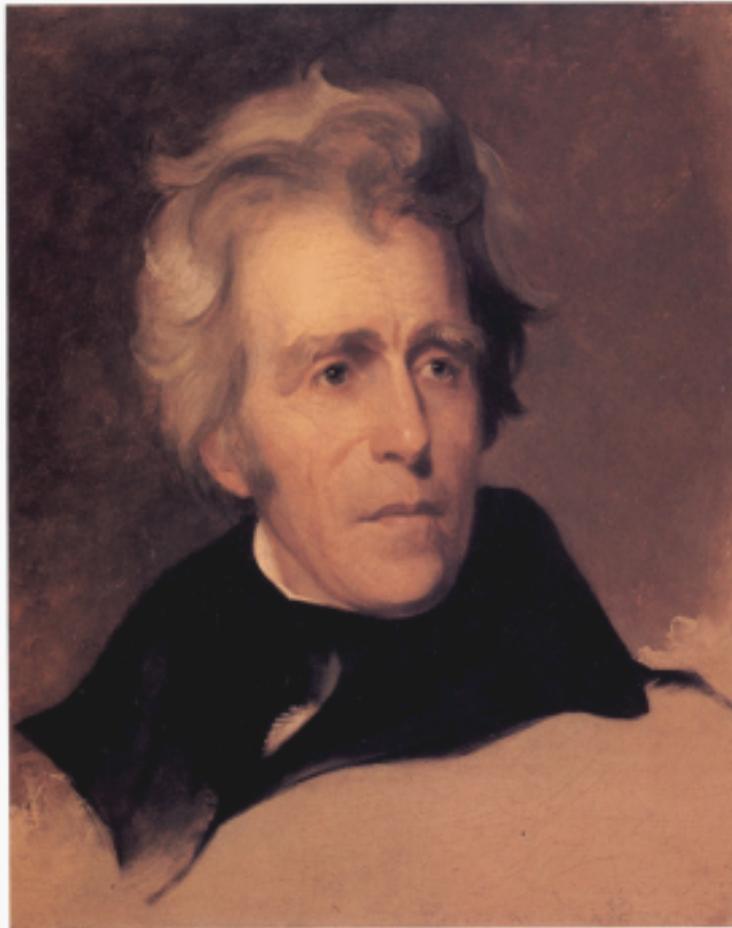
The Committee of Ways and Means gained additional prominence in the decades immediately preceding the Civil War. During the period 1829–1861, the committee’s chairman came to be regarded as the second most important leader in the House. By 1832, the committee’s jurisdiction once again included the tariff. The committee also participated in congressional battles over the nation’s banking system, appropriations, and was even occasionally involved with the subject of slavery. Because of its broad jurisdiction, the committee participated in the creation of policy, probably to a larger extent than any other House committee during the antebellum era.

*“The great body of legislation was referred to the committee of ways and means, which then had charge of all appropriations and of all tax laws, and whose chairman was recognized as leader of the House, practically controlling the order of its business.”*  
(John Sherman, 1895)<sup>1</sup>

Andrew Jackson’s election to the Presidency marked the culmination of a period of social, economic, and political change that began with the American Revolution and intensified after the War of 1812. One of the most significant of these changes was the introduction of democratic reforms in order to broaden the political base, such as the extension of the vote to all adult white males. The Virginia dynasty ended with the presidential election of 1824. From the disaffection surrounding the election and Presidency of John Quincy Adams, a new and vigorous party system began to coalesce at the state level.

The second American party system developed incrementally between 1824 and 1840. The principal stimulants to the development of the new parties were the presidential elections. By 1840, two parties of truly national scope competed for control of offices on the municipal, state, and federal level. The founders of these new parties were not all aristocratic gentlemen. Many were from the middle or lower-middle classes, men who gained prominence in state legislatures and who became the nation’s first professional politicians. These men built the state organizations that formed the backbone of the Democratic and Whig Parties.

These developments affected both the composition and the structure of Congress. In the three decades before the Civil War, the House of Representatives evolved from a small body of well-to-do elites to a much larger, more heterogeneous group representing a



*A charismatic, forceful leader, former Ways and Means member Andrew Jackson came to office in 1829 as the people's President. Political clashes over the tariff and the Second Bank of the United States during his term prefigured the tumultuous years leading up to the Civil War. When South Carolina tried to nullify the high protective tariff in 1832, Jackson ordered armed forces to Charleston. When Congress passed a bill to recharter the Second Bank of the United States, which Jackson charged with economic privilege, he vetoed it. As national politics polarized around Jackson and his opposition, two political parties began to evolve: the Democratic Republicans, or Democrats, and the National Republicans, or Whigs.*

variety of social, political, and ethnocultural concerns. From an institutional standpoint, old procedures were refined both to accommodate changes in the composition and concerns of Congress and to bolster the emerging concept of majority rule. The period was also one of intense partisan conflict. Each of the great political issues of the day—slavery, territorial expansion, the tariff, and the Bank War—prompted sectional tensions while posing internal challenges to a Congress incrementally striving to build and to maintain an effective party apparatus.

The history of the Committee of Ways and Means in this period mirrored the institutional and procedural changes taking place in the House. By virtue of its broad jurisdiction, the committee was inevitably drawn into many of the major political battles in Congress. The committee played important roles in the creation of tariff policy with the Tariffs of 1833, 1842, 1846, 1857, and 1861. It also issued reports and drafted legislation concerning: the failure to recharter the Bank of the United States in 1832; the removal of government deposits from the Bank in 1836; and the creation of the Independent Treasury in 1840, its repeal in 1841, and its resurrection as the Constitutional

Treasury in 1846. Finally, the committee functioned as the keystone of the congressional appropriations procedure. By the outbreak of the Civil War, the committee had consolidated its tripartite jurisdiction over revenue, banking, and appropriations, functioning as an integral element in the legislative operations of the House of Representatives.

### The Committee and the House, 1829–1861

The period from the inauguration of Andrew Jackson in 1829 to the beginning of the Civil War in 1861 was a time of growth, change, and conflict for the nation, for the House of Representatives, and for the Committee of Ways and Means. Territorial boundaries were increased by the annexation of Texas and by the acquisition of land in the Southwest as a result of the Mexican War. The population more than doubled, in part as a result of a wave of immigration in the 1840s.

Population growth and western expansion were also reflected in political change. The election of Andrew Jackson, the first President from west of the Appalachians, ushered in an era of increased popular participation in politics. Most states adopted laws providing for universal white male suffrage in the Jacksonian period. The democratization of the electoral process occurred simultaneously with the rise of the vigorous second party system that channeled political conflict in the young republic. Political campaigns became festive and noisy occasions in which the general public was courted to cast its votes, first for the Democratic Party or the Whig Party in the mid-1830s, and later in the 1840s and '50s for a variety of third parties before the Republican Party emerged as the dominant opposition to the Democrats.

Population growth, political change, and western expansion affected the structure and the composition of Congress. Although the House only increased in size from 213 to 236 members, nine new states were represented, altering the previous sectional balance of power between the Northern and Southern states of the Atlantic seaboard. The House Committee of Ways and Means similarly grew—modestly in size—but more dramatically in function. The committee was enlarged from seven to nine members in 1833 before it was further increased to 11 in 1873. During the antebellum period, moreover, the committee solidified its jurisdiction over revenue, banking, and appropriations.

To some critical observers, Congress appeared to be a chaotic debating society that accomplished very little. Alexis de Tocqueville, a French observer of American democracy, thought that political parties were responsible for this congressional paralysis. "Parties are so impatient of control and are never manageable except in moments of great public danger," he wrote. Another foreign observer, Frederick Marryat, noted that congressional oratory was "full of eagles, star-

spangled banners, sovereign people, claptrap, flattery, and humbug." He concluded: "It is astonishing how little work they get through in a session in Washington." <sup>2</sup>

Beneath the superficial veneer of disorder and inaction, Congress was a viable and evolving institution. Even as the House membership grew more diverse and fractious, congressional procedures necessarily became more specialized, and the standing committee system became even more firmly entrenched. In contrast to the previous period when one group, the Jeffersonian Republicans, had enjoyed power for a 24-year period, between 1829 and 1861, control of the House switched hands three times. In spite of the changes in leadership, the House created workable institutional arrangements through its committee system. Most volatile issues were successfully compromised until the slavery issue in the 1850s proved to be irreconcilable.

Standing committees emerged in the antebellum period as the central legislative agents of both the House and the Senate. The number of standing committees in the House increased from ten in 1810 to 39 by the beginning of the Civil War, while the Senate's standing committee system grew to 22 from the 12 created in 1816. As the two-party system became institutionalized in Congress, committee duties expanded to include routine involvement in the creation of policy and the origination of legislation.

Two procedural developments during the 1820s prefigured a more active role for standing committees in originating legislation. In the early Federalist and Jeffersonian Congresses, committees reported bills only on prior instruction by the House. In 1814, the House adopted a resolution conferring to some standing and select committees the general authority to report by bill. In subsequent years the House passed similar resolutions, and in 1820 and 1822 this practice was codified in the rules. By the end of the decade the House had also dropped the procedure of initially referring all legislation to the Committee of the Whole House, and replaced it with first reference to a standing or select committee. Such changes assured standing committees such as the Committee of Ways and Means a role in the consideration of most legislation. Committees now served as bodies through which the majority party could simultaneously shape policy agenda and oversee important legislation.

Because policy decisions were increasingly made at the committee level, the political composition of committees was crucial. The majority party was able to exercise some control over policy decisions since the Speaker of the House continued to appoint committees. The Speakers were careful, moreover, to permit minority representation while providing for majority rule. The usual majority-minority ratios on the Committee of Ways and Means in this period, for example, were 6-3 and 5-4. Beginning in the early 1830s, the House further recognized minority representation by permitting minority as well as

majority reports. Committee members, in spite of high turnover rates, tended to become specialists, digesting the technical information within their jurisdiction and then originating legislation for the House to consider.

As had been the case in the previous period, no clear system governed committee appointments beyond the necessity to reflect the partisan composition of the House. In the absence of the seniority principle, which did not develop until much later in the century, memberships tended to be unstable and reflected shifting political and ideological alliances. Only one member, John S. Phelps (D-MO), served five consecutive terms on the Committee of Ways and Means during this period, for example, and turnover in chairmanships was also frequent. Only three members served for four terms, and six for three terms. Seniority on any given committee was therefore not necessarily a significant consideration in committee appointments.<sup>3</sup>

The balanced sectional representation on the committee that had been evident since its creation continued during this period, although it was expanded by the addition of more representation from the Middle West. New York, Pennsylvania, Virginia, and either Massachusetts, Connecticut, or New Hampshire were represented on the committee in nearly every Congress. Beginning with the Twenty-third Congress, Ohio represented the interests of the Middle West in all but two Congresses [Thirty-second (1851–1853) and Thirty-third (1853–1855)], when representatives from Indiana and Missouri were present.

In the antebellum period, party loyalty, ideological compatibility, political expediency, or simple competence proved to be the most important criteria for appointments to a given committee. It was not unusual for congressmen who had only served a few terms to obtain chairmanships of prestigious committees such as the Committee of Ways and Means. For instance, fourth-term member J. Glancy Jones (D-PA) was selected chairman in 1857 over his seven-term colleague John S. Phelps, who had served on the committee for three previous terms. Similarly, freshmen congressmen were not infrequently appointed to important committees, such as the 35 freshmen members appointed to the Committee of Ways and Means between 1829 and 1861. The chief motivation guiding the Speaker's selections often was the desire to control certain key legislative measures. In other cases, party loyalty, ideological compatibility, or competence proved to be the most important criterion.

The chairmanship of the Committee of Ways and Means provided a good example of how this "non-system" worked. By the late 1820s, chairmen were regarded as the managers of their committee's bills. Since the Committee of Ways and Means reported so much vital legislation during a given session, it was important for a President with a majority of his own party in Congress to have a chairman who could

push his fiscal programs through the House. If the political situation demanded it, a chairman was appointed on the basis of ideological compatibility with the President. This was the case with the appointments of Gulian Verplanck in 1832, James K. Polk in 1833, and Churchill C. Cambreleng in 1835.

In some instances the chairman of the Committee of Ways and Means was selected on the basis of a second-place finish in the speakership election, such as was the case with Millard Fillmore in 1841, while at other times the position was awarded simply as a reward for services rendered to the Speaker. The latter was true in the selection of Democrat Thomas Bayly of Virginia in 1849, who had delivered some key votes for Georgia's Howell Cobb during the heated speakership contest.

The politicization of the selection process prompted frequent turnover in committee chairs. There were 14 chairmen of the Committee of Ways and Means during the 16 Congresses between 1829 and 1861, for instance. Only three men, Cambreleng, James Iver McKay (D-NC), and George S. Houston (D-AL), chaired the committee for two Congresses each.<sup>4</sup>

The powers of committee chairmen were great. They not only decided when the committee would meet, they also set the agenda and often drafted legislation on their own initiative. By 1861 chairmen also had the benefit of committee clerks, often used as the chairman's personal secretary, and a committee room in the Capitol from which to conduct business. The House adopted a rule in 1838 requiring special approval for a committee to hire a clerk. Although such approval was routinely granted, it was not until the 1850s that the House Committee of Ways and Means and the Senate Committee on Finance became two of the first three committees to obtain regular appointments for full-time clerks. The Committee of Ways and Means was also granted a room strategically located on the principal floor of the Capitol near the House Chamber.

The antebellum period was not only a time of change and flux, it was also characterized by the increasing technical sophistication of the legislative process. Committee rooms and permanent clerks were two manifestations of this development. Floor debate similarly reflected a greater familiarity with parliamentary procedure, and members were further aided in their deliberations by the advent of printed legislative and executive documents. By the 1840s, executive communications, bills and resolutions, and even committee reports were printed and disseminated among the members of the House and the Senate.<sup>5</sup>

It was also during this period that the Committee of Ways and Means solidified its status within the standing committee system. The committee regained jurisdiction over the tariff in the 1830s and continued to exercise its oversight of banking and currency issues. The Nullification Crisis over tariff policy and the extended controversy

*Petitions to Congress express the concerns of citizens in the early 1800s. Ranging from a request to repeal duties on stills and distilled spirits to a Bible society's hope that military appropriations would be reduced, these petitions were considered by Ways and Means. The requests underscore the social and political unrest of a nation caught in the turbulent times of the antebellum period. They also indicate that, even as Congress became more diverse and fractious, it was evolving into a viable institution that could attend to the everyday worries of a growing nation.*

To the honorable the Congress of the United States  
 Your petitioners Citizens of the Commonwealth  
 respectfully shew  
 That from their returns in latter sessions  
 Congress of the States alluring the Congress  
 have produced to market, which has produced  
 some of the means in their Country, You  
 have felt in a peculiar manner, the  
 Tax on spirits distilled from them

But whilst  
 being subject  
 Europe, the  
 war, that  
 have since  
 passed for  
 their own  
 Law imposed  
 through  
 as in  
 Levi To  
 David  
 Joseph  
 J. L. M.  
 Bartlett  
 T. M.  
 David

Please circulate the following for signature, and then forward it so that it may reach its destination on  
 the first day of the approaching session of Congress.  
 To the Senate and House of Representatives of the United States, when in  
 Congress assembled, December, 1845.  
 State of Delaware Anders

Respectfully represent,  
 That they are opposed to the practice of ap-  
 pointing Chaplains to Congress:—and their reasons therefore are, in general terms,  
 That they deem such practice incompatible with the true spirit of our Governmental  
 institutions, and that it involves an unjustifiable  
 They therefore earnestly re-  
 county, in the  
 of the public money.  
 option of the measure.

To the Senate and House of Representatives of the  
 United States of America.

Your memorialists, citizens of the U. States, in common with the great  
 body of our countrymen, being desirous that peace and prosperity may pre-  
 vail amongst the nations, states, and powers of the earth; and believing  
 that the only safe and sure foundation for the same must be in  
 that love of God and man which is revealed and imparted through  
 the BIBLE; do respectfully ask your honorable body, during the  
 present session, to make an appropriation of at least \$1,000,000 each, [for  
 such a sum as in your wisdom and liberality you may devise,] to be  
 paid into the treasuries of the American Bible Society, and the A-  
 merican & Foreign Bible Society; to be used, at the discretion of said  
 Societies, in disseminating the Bible, without note or comment, a-  
 mongst the destitute, where it will be favorably received, as a  
 means of promoting GENERAL PEACE & GOOD WILL.

And we earnestly pray that you may reduce the appropriations  
 for military and naval operations, at least \$1,000,000 each, [for as  
 much as, in your discretion, you may esteem safe and honorable for a  
 great and Christian nation] below the usual appropriations for these  
 latter objects, in former years;—and your petitioners, as in duty bound,  
 will ever invoke upon you the rich blessing of our common Protector,  
 and impartial compassionate Heavenly Father, the witness of this humble  
 request.

D. M. Child  
 Medeah Chapman  
 W. Kinnear  
 Chas. F. Brangan  
 Jas. A. Hunt  
 Joseph L. Pearce  
 James F. Pearson  
 W. J. Van Gordon  
 John Park  
 Robert Otis  
 Lawrence S. Humann

Benj. Cramage  
 Capt. Robbins  
 Sterling Hopkins  
 Benj. L. Hayes  
 John M. McCoy  
 Ebenezer Palmer  
 James Wilson  
 Chas. D. Griffin  
 A. S. Wagoner  
 S. V. Reid  
 Harney Prockett  
 A. Morby

concerning the recharter of the Second Bank of the United States were the two central fiscal issues of the period. As such, these issues thrust the Committee of Ways and Means to the forefront of partisan controversy. In terms of its everyday legislative functions, however, jurisdiction over appropriations and the budgetary process provided the most routine business.

## Appropriations and the Budget

The congressional appropriations process underwent significant refinement during the Jacksonian period. Some of the new procedures were instituted in response to the rapidly expanding federal bureaucracy. Other procedural changes reflected shifts in the traditional role played by the executive branch, the Senate, and the House of Representatives in the annual appropriations process. In spite of these developments, the Committee of Ways and Means maintained its power and influence over the federal pursestrings.

In 1800 the number of federal employees approached 3,000 (exclusive of military personnel). By 1860, the federal establishment had grown to approximately 50,000. Government expenditures correspondingly increased in dramatic fashion. Between 1830 and 1860 alone, annual federal expenditures more than quadrupled, from 15.1 million dollars to 63.1 million dollars. In the face of such rapid growth, many public officials were determined to maintain efficient operations and strict accountability for public expenditures. In 1839, Secretary of the Navy James K. Paulding wrote that the nation's expansion "produces a corresponding accession to the duties of every public servant. . . . [Rendering] the duties of every officer and every clerk more difficult, complicated and laborious."<sup>6</sup>

Prior to the 1830s, appropriations statutes were characterized by their brevity. The first appropriations bill enacted under the Constitution was only 12 lines long and authorized lump sum expenditures for government operations ("the civil list"), War Department expenses, the collection of debts owed the government, and the payment of veterans' pensions. The Jeffersonian Republicans were reluctant to grant discretionary powers to the executive branch and sought to adopt itemized appropriations for the legislature. As the bureaucracy grew, Congress abandoned a single omnibus appropriations measure in favor of individual bills for the support of the Army and the Navy, as well as for civil and diplomatic expenses. By the 1850s the bulk of congressional appropriations were covered in five or six general bills, which were supplemented by numerous specific authorizations reported by various House and Senate committees.<sup>7</sup>

The increasingly complex nature of the appropriations process altered the relationships between the executive and Congress and

PARTY RATIOS IN THE COMMITTEE AND THE HOUSE  
1829-1861

<u>CONGRESS</u>	<u>COMMITTEE</u>	<u>HOUSE</u>	<u>PRESIDENT</u>
Twenty-first (1829-1831)	5 J-2 AJ	136 J-72 AJ	Jackson (J)
Twenty-second (1831-1833)	6 J-1 AJ	126 J-66 AJ [21]	
Twenty-third (1833-1835)	7 J-2 AJ	143 J-63 AJ [34]	
Twenty-fourth (1835-1837)	6 D-3 W	143 D-75 W [24]	
Twenty-fifth (1837-1839)	7 D-2 W	128 D-100 W [14]	Van Buren (D)
Twenty-sixth (1839-1841)	5 D-4 W	125 D-109 W [8]	
Twenty-seventh (1841-1843)	6 W-3 D	142 W-98 D [2]	Harrison, W.H. (W) Tyler (W)
Twenty-eighth (1843-1845)	6 D-3 W	147 D-72 W [4]	
Twenty-ninth (1845-1847)	6 D-3 W	142 D-99 W [6]	Polk (D)
Thirtieth (1847-1849)	6 W-3 D	116 W-110 D [4]	
Thirty-first (1849-1851)	5 D-4 W	113 D-108 W [11]	Taylor (W) Fillmore (W)
Thirty-second (1851-1853)	6 D-3 W	127 D-85 W [21]	
Thirty-third (1853-1855)	7 D-2 W	157 D-71 W [6]	Pierce (D)
Thirty-fourth (1855-1857)	2 R-3 D-2 W- 2 AM	100 R-83 D [51]	
Thirty-fifth (1857-1859)	5 D-3 R-1 AM	132 D-90 R [15]	Buchanan (D)
Thirty-sixth (1859-1861)	5 R-3 D-1 AM	116 R-83 D [9]	

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D—Democrat                      J—Jacksonian Democrat  
R—Republican                    AP—American Party  
AM—Anti-Masonic                AJ—Anti-Jackson  
W—Whig

[Numbers in brackets refer to independents or members of third parties.]

between the House and Senate. Legislators came to rely more than ever upon the Cabinet to gather information and to contact subordinate officers for additional information related to the estimates and expenditures. In addition, the role of the Senate in the appropriations process changed in some important respects. During the 1790s and early 1800s, the Senate reported fewer authorizations for appropriations than the House, and did not exhibit a tendency to substantially alter House money bills. In 1816, the Senate Committee on Finance was established as a standing committee, but its jurisdiction over appropriations developed only gradually. By the mid-1830s, jurisdiction over spending rested with the Committee of Ways and Means in the House and the Finance Committee in the Senate. At this time, the Senate committee began to figure more prominently in the appropriations process by drafting a greater number of authorizations and by amending House bills for the benefit of individuals or groups whose requests had been overlooked or denied by the House.<sup>8</sup>

Congressional appropriations in the Jacksonian era did not emanate from one comprehensive executive budget, but rather from a group of estimates prepared by the various departments. The report of the Secretary of the Treasury was submitted to Congress in December of each year along with the President's annual message. In 1842, Congress required that all executive department heads submit annual reports to serve as supplements to the Treasury report.<sup>9</sup> Customarily, the Speaker of the House referred the Treasury report, which consisted of pertinent information on the public debt, receipts, and expenditures, to the Committee of Ways and Means. The committee, after examining the various executive estimates, would conduct the proper inquiries and draft the necessary appropriations bills.

It bears reemphasis that the Committee of Ways and Means was not the only House standing committee to participate in the appropriations process. Other committees were empowered to authorize certain outlays of money and prepared bills for this purpose, but only the Committee of Ways and Means could appropriate. For example, it was not unusual for the Committee on Military Affairs to report bills authorizing the annual expenditures for military fortifications. Other committees were permitted to make inquiries into the appropriation of funds. During the Twenty-third Congress (1833-1835), the House instructed the Committee on Public Lands "to inquire into the expediency of making a further appropriation to satisfy military land warrants," and ordered the Committee on Roads and Canals to consider the feasibility of spending money "to improve the navigation of the Wabash River."<sup>10</sup> The Committee on Commerce also reported on the feasibility of erecting navigational aids such as buoys and lighthouses. In many cases these specific authorizations were incorporated into Ways and Means appropriations bills that were approved later in the session.

From 1789 to 1842, Congress appropriated funds on a calendar-year basis. As the appropriations process became more complex, Congress encountered frequent delays in passing its spending bills on time, and in 1842 changed the beginning of the fiscal year to July 1. Although many expenditures were fixed and maintained with few changes over the years, the committee's responsibilities were quite time-consuming. In addition to its own bills, the committee reviewed item by item the authorizations reported by other committees. The Committee of Ways and Means was empowered to raise or lower the amounts of these bills, subject to the approval of the House. The committee was also entrusted with the responsibility for reviewing Senate-originated money bills or amendments to House appropriations bills. The Committee of Ways and Means also drafted supplementary appropriations (then called "deficiency" bills) to cover operating expenses if a department or agency ran out of funds before the end of the fiscal year on June 30.<sup>11</sup>

Although the Committee on Public Expenditures, originally created by the Jeffersonian Republicans, continued to be appointed, it remained inactive for the most part. The House also created committees on "accounts and public expenditures" for each of the executive departments. These committees were given considerable leeway to conduct inquiries into executive expenditures.<sup>12</sup> The oversight functions of these committees were gradually superseded, first by the Committee of Ways and Means, and later by other standing committees. In other instances the House appointed select committees to investigate the internal operations of various agencies, such as the Second Bank of the United States (1831), and the Post Office (1834-1835). In 1842, Congress launched a full-scale investigation into government operations and professional standards. With the general concern regarding economy, accountability, and the public trust, it was not surprising that the Committee of Ways and Means conducted routine investigations into government estimates and expenditures as part of its jurisdiction.

In general, the committee's members, regardless of party affiliation, proved reluctant to sanction excessive appropriations. Many of the committee's chairmen were extremely effective in this oversight role. Perhaps the best illustration was Millard Fillmore, the Whig chairman during the Twenty-seventh Congress (1841-1843). Although Fillmore has often been dismissed as an ineffective President, he was a thoroughly competent legislator who was extremely conscientious and demanding where public expenditures were concerned.<sup>13</sup>

The committee's review of expenditures at various times extended into all of the departments and agencies of the federal government. By the 1850s this included the Treasury Department and its field service (customs houses, assay offices, and the U.S. Mint), the Bureau of Indian Affairs (established in 1824), the Post Office, the

Navy and War Departments, the State Department, the Attorney General's office, the White House, and the Interior Department (established in 1849). The committee also reviewed expenditures for the territories, the House and the Senate support staffs, government contractors, internal improvements, and even the repair of federal buildings.<sup>14</sup>

The committee's role in the appropriations process revealed the breadth of its involvement in the various functions of the government. Through its appropriations role, for example, the committee was involved in financing the negotiations for the Smithson legacy that formed the basis for the establishment of the Smithsonian Institution. The power of the purse continued to provide the committee with the opportunity to influence foreign affairs. During the Jacksonian period, the House was occasionally reluctant to appropriate funds for minor diplomatic officers and foreign missions.<sup>15</sup> This broad influence over appropriations meant that the Committee of Ways and Means was the single most important standing committee in the Congress, especially in light of its related jurisdictions over the politically visible issues of the tariff and banking.

## The Nullification Crisis

The House Committee of Ways and Means played an important role in the two major political battles of Jackson's administrations: the attempt to revise the Tariff of 1828, and the contest over the recharter of the Second Bank of the United States. The committee clashed with the President on both issues, although it was chaired by Jacksonian Democrats and was composed of majorities of Jackson's party. The President was not able to have his policies implemented by the committee until he prevailed upon a compliant Speaker of the House, Andrew Stevenson, to appoint loyal Congressman James K. Polk of Tennessee as chairman.

The relationship between the executive and Congress entered a new phase with Jackson's Presidency. Previous Presidents, including Jefferson, Madison, and Adams, had at times influenced loyal Speakers of the House to name sympathetic chairmen. But Jackson, who was not bothered by any Jeffersonian considerations of legislative autonomy, was determined to have a chairman completely within his confidence. Jackson, in fact, considered himself the only elected representative of all the people. As such, he expected both his department heads and his congressional followers to heed his bidding.

Andrew Jackson entered office with similarly strong convictions about the purposes of government. He believed that the federal government should benefit the ordinary people, not just the privileged elites. His supporters likewise soon referred to themselves simply as

*A determined opponent of Jackson's initiatives for a high protective tariff, George McDuffie of South Carolina threw his influence as chairman of Ways and Means behind his state in the Nullification Crisis. This event was precipitated when South Carolina attempted to nullify duties on wool, cotton, hemp, and other goods imposed by the Tariffs of 1828 and 1832. A three-term chairman, McDuffie earned fame with his "forty-bale" theory. It held that under the tariff, 40 out of every 100 bales of Southern cotton went to the enrichment of Northerners. Speaker Andrew Stevenson, Jackson's ally, replaced McDuffie as chairman with Gulian Verplanck.*



"Democrats." Although Jackson favored a reduction in government functions to stimulate economic opportunity, he nonetheless supported the preservation of the Union through a vigorous Presidency. This put him at odds with many Democrats in Congress, particularly those who opposed his stances during the Nullification Crisis and the Bank War in the 1830s.

The Nullification Crisis of 1832-1833 stemmed directly from the controversy engendered by the Tariff of 1828, which levied the highest protective duties up to that time. Although the division in Congress over the tariff was not purely sectional, protectionist sentiment was concentrated among the Northern and Western members, with the majority of Southerners opposing what they perceived as a discriminatory tax to hinder the European export market for cotton. The tariff issue also raised the question of whether the Constitution sanctioned the imposition of taxes for purposes other than simply raising revenue.<sup>18</sup>

During Jackson's first administration, jurisdiction over the tariff was shared between the Committee on Manufactures and the Committee of Ways and Means because of the heated debate over whether the purpose of the tariff was only to supply revenue or to provide protection to American manufactures. The former committee had drafted most of the tariff bills in the 1820s, when the principal aim of such



*This illustration's motto, "The Union Must and Shall Be Preserved," stemmed from words spoken by President Jackson at a Jefferson Day banquet on April 30, 1830. Backers of the nullification theory gave 24 toasts flavored with states' rights sentiment and thoughts of secession. Jackson stood up, raised his glass, and said, "Our Union—it must be preserved." His simple reply rallied public opinion to his position and strengthened the Union.*

statutes was the protection of American industries. By the 1830s, however, the Committee of Ways and Means had a powerful justification for reasserting its claim to exclusive jurisdiction. Import duties, along with the proceeds of public land sales, provided the federal government's principal source of income. Land sales boomed in the mid-1830s, with annual proceeds of 15 million dollars in 1835 and 25 million dollars in 1836.<sup>17</sup> The income from land sales, together with import duties, created a surplus of revenues over expenditures. Congressmen who favored tariff reduction could thus argue both that rates could be reduced without harm to the government's finances, and that the surplus could be distributed to the states.

The rationale for protectionism was best articulated in Senator Henry Clay's American System, a series of interrelated economic policies. Clay argued that high tariff schedules would both stimulate domestic manufactures and create a home market for the agricultural goods of the South and the West. The National Bank would be maintained to facilitate credit and exchange, while the federal surplus would be utilized to finance internal improvements to benefit the economy. While the advantages of Clay's system were obvious to the manufacturing interests centered in New England and the Middle Atlantic states, they were less obvious in the West, and they were bitterly opposed in the South and by the shipping interests of both the South and New England.

Southern agrarians argued that high tariffs would inevitably raise domestic price levels, as well as the cost of imported goods. Even if domestic manufacturers became able to produce goods more efficiently, they would not be likely to lower prices that benefited from protective tariffs. Southerners likewise feared that tariff barriers would

adversely affect their export of cotton to overseas markets, particularly Great Britain. A policy of free trade, on the other hand, would benefit the South by lowering duties on both sides of the Atlantic. The tariff issue came to symbolize the basic economic differences between the agrarian slave labor system of the South and the Northern free labor system.<sup>18</sup>

The constitutionality of a protective tariff was also disputed in the early 1830s. Essentially, the constitutional issue centered on the dispute over enumerated versus implied powers. The proponents of protectionism argued that Article 1, Section 8, which gave Congress the power to regulate commerce, implied the power to encourage manufacturers through high tariffs. Their opponents argued that the Constitution nowhere specified the right to levy protective rates, but did clearly state that tariffs were to be enacted for revenue only. The constitutional argument over protectionism reached its peak during the Nullification Crisis.

Many of the events in the crisis took place in South Carolina and in the White House, far removed from the purview of the Committee of Ways and Means. In the aftermath of the Tariff of 1828, South Carolina Senator John C. Calhoun had devised a theory of nullification. According to Calhoun, the Constitution was an agreement between the peoples of the individual states. The states had the right, he argued, to nullify the enforcement of federal laws within their boundaries. South Carolina waited four years for Jackson's administration, in which Calhoun was Vice President, to revise the hated tariff. By 1832 Calhoun had fallen into disfavor with Jackson, and the Vice President had become an open advocate of nullification. A specially elected convention in South Carolina nullified the Tariffs of 1828 and 1832, forcing Jackson to take two actions. The President asked Congress to reduce the tariff, which it did in 1833, and at the same time he requested the authority to use the military to enforce the collection of duties in South Carolina. These actions ultimately defused the situation, but they also contributed to an incident that some historians have characterized as a rehearsal for the Civil War.

The Committee of Ways and Means was involved in the nullification controversy both in the person of its chairman, George McDuffie of South Carolina, and in its role in the tariffs of 1832 and 1833. McDuffie, who chaired the committee from 1827 to 1832, had opposed the tariff of abominations in 1828. The chairman's report condemning protectionism was considered by Calhoun to be "the best thing he has written or said on the subject."<sup>19</sup> In his speeches during the Twenty-first Congress (1829-1831), McDuffie propounded what became known as his "Forty Bale Theory." A tariff of 40 percent on imported manufactures, he suggested, amounted to taking forty of every one hundred bales of cotton for the enrichment of Northern manufacturers. McDuffie argued that protective tariffs were a

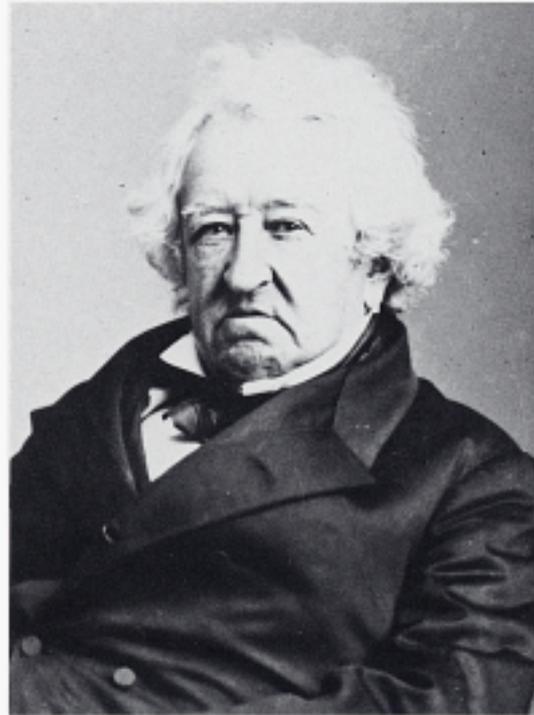
perversion of the Constitution that benefited one section of the nation at the expense of another. The purpose of the tariff was to make the South a slave to the North. The chairman recommended that the existing rates on wool, cotton, and hemp, among other items, be reduced. Although tariff reduction was a topic of much discussion, no action was taken during the Twenty-first Congress. Part of the explanation for congressional inaction was the continuing jurisdictional dispute between the Committee of Ways and Means and the Committee on Manufactures.<sup>20</sup>

Jackson's first annual message to Congress in 1829 formed the catalyst for the committee's attempt to regain jurisdiction over tariffs. The President argued that the effects of the Tariff of 1828 were not as harmful as many thought. He generally favored protective tariffs that would enable domestic producers to compete on equal terms with foreign imports. Several days later, the Speaker of the House, Andrew Stevenson of Virginia, appointed a protectionist majority to the Committee on Manufactures and a free trade majority to the Committee of Ways and Means. Subsequently, the portion of the President's annual message dealing with the tariff was referred to the Committee on Manufactures. This committee, as expected, reported a bill in January 1830 without any change in the existing schedules, prompting the Committee of Ways and Means in early February to report a rival bill reducing duties to the level of the rates of 1816. The House, however, indicated that McDuffie's committee lacked jurisdiction over tariffs by rejecting the bill upon its first reading, 107 to 79.<sup>21</sup>

The outlook for tariff revision was brighter for the Twenty-second Congress (1831-1833). Not only were the opponents of protectionism more vocal, but the accumulation of a large surplus in the federal treasury necessitated either a reduction in tariff revenues or some form of distribution to return surplus funds to circulation. The Speaker also improved the odds for change by appointing a Committee on Manufactures with a membership equally divided between protectionists and free traders. The committee was chaired by John Quincy Adams, who had been elected to Congress the previous autumn. Stevenson once more appointed a free trade Committee of Ways and Means under the leadership of McDuffie. Tariff reduction, as Jackson suggested, was to be a major consideration, but "the interests of the merchant as well as the manufacturer requires that material reductions in the import duties be prospective." The House subsequently took the unusual step of referring the President's message on tariffs to both committees. The section that related to "relieving the people from unnecessary taxation" was referred to the Committee of Ways and Means, while the subject of "manufactures and a modification of the tariff" was referred to Adams' committee.<sup>22</sup>

McDuffie's committee beat Manufactures to the punch by submitting a lengthy report on February 8, 1832. The report concluded that

*The chairman of Ways and Means from 1831 to 1833, Gulian Verplanck of New York replaced George McDuffie, the committee's antitariff leader. Ironically, Verplanck drew Jackson's ire when he would not follow the President's opposition to the rechartering of the Second Bank of the United States. Verplanck wrote the Ways and Means majority report that declared the Bank sound and stable, findings contrary to those Jackson wanted. Verplanck's defiance cost him favor with the administration, and his career at the federal level ended in 1833.*



protective tariffs "ought to be abandoned with all convenient and practicable despatch, upon every principle of justice, patriotism, and sound policy." The Committee of Ways and Means' report was accompanied by a bill lowering rates over a three-year period. Two members of the committee authored a dissenting minority report, which argued that "the protecting system is interwoven with the best interests of the country."<sup>23</sup>

Congress chose to ignore McDuffie's report and bill in favor of a bill submitted from the Committee on Manufactures. Adams maintained that his committee's bill was based upon Secretary of the Treasury Louis McLane's recommendations. The Adams bill formed the basis for the Tariff of 1832 signed by President Jackson on July 14, 1832. It was the final tariff legislation to be reported by the Committee on Manufactures. Although the act reduced rates to the level of those in effect before the tariff of abominations, it was still seen as a protectionist measure. The South Carolina congressional delegation reported to their constituents that "all hope of relief from Congress is irrevocably gone."<sup>24</sup>

The Nullification Crisis ensued as a convention in South Carolina met to nullify the tariffs of 1828 and 1832. Chairman McDuffie attended the convention to lend his support. President Jackson responded by seeking to take the credit for tariff reduction as well as discrediting nullification as treasonous. In order to accomplish tariff reduction, the President turned to the Committee of Ways and Means, still strongly disposed toward free trade. McDuffie had not returned

CHAIRMEN OF THE COMMITTEE OF WAYS AND MEANS  
1829-1861

George McDuffie (D-SC) <sup>1</sup>	Twenty-first-Twenty-second Congresses, 1829-1832
Gulian C. Verplanck (D-NY)	Twenty-second Congress, 1832-1833
James K. Polk (D-TN)	Twenty-third Congress, 1833-1835
Churchill C. Cambreleng (D-NY)	Twenty-fourth-Twenty-fifth Congresses, 1835-1839
John W. Jones (D-VA)	Twenty-sixth Congress, 1839-1841
Millard Fillmore (W-NY)	Twenty-seventh Congress, 1841-1843
James I. McKay (D-NC)	Twenty-eighth-Twenty-ninth Congresses, 1843-1847
Samuel F. Vinton (W-OH)	Thirtieth Congress, 1847-1849
Thomas H. Bayly (D-VA)	Thirty-first Congress, 1849-1851
George S. Houston (D-AL)	Thirty-second-Thirty-third Congresses, 1851-1855
Lewis D. Campbell (R-OH)	Thirty-fourth Congress, 1855-1857
J. Glancy Jones (D-PA) <sup>2</sup>	Thirty-fifth Congress, 1857-1858
John S. Phelps (D-MO)	Thirty-fifth Congress, 1858-1859
John Sherman (R-OH)	Thirty-sixth Congress, 1859-1861

<sup>1</sup> McDuffie also chaired the committee during the Twentieth Congress (1827-1829).

<sup>2</sup> Jones resigned from Congress on October 30, 1858. He was an unsuccessful candidate for reelection to the Thirty-sixth Congress.

from South Carolina in time for the opening of the second session of the Twenty-second Congress. In his absence, Speaker Stevenson named Gulian Verplanck (D-NY) to chair the committee. McDuffie's absence also permitted Stevenson to transfer James K. Polk (D-TN) from the Committee on Foreign Affairs. Polk was a loyal confidant of the President, and Jackson counted on both his Tennessee ally and Verplanck to accomplish a reduction in the tariff.<sup>25</sup>

Verplanck, Polk, and the committee worked in close consultation with Secretary of the Treasury McLane to draft a new tariff bill. Verplanck, a representative of commercial New York, was opposed to protective tariffs not only because they erected trade barriers, but also because they were most harmful to farmers, artisans, and laborers. He

admitted, on the other hand, that the Constitution granted Congress the authority to levy protective tariffs. The committee prepared a bill and a detailed accompanying analysis of revenues expected from the tariff. Verplanck began debate on the bill in early January 1833 with a brief statement on the necessity for tariff reduction. The chairman clearly indicated that this tariff was an act of conciliation. "The committee," he concluded, "have desired and endeavored to conduct the deliberations of their committee room in the spirit of justice, conciliation, and of peace; and it is in this spirit that they now invite this body to the examination of the bill before them." Opposition from protectionists delayed consideration of the committee's bill. Some congressmen suggested that tariff reduction amounted to surrender to blackmail by South Carolina. Rufus Choate of Massachusetts, for example, sarcastically observed, "South Carolina has nullified your tariffs; and therefore you repeal them."<sup>26</sup>

As consideration of the bill bogged down in the House, the Senate continued to consider a bill popularly known as the Force Bill to authorize President Jackson to use the military to collect import duties in South Carolina. Senator Henry Clay then seized the initiative in tariff reform by proposing on February 12 a reduction in rates to the same levels as those proposed by Verplanck, but over a ten-year period rather than the two years of the House bill. The senator's fellow Kentuckian and spokesman in the House, Robert P. Letcher, then moved to substitute Clay's proposal for the bill the House had been fruitlessly considering. Verplanck and Polk capitulated, and in this fashion the substitute bill became the Compromise Tariff of 1833. Along with the subsequent passage of the Force Bill, the Compromise Tariff helped to defuse the Nullification Crisis, although South Carolina took the symbolic step of nullifying the Force Bill.<sup>27</sup>

The Compromise Tariff of 1833 quieted the tariff issue for nearly a decade. The economy prospered for four years before the Panic of 1837 ushered in several years of depression. The economic disaster of the late 1830s owed less to the effects of the tariff than it did to another of the accomplishments of Jackson's Presidency—the destruction of the Second Bank of the United States.<sup>28</sup>

## The Bank War

Andrew Jackson bore a personal enmity against all banks as a result of his previous financial speculations. As President, his opposition to banking focused upon the Second Bank of the United States, a private corporation chartered by the federal government, which owned one-fifth of the Bank's stock. Based in Philadelphia with branch banks in 29 cities, the Bank operated as a central banking system. Its credit financed farms, businesses, and internal improvements, and its

notes provided a stable currency. Moreover, the Bank restrained the inflationary tendencies of many local banks. Opposition to the Bank came from several sources. New York's Wall Street financiers resented the control of the Bank by those on Philadelphia's State Street. State banks and the friends of "soft money"—paper money not backed by gold or silver deposits—objected to the restraint the Bank placed upon the issuance of inflated bank notes. Some "hard money" advocates, including Jackson, argued just the opposite. The only real measure of value, they believed, was specie—gold or silver coin.

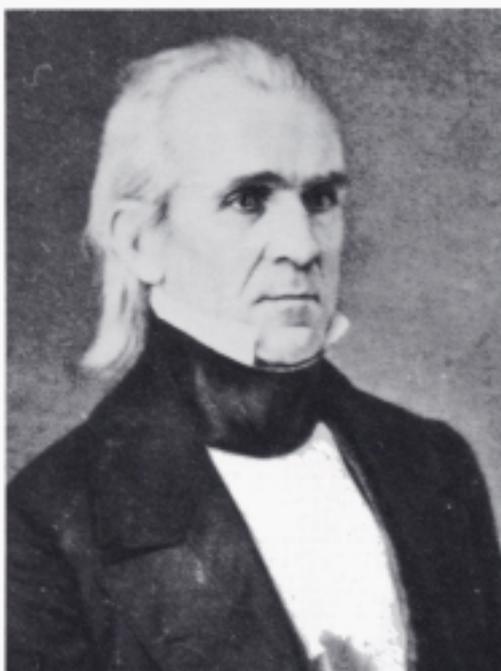
The Bank's 1816 charter was due to expire in 1836 unless renewed. Jackson let it be known that he did not favor the Bank's recharter. As the controversy continued, it took on the character of a personal vendetta. The President considered the Bank a "monster" that he had to destroy. Both Democratic chairmen of the Committee of Ways and Means, McDuffie and Verplanck, on the other hand, favored the recharter. Jackson did not find a legislative leader amenable to the destruction of the Bank until Polk became chairman in 1833.

George McDuffie, although an opponent of protective tariffs, nevertheless supported the National Bank. President Jackson's first annual message to Congress in December 1829 set the stage for the Bank War by announcing that he questioned both the usefulness and the expediency of the Bank. The House referred the issue to the Committee of Ways and Means, which, under McDuffie's leadership, issued an unqualified endorsement of the Bank on April 13, 1830. McDuffie's report argued that the Bank was constitutional and absolutely necessary to the nation's economic well-being. The committee maintained that the Constitution obligated Congress to create a national bank to establish and regulate a uniform currency and to assist the federal government's powers to collect and disburse public revenues, to borrow money, and to pay the public debt. The committee denied the President's allegation that the nation's financial structure had suffered. The Bank, under the leadership of Nicholas Biddle, had created a stable currency, McDuffie asserted. The report concluded that if the Bank were not rechartered, public finance would be destabilized. Former Secretary of the Treasury Albert Gallatin was greatly impressed by the report, which, he wrote to Verplanck, "[was] the ablest paper that has issued from any committee of either House."<sup>29</sup>

Biddle decided to petition Congress for a recharter of the Bank in 1832. Henry Clay and other opponents of Jackson had urged this step to create an issue for the election year. Biddle's petition was presented by McDuffie on January 9, 1832, and it was referred by the House to the Committee of Ways and Means. One month later the committee reported in favor of the recharter. A similar report emanated from the Senate Committee on Finance. Anti-Bank forces directed by Jackson and led in the Senate by Thomas Hart Benton (D-MO) and in the House by Augustine S. Clayton (D-GA) maneuvered to defeat

*Columns of Mother Bank come tumbling down in a cartoon depicting Jackson's goal of destroying the Second Bank of the United States. Jackson considered the government-sponsored bank monopolistic and a "hydra of corruption." Voters suspicious of banks overwhelmingly supported Jackson in his Bank War between 1832 and 1836. His adversaries, on the other hand, found his dictatorial actions cause for pondering an opposition party. From this notion would emerge the Whig Party. With its charter renewal vetoed by Jackson, the Second Bank of the United States continued to function, but not as a federally incorporated institution.*





*James K. Polk of Tennessee acquired his nickname, "Young Hickory," after demonstrating fierce loyalty to Jackson, "Old Hickory." The President maneuvered Polk onto the Ways and Means Committee in 1832 to help sway the panel from its pro-Bank stance. Polk became chairman in 1833. Using his position to advocate the sale of Bank stock and the removal of federal deposits, he helped Jackson defeat the Second Bank of the United States. Polk also spearheaded several attempts at currency reform. In 1845, he became the nation's 11th President. Not yet 50 years old, Polk took the oath of office at an earlier age than any of his predecessors.*

Ways and Means. Verplanck authored a majority report which found the Bank strong and solvent. The chairman's report concluded: ". . . there can be no doubt of the entire soundness of the whole bank capital. . . . Resolved, That the Government deposits may, in the opinion of the House, be safely continued in the Bank of the United States."<sup>31</sup>

The committee also submitted a minority report by James K. Polk. The young Tennessee Democrat served as Jackson's eyes and ears on the committee. Some of the President's staunchest supporters felt that Polk, not Verplanck, should have been named chairman. Jackson evidently had not foreseen Verplanck's stand on the Bank. In a confidential letter to Polk, the President urged him to cooperate with the Secretary of the Treasury in calling for an investigation of the Bank, "this hydra of corruption." The letter ended with an abrupt order, "Attend to this." Although Polk attempted to steer the committee's investigation in the direction Jackson desired, a majority of the members sided with the chairman. Polk then submitted his minority report containing a scathing attack upon Biddle and the Bank. Moreover, Polk maintained that the President was justified in taking whatever steps he deemed necessary without congressional authorization. On the last day of the session, the House voted to accept the majority report in spite of Polk's arguments. Jackson and Polk were vindicated at the polls, where the pro-Bank forces were dealt a crushing defeat. Clay lost his bid to unseat the President, and several pro-Bank Democrats, including Verplanck, were defeated for reelection.<sup>32</sup>

Jackson's opponents controlled the Senate, making it even more

necessary for the President to have a cooperative chairman of the Committee of Ways and Means. Speaker Stevenson appointed Polk to chair the committee for the Twenty-third Congress (1833-1835) in order to direct the administration's fiscal program through the House. The committee was composed of five other loyal Democrats, including Churchill C. Cambreleng of New York, Isaac McKim of Maryland, and John McKinley of Alabama. Only three pro-Bank congressmen were named, but they were also capable men, led by Horace Binney, a close confidant of Nicholas Biddle.<sup>33</sup>

Jackson's anti-Bank strategy, decided before the outset of the new Congress, was to order his Secretary of the Treasury, former chairman of the Committee of Ways and Means Louis McLane, to cease making deposits of federal revenue in the National Bank. Although the policy was termed "removal," no funds would be withdrawn. If implemented, government deposits would cease, and funds currently on deposit would be exhausted through normal governmental expenditures. McLane refused to carry out the order. Jackson then appointed William Duane, who also declined to execute the policy. Jackson subsequently found an obedient servant in Roger B. Taney. According to the Bank's 1816 charter, the Secretary of the Treasury was required to immediately inform Congress of any alteration in government deposits. The administration planned to have Taney's report referred to Polk's committee, which would promptly recommend congressional approval.<sup>34</sup>

By the Twenty-third Congress, opposition to the Jackson Administration was crystallizing into a group whose members identified themselves as Whigs. The term, first coined in 1833 in response to the President's dismissal of Secretaries McLane and Duane, harked back to the 18th-century English Whigs who had defied executive usurpation of legislative authority. In this Congress, the Whigs were a loose but effective coalition of antiadministration men, who endeavored to thwart "King Andrew" and his fiscal initiatives. Their first success occurred in 1834 when Secretary Taney's report on removal was submitted to Congress. The administration's plan for the government deposits backfired when Jackson's opponents outmaneuvered Chairman Polk. The normal procedure in the House was for the Committee of the Whole to refer the various parts of the President's annual message, as well as the reports of the departments, to the appropriate committees. McDuffie requested that the Treasury Secretary's report be considered by the Committee of the Whole. Polk, according to his biographer, suspected nothing, but McDuffie and the pro-Bank faction took advantage of the unlimited debate in the Committee of the Whole to delay referral of the report to Polk's committee for a period of two months.<sup>35</sup>

The Committee of Ways and Means had spent that two-month period working on a report in favor of removal, based upon the flood

of petitions that they had received. Taney declined Polk's request to write the committee report, but the chairman and the Secretary of the Treasury communicated regularly on the topic. Only two weeks after the report was officially referred to the committee, Polk was able to present a 141-page committee report in favor of removal, to which Binney appended a 34-page minority report. Polk's majority report argued that the Bank under Biddle's leadership was an irresponsible institution that had deliberately tried to exert economic and political pressure to force recharter. Moreover, the chairman maintained that the removal and distribution of deposits would strengthen the currency system by forcing smaller notes from circulation. The majority's report recommended that Congress pass resolutions paving the way for the enactment of legislation to authorize removal. "The main object of legislation should be to enlarge the basis of specie, on which the circulation of State Banks is to depend for support," the report concluded.<sup>36</sup> The real purpose, in other words, was to return to a hard money policy.

Polk's report and its four accompanying resolutions were debated for a month before the House accepted all four on April 4, 1834. The first resolution against the recharter of the Bank passed by a 52-vote margin. The second, against restoring the deposits, passed by a narrower margin, as did the third resolution supporting continued deposits in state banks. The fourth resolution authorized the appointment of an investigating committee to examine Biddle's administration of the Bank.<sup>37</sup>

After the success of Polk's resolutions on removal of the federal deposits, the Committee of Ways and Means turned its attention to creating a new system of currency regulation. The committee, as well as the entire Jackson Administration, were influenced by the theories of William M. Gouge, a prominent Philadelphia editor and economist, who opposed the concept of banks and paper money. In a book published in 1833 entitled *A Short History of Money and Banking in the United States*, he argued that farmers and workingmen were victimized by the overextension of credit by the banks. Gouge also maintained that the only sound currency was gold or silver. He suggested that the government should require all revenues to be paid in specie, and that all public funds should be held in the government's own Independent Treasury, so-named because it would be entirely removed from the private banking system.<sup>38</sup>

Polk asked Secretary of the Treasury Taney to submit his recommendations on the impact of the deposit system upon the currency. Taney suggested that the selection of state banks for deposit of federal funds should be left to the discretion of the Secretary of the Treasury. This was essentially the Jacksonian "pet bank" policy. Taney also suggested that he be free to remove deposits from any bank provided only that he notify Congress of his reasons. But the heart of the

*The Panic of 1837, the subject of this cartoon, unleashed widespread unemployment and bankruptcies, and caused riots in the cities. Jackson's trademark hat sits atop Glory, a satirical slap at the President's economic leadership. Jackson helped touch off the panic when he required payments for public lands to be made in gold or silver coin instead of paper money. State banks, short on specie, could not meet demand. Banks failed; panic and depression followed. Martin Van Buren, Jackson's successor, believed that the separation of federal transactions from banks would help ease the crisis. He asked Ways and Means to draft legislation for an Independent Treasury system. The bill floundered in Congress, and the worst depression in the young nation's history continued for five years.*



report concerned currency reform. The Secretary of the Treasury proposed that state banks be prohibited from issuing or receiving paper notes under five dollars, eventually to be extended to notes under 20 dollars. In this way, specie would take the place of paper in most everyday transactions. Polk's committee reported a bill along the lines of Taney's report. The chairman argued that "The general scope and tenor [of the bill] is, to make the public money, wherever deposited, equal to specie," and to "gradually introduce in their stead a metallic circulation."<sup>39</sup> During the debate on the bill, one member recommended that the government adopt Gouge's Independent Treasury scheme and abandon the notion of pet banks. Polk and most other Jacksonians were not prepared to take that step. Polk's bill was passed by the House, but it was rejected by the Senate, which was controlled by the antiadministration faction. The Senate also passed a resolution in 1834 censuring the President for removing the deposits and other actions "not conferred by the Constitution and the laws." The resolution was expunged from the Senate record in 1837 after the Democrats gained control of the Senate.

The Committee of Ways and Means made one more unsuccessful effort at currency reform under Chairman Polk's direction in the second session of the Twenty-third Congress (December 1834–March

1835). The deposit bill reported by the committee once more encountered opposition from the Whigs, who used the Independent Treasury as an effective counter argument. Polk was placed in the uncomfortable position of defending state banks for political reasons. The Democrats were further embarrassed because the states had begun granting scores of new bank charters, and the state deposit banks were using federal funds to back an inflationary expansion of credit. The Senate adopted a deposit bill with far more restrictions than the House bill. Polk's committee drafted amendments to bring the Senate bill closer in substance to the House version, but the differences between the two were too great to compromise in the few days that were remaining in the session. A conference committee was not called, and the Twenty-third Congress adjourned without having passed a deposit bill.

Congress finally passed a Deposit Act on June 23, 1836. The Committee of Ways and Means, now chaired by Democrat Churchill C. Cambreleng of New York, reported a bill in March of that year to regulate the federal deposits. Cambreleng had become chairman in the Twenty-fourth Congress (1835-1837) when Polk was elected to the speakership. The new chairman was a representative of the commercial interests of New York City and a colleague of Vice President Martin Van Buren, who described his friend as "honest as the steel-yard and as direct in the pursuit of his purpose as a shot from a [cannon]." <sup>40</sup> Cambreleng had risen from a humble North Carolina background to become the confidential agent of New York financier John Jacob Astor. Although Cambreleng had been supportive of the Bank before the 1830s, he helped lead the Jacksonian opposition to the Bank in the House. Cambreleng's bill "regulating the deposits of public money" specified that the Secretary of the Treasury designate at least one bank in each state and territory as a repository of public deposits. The bill further stipulated that all federal funds would be credited as specie and that no bank selected to receive those funds would issue bank notes in denominations less than five dollars. The Deposit Act further provided for distribution of the federal surplus in excess of five million dollars to the states as an interest- and security-free loan in proportion to their congressional representation. <sup>41</sup>

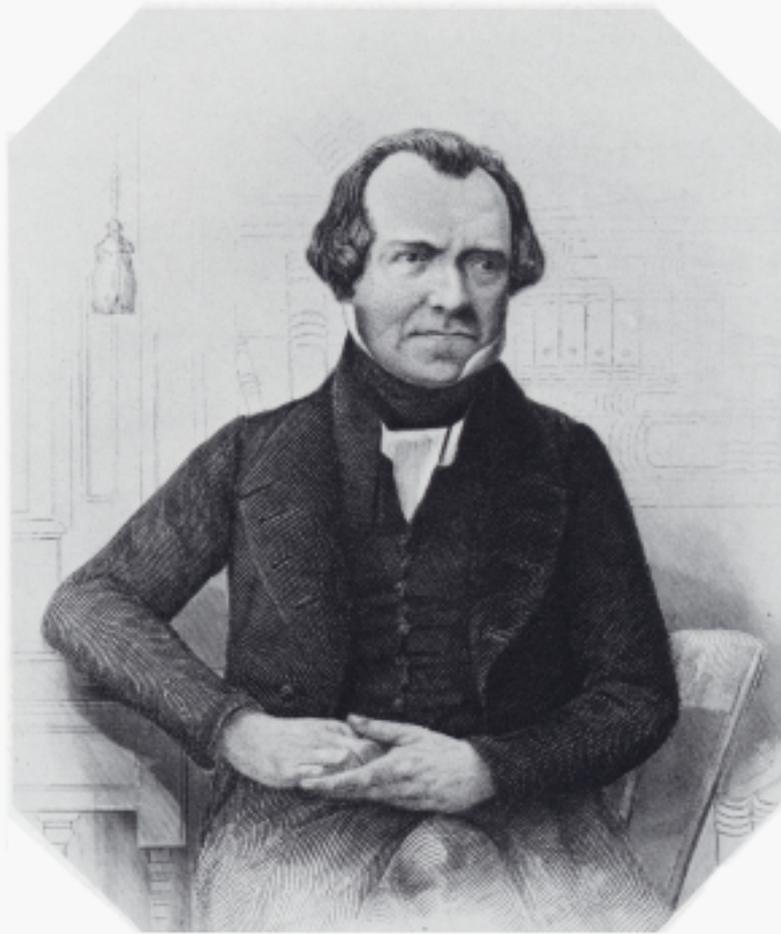
Some 37 million dollars was due to be distributed to the states in four quarterly payments under the terms of the 1836 law, but only about 28 million dollars was ever transferred due to the economic impact of the Panic and Depression of 1837. Shortly after Martin Van Buren succeeded Jackson in the White House, several New York banks stopped redeeming bank notes in specie, partly in consequence to Jackson's famous "Specie Circular" of 1836 that had announced that only gold or silver would be accepted for public land sales. Hundreds of banks were forced to close their doors, unemployment rose, and bread riots occurred in some of the larger cities as the effects of

the depression lasted for several years. Economic historians have debated the role of Jackson's war on the National Bank and his removal and distribution policies upon the economic distress of the late 1830s.<sup>42</sup> Many of the underlying causes were beyond the President's control, such as fluctuations in the world market and the rapid expansion and speculation in western land. Jacksonian fiscal policy, however, aggravated the overextension of credit and speculation that contributed to the severity of the depression. The Committee of Ways and Means under the leadership of Polk and Cambreleng had contributed greatly to the legislative implementation of those policies. The President had finally prevailed upon Congress to get what he wanted—the Bank destroyed as a national institution, and the deposits removed and distributed to the states. Unfortunately, he also bequeathed to his successor something that neither man wanted—a depression.

### The Independent Treasury

The tariff and the Independent Treasury continued to be the major policy issues confronting the Committee of Ways and Means in the aftermath of the Depression of 1837. President Van Buren and the cooperative chairmen of the committee, Cambreleng (1835–1839) and John Winston Jones (1839–1841), succeeded in establishing the Independent Treasury, but the electorate rejected the Democratic Party in the elections of 1840 in favor of the Whig Party, which had developed from a loose coalition of anti-Jackson men into a national party in opposition to Democratic policies. But Virginian John Tyler, who became President upon the death of William Henry Harrison in 1841, abandoned the Whig's fiscal and economic policies for recovery. The capable Whig chairman of the Committee of Ways and Means, Millard Fillmore (1841–1843), was compelled to create tariff and banking measures in the face of presidential opposition. With the election of James K. Polk in 1844, an atmosphere of cooperation returned to the relationship between the executive and the committee. Polk and his brilliant Secretary of the Treasury, Robert Walker, found a chairman in James Iver McKay (1843–1847) who was willing and able to support administration policies.

President Martin Van Buren convened the Twenty-fifth Congress (1837–1839) in special session on September 4 to deal with the nation's economic ills. Van Buren's first annual message to Congress outlined his policy to divorce the federal government's finances from the banking system. The Treasury, the President argued, could safely collect and disburse funds without recourse to any bank. Van Buren was fortunate to have key congressional support for his plans. Speaker of the House Polk maintained party discipline and order on the floor.



*A stalwart spokesman for two administrations, Churchill Cambreleng of New York entered Congress in 1831 and served for 18 years. He defended Jackson's policies against the Second Bank of the United States and allied himself closely with Martin Van Buren's legislative platform. He served twice at the helm of Ways and Means and endured considerable frustration trying to move Van Buren's Independent Treasury program through a reluctant Congress.*

The leader in the Senate was the chairman of the Committee on Finance, Silas Wright of New York, who was a devoted follower of Van Buren. Cambreleng, who remained the chairman of the Committee of Ways and Means, was an equally dependable presidential ally.

The Senate committee seized the initiative in the special session, in part because of Wright's closer involvement in the President's creation of policy, but also in part because the Senate was the first to organize its committees for the session. The Democrats only controlled the House by 16 votes out of 239. Polk nonetheless gave the administration a two-to-one majority on the key committees, including the Committee of Ways and Means. Two of the key measures reported by the Senate were easily adopted. Both Houses agreed to suspend the final payment of the surplus and to issue ten million dollars of interest-bearing Treasury notes. Cambreleng had argued against the Treasury notes as a deviation from the party's hard money principles, but Van Buren and Wright had prevailed.<sup>43</sup>

The key element in Van Buren's policy failed in the House. In spite of Cambreleng's best efforts, consideration of the bill to divorce

the federal government's finances from the banking system was postponed by a margin of less than 20 votes. Cambreleng had tried to move the bill quietly through the House, but Francis Pickens of South Carolina created confusion with a speech linking the bill with the abolition of slavery. According to Pickens, an Independent Treasury that performed banking functions epitomized the capitalist system that threatened the existence of slavery. Cambreleng countered this interjection of sectionalism with a radical economic argument against all banks. Neither Van Buren nor Wright had linked the bill with such radical overtones.<sup>44</sup> Cambreleng's speech created even greater confusion among Democrats, with the result that consideration of the bill was postponed to the next session.

Sectional issues complicated the divorce bill in the following session in 1837-1838. Both Wright and Cambreleng introduced bills from their respective committees. The House bill differed in that the Committee of Ways and Means inserted a specie clause—i.e., that all payments to the Independent Treasury were to be in gold or silver. Although this clause was designed to win conservative Democratic support, the bill was defeated by less than 20 votes on June 25, 1838. In the absence of any legislation, Secretary of the Treasury Levi Woodbury had been operating the department in effect as an Independent Treasury. Yet there were no guidelines to follow, which created considerable embarrassment for the party and for the administration when it was revealed in 1838 that the former collector of the New York Customs House had embezzled and absconded with 1.25 million dollars.<sup>45</sup>

The Twenty-sixth Congress (1839-1841) brought a change to the leadership of the House. Polk had left Congress to run for governor of Tennessee and Cambreleng had been defeated for reelection. Van Buren's choice for Speaker, John Winston Jones of Virginia, lost the election because of a delay in seating the New Jersey delegation, several of whose members' elections were contested. Without the New Jersey members, the House numbered 119 Democrats and 118 Whigs. A small group of Democrats, dissatisfied with the Van Buren Administration, broke ranks with the party and joined the Whigs to elect Robert M. T. Hunter, another Virginian, as Speaker. Although Hunter gave the Whigs control of most committees, he appointed Jones to chair the Committee of Ways and Means with a narrow 5-4 Democratic margin. The House debated the five contested New Jersey seats for three months before Jones was able to report the Independent Treasury plan, now renamed the Subtreasury bill, on May 20, 1840. The bill was adopted by an almost straight party vote of 124 to 107. Van Buren ceremoniously signed it into law on July the Fourth.<sup>46</sup>

Although the Senate Committee on Finance had played the more important role in drafting and initiating major policy legislation during Van Buren's Presidency, the Committee of Ways and Means

Although Fletcher disavowed any responsibility for the publication of the speech, he could not escape responsibility for his remarks. Democratic members of the committee leapt to the defense of their chairman and their committee. Jones in particular countered the allegations in the best traditions of Virginia gentility. "In the discharge of our duties," he said, "it was our practice to bestow upon the very impor-

The chairman of the committee steps up to the White House, and there receives from the President or the Secretary of the Treasury such bills as they wish to have passed by the House. The chairman puts the bills into his pocket; takes them to the committee, without any examination; the majority of the committee approve them; the minority can do nothing; the bills are presented to the House, and received as the doings of the committee.

had also cooperated closely with the administration. According to one Whig member of the committee in 1837, the committee cooperated too closely. Richard Fletcher, a first-term member from Boston, alleged that Cambreleng simply parroted the Democratic administration's proposals. In a speech later reprinted in Boston newspapers, Fletcher stated that "every important bill passed by the House, came to the House, ready drawn, from the Executive." Fletcher maintained:



*"Humbug" cartoon in 1837 lampoons the array of fractional currency issued by "pet banks," those state institutions favored to receive government deposits following the breakup of the Second Bank of the United States by Jackson. Most people put little faith in the depreciated currency and referred to the notes as "skin-plasters." Van Buren's face appears on the cartoon treasury note as the head of the humbug, a symbol of deception. Also behind a Jackson-face mule stands a caricature of Van Buren as Old Hickory's lackey catching a flood of worthless money.*

tant subjects which came before us our best consideration." The committee, in Jones' version, accepted, rejected, or amended administration proposals "as seemed . . . best calculated to promote the interest of our common country." Fletcher was then discharged from the committee at his own request.<sup>47</sup>

Both versions of the committee's procedure were partially correct. The minority had good reason to feel that they were bypassed and powerless. The chairman and the majority indeed collaborated with the administration. That relationship was a fundamental byproduct of the emerging two-party system, and reflected a clear pattern of executive influence upon legislative deliberations and policy-making characteristic of the period. However, it was also possible for the committee to alter administration proposals as it saw fit. Chairmen such as Polk, Cambreleng, and Jones, who shared the policy goals of Presidents Jackson and Van Buren, had been stalwart spokesmen for those administrations. Such was not the case with the ensuing Whig administration.

## Fillmore and the Tariff of 1842

The election of 1840 brought a Whig administration to the capital for the first time, along with comfortable Whig majorities in both Houses. The sudden death of President William Henry Harrison after a month in office, however, elevated to the Presidency a man who was ill-suited to lead the party. Vice President John Tyler, derisively referred to as "His Accidency," had been a Democrat before breaking with Jackson over nullification and removal of the federal deposits. Yet he consistently opposed the cornerstones of Whig economic policy—a national bank, protective tariffs, and federally financed internal improvements. His pompous and vain personality also contributed to the inevitable conflict with Whig legislative leaders, especially Henry Clay in the Senate, and the chairman of the Committee of Ways and Means, Millard Fillmore.

Tyler initially allowed Clay and the Whig congressional leaders to take the initiative in drafting legislation. He supported the repeal of the Van Buren Independent Treasury, but he opposed and vetoed Clay's bill to create a new national bank. Tyler then vetoed a second attempt to establish a Fiscal Corporation that had originated in the Committee of Ways and Means. Two days after the second veto, the entire Cabinet resigned, with the exception of Secretary of State Daniel Webster. Two days after the Cabinet resignations, Tyler was expelled from the party on September 14, 1841.<sup>48</sup>

The banking issue became a political football kicked around between the Whigs in Congress and the executive. Tyler proposed his own plan, dubbed the Exchequer. The President's proposal for a

public institution based in the capital with agencies in the major financial centers was a well-conceived plan, but Clay and his supporters opposed it for partisan gain. As Daniel Webster asked rhetorically, "Who cares now about the bank bills which were vetoed in 1841?"<sup>49</sup> The key role in thwarting Tyler's Exchequer plan was taken by Fillmore's Committee of Ways and Means.

In his early forties, Fillmore was a heavyset but handsome New York lawyer and Whig politician. He had run for the speakership of the Twenty-seventh Congress (1841-1843), but lost to John White (W-KY), Henry Clay's candidate. Fillmore was named to chair the Committee of Ways and Means, where he tried to counter both Tyler's proposals and Clay's control over the party. The President's Exchequer proposal was tabled during the 1841-1842 session and soundly defeated the following year. The result of the Whig controversy over banking was that public funds continued to remain in selected state banks.<sup>50</sup>

Fillmore's handling of the Exchequer plan elicited criticisms that were a curious mirror image of Fletcher's remarks about Cambreleng. On January 9, 1843, Fillmore presented his committee's report on the Exchequer, which concluded with a resolution that the plan "ought not to be adopted." A minority report presented by Charles G. Atherton (D-NH) offered an amendment to direct the committee to bring in a bill providing for a system of public finance to replace "executive discretion." In response to questioning, the chairman agreed that his resolution was a negative one, and that the committee did not intend to bring in any bill unless so instructed by the House.<sup>51</sup>

Two weeks later, Fillmore read to the House two newspaper articles to the effect that the Whig Party caucus, dominated by the Clay factions, had instructed the chairman and his committee to negate the Exchequer plan. Fillmore, noting that he had never thought it necessary to respond to any newspaper article, argued that this charge reflected "so grossly on him and the Committee of Ways and Means, that he felt it his duty to notice it," and to label it "unequivocally false." Henry Wise, a Virginia Democrat, offered a rather cogent commentary. He professed not to know whether the caucus had instructed the committee in this particular instance, "yet, looking at the past, he did know . . . that a caucus, and nothing but a caucus, by its machinery did contrive the legislation of Congress." This exchange provided one of the few evidences of party caucus influence upon the Committee of Ways and Means in this period.<sup>52</sup>

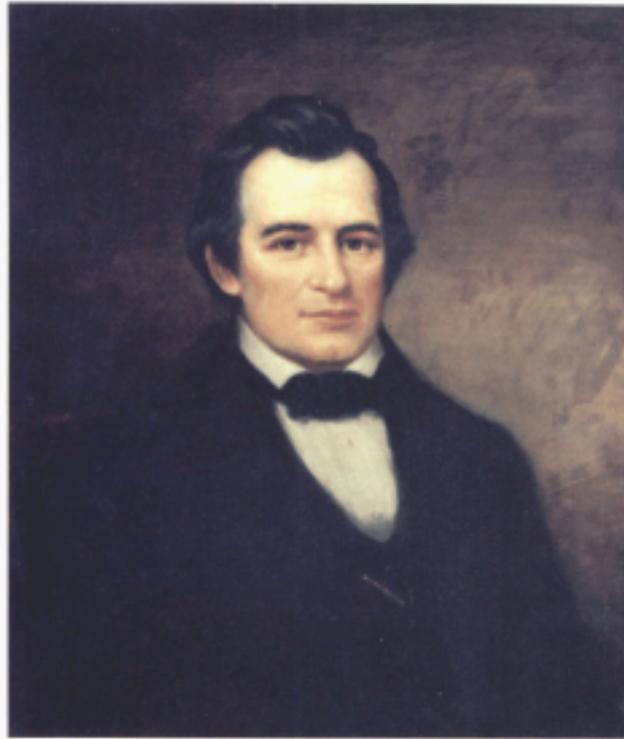
Fillmore's committee in the meantime had been working to provide relief for the business community from the continuing woes of the depression. Fillmore pushed through a Senate bankruptcy bill, modeled on an earlier New York State measure, that was enacted in 1842. But most crucial to the Whig plan for economic recovery was a return to the protective tariff. By January 1, 1842, the federal debt

Currencies from Michigan, New Jersey, and Massachusetts represent money in circulation in 1837. The myriad denominations and designs added confusion to a haphazard banking structure. Some state banking laws were strict, others lax. Wildcat banking plagued the Midwest and South: A bank would issue its note at its town branch but would redeem in specie only at its main office, usually located in a faraway place. Counterfeits and notes of failed banks flooded the market. Saddled with the crisis throughout his term, Van Buren—using Ways and Means to draft deflationary policies—unwittingly prolonged the depression. His successors as President, faced with westward expansion and increasing sectional rivalry, found these and other issues more pressing than the establishment of a stable national banking system. For 30 years, from 1833 to 1863, the nation expanded without an adequate regulator of currency.



had grown to 17.7 million dollars from five million dollars in 1840. Tyler had called for a new tariff bill to raise revenue in his annual message to Congress on December 7, 1841. He blamed Congress for the failure to act upon either his tariff or Exchequer proposals, or his request for increased Army and Navy appropriations. When the Committee of Ways and Means did act on the tariff, it initially drafted bills the President could not support.

Fillmore and the Committee of Ways and Means linked an increased tariff with the distribution to the states of the proceeds from public land sales. Although it might seem inconsistent to raise one source of federal revenue while giving away another to the states, Fillmore argued that distribution prevented government funds from "being squandered and gambled away by trading politicians and



*One of the few Democratic chairmen in the House during the Twenty-sixth Congress, John Winston Jones of Virginia lost the election for Speaker to a Whig despite a strong endorsement from President Van Buren in 1839. Later that year Jones gained leadership of Ways and Means. On May 20, 1840, he reported Van Buren's Independent Treasury plan, renamed the Subtreasury bill. Congress passed the controversial measure, which divorced the federal government's finances from the banking system, and the President ceremoniously signed the bill into law on July 4, 1840.*

reckless demagogues." Ever since the Compromise Tariff of 1833, the receipts from land sales had effectively blocked the need for higher duties. The real reason for linking distribution with tariff reform was that reducing federal revenues provided an added incentive for returning to a protective tariff, which was Fillmore and Clay's true agenda. For this reason, Tyler vehemently opposed the committee's plan.<sup>53</sup>

In the summer of 1842, the Committee of Ways and Means reported two tariff bills, one temporary and the second permanent, to raise rates above the existing 20 percent level while providing for distribution. Tyler, as expected, vetoed both measures, which played into the hands of the Whig leadership. Fillmore's committee then drafted a decidedly protective tariff that raised rates to an average of 30 percent. Because this bill eliminated the distribution provision, Tyler had no choice but to sign it into law. The Tariff of 1842 accomplished the Whigs' goal of returning to protectionism in order to benefit the business community.<sup>54</sup>

Fillmore won high praise from his party colleagues for his handling of both the Exchequer and the tariff. As one of his friends observed, "Fillmore is a great man; but it takes strong pressure to make him show his highest powers."<sup>55</sup> Although he only served for one Congress as chairman, he displayed thorough competence and quiet efficiency, not only in the highly visible management of major policy measures, but also in his behind-the-scenes handling of everyday

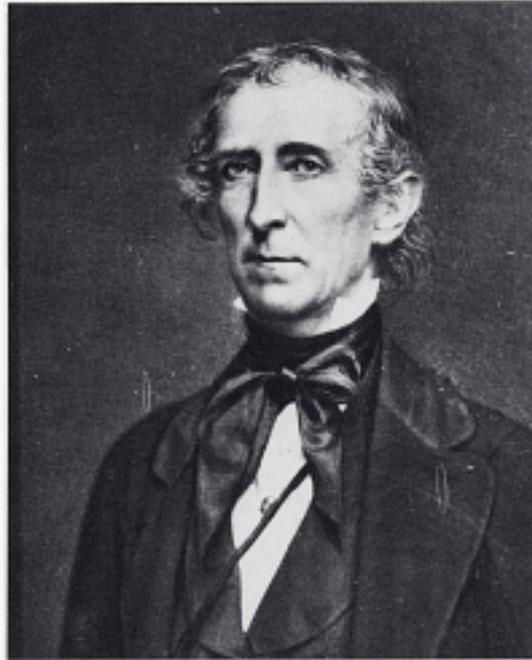
committee business. As chairman, Fillmore diligently examined departmental appropriations requests, often asking for further information to justify seemingly minor expenditures. He wrote to Secretary of the Navy Abel P. Upshur on January 15, 1842, for example, "to know the reasons which induce you to ask for \$5,000 for the contingent expenses of your office, instead of \$3,000 the sum usually appropriated for that object." The quantity of such requests suggests that Fillmore was both careful to guard the public purse, and less than reluctant to harass Tyler's department heads.<sup>56</sup>

One letter to the Commissioner of Indian Affairs perhaps best illustrated the chairman's devotion to detail. Fillmore marked up this official's estimates with a red pencil and returned them with a request for further information. In veiled, but nevertheless clear language, the chairman suggested that the Commissioner explain his estimates in person. Fillmore's eight specific queries expressed clear dissatisfaction, concluding with an ominous statement: "Finally, on looking at my red marks you will note many other things on which I desire a brief explanation, and particularly, I would like to know the necessity for so large an appropriation of contingencies."<sup>57</sup>

## Polk, the Treasury, and the Tariff

If Fillmore's attention to detail reflected the strained relationship between the executive and the committee during Tyler's Presidency, a spirit of cooperation returned with the ensuing Democratic administration of James K. Polk (1845–1849). The Democratic chairman of the Committee of Ways and Means during the Twenty-eighth and Twenty-ninth Congresses (1843–1847) was James Iver McKay of North Carolina. A dour lawyer and planter, McKay was noted for his persistence and parsimony. Even Polk found him "grave and stern . . . a man of peculiar temperament," who, even when cooperative, was difficult to get along with.<sup>58</sup> As chairman, he did most of the work himself and would not permit the hiring of a clerk, in keeping with his reputation as "Old Money Bags." In McKay, Polk found a like-minded, if difficult and independent agent to expedite the administration's fiscal program.

Although the Democrats who controlled the House and the Senate during the Twenty-ninth Congress shared the President's economic goals to a large extent, they were jealous to maintain legislative autonomy, and they were not hesitant to oppose the administration. Polk encountered especially stiff opposition from the Senate during this period. Senators tended to be more insulated by their six-year terms from presidential and party pressures. Senate committee chairmen, who did not owe their positions to presidential influence, did not consider themselves tools of the administration. The Senate



*Dubbed "His Accidency" by detractors, former Ways and Means member John Tyler of Virginia was the first Vice President to be elevated to the office of Chief Executive by the death of his predecessor. Tyler served as the tenth President, succeeding William Henry Harrison in 1841. Although nominally a member of the Whig Party, Tyler was at heart a Jacksonian Democrat. As such he stood at odds with the Ways and Means leadership. He opposed measures for establishing a national bank, protective tariffs, and federally financed internal improvements—the cornerstones of the Whig economic recovery program.*

Committee on Finance, chaired by Dixon H. Lewis of Alabama, for instance, was far less responsive to President Polk's initiatives than the House Committee of Ways and Means.

Polk, nicknamed "Young Hickory" for his identification with Jackson, extended his mentor's theory of presidential leadership. According to Polk, the President had the constitutional obligation not only to veto unwise legislation, but also to take the lead in recommending policy to the legislature. In his inaugural address, Polk listed the four major goals of his administration: 1) a reduction in the tariff, 2) the establishment of the Independent Treasury, 3) the settlement of the disputed Oregon boundary, and 4) the acquisition of California. Remarkably, all four were accomplished in one term. The Committee of Ways and Means played a major role in implementing Polk's agenda by reporting the bills to reduce the tariff and to reestablish the Independent Treasury.

The Independent (or "Constitutional" as President Polk preferred) Treasury bill was the easier of the two measures to pass. The administration sought to separate the federal government from the banking community. The Committee of Ways and Means reported the bill on March 30, 1846. As introduced by the second-ranking Democrat on the committee, George C. Dromgoole of Virginia, the bill authorized the construction of fireproof vaults in the new Treasury building for the safekeeping of government funds. An amendment to the bill specified that only specie would be received in payment of federal dues. Dromgoole made the principal defense of the bill in the House, arguing that banks had no legitimate right to receive public

funds. The bill passed the House on April 2 by a straight party vote, 122 to 66. The Senate, on the other hand, delayed consideration of the bill for four months. Lewis claimed that other business was more urgent, and he resisted Polk's personal appeals to expedite the bill. When finally passed by the Senate on August 1, 1846, the law elicited little controversy or attention. Polk did not even note its passing in his diary.<sup>59</sup>

Part of the relative apathy over the Constitutional Treasury bill was the greater urgency attached to tariff reform. For Polk and for McKay, reduced tariff duties were the keystone of the administration's economic policy. As chairman of the committee during the previous Congress, McKay had introduced tariff legislation in 1844, in large part to satisfy the demands of Southern Democrats. Calhoun's faction promised to support the Democratic nominee only if the party lowered the rates of the Whig Tariff of 1842. McKay's bill was thus designed to create a Democratic campaign issue. The committee carefully drafted a line-by-line reduction in rates. Senator Silas Wright of New York referred to it as "by far the best tariff bill . . . which has ever been reported to Congress." The bill failed by only six votes.<sup>60</sup>

Polk's Secretary of the Treasury, Robert J. Walker of Mississippi, conducted a thorough study of tariff rates shortly after taking office in 1845. He presented to Congress a voluminous statistical report as an exercise in "scientific" tariff revision. Walker provided a solid argument to buttress the Democratic Party's opposition to protective tariffs. When Polk's first annual message to Congress in December strongly recommended a tariff for revenue only, the Committee of Ways and Means turned to Walker for help in drafting a free trade tariff. The Secretary of the Treasury called customs officials to Washington, where they worked out a schedule of duties that would provide the maximum revenue without reaching the protectionist levels of the previous tariff. The bill was ready for the committee in mid-February 1846, but McKay kept it in committee for over two months. Some adjustments were made in committee to make the bill more politically acceptable, and McKay reported it on April 14.<sup>61</sup>

As reported, the Walker Tariff bill reduced rates to an average of 20 percent. Protectionists and free traders descended on the Capitol in a massive lobbying effort. One group displayed in a committee room a selection of less expensive British goods that would be available if the tariff were reduced. In response, protectionists erected a large temporary building near the Capitol, where they presented a National Fair of American Manufactures to show the greater quality and lower price of domestic products. Polk toured the fair, but he scoffed at the notion that "high duties make low goods."<sup>62</sup>

The outbreak of war with Mexico in May 1846 complicated the issue as Democrats adjusted rates to raise an adequate wartime revenue. The Mexican War proved to involve relatively minor wartime

expenditures, but Walker's suggestions to move certain items such as tea and coffee from the free list ran into strong opposition. Andrew Johnson, then a young Democrat from Tennessee, protested "taxing the poor man's tea and coffee to carry on a war which was mainly for the protection of the property of the rich."<sup>63</sup> The taxes on tea and coffee were dropped, but the debate dragged on until early July when the measure passed by a vote of 114 to 95. The bill passed the Senate later that month by a dramatic one-vote margin. As enacted, the Tariff of 1846 set the rates for import duties for over a decade.

The Committee of Ways and Means dutifully reported appropriations measures to finance the Mexican War. Two days before the scheduled adjournment of the first session of the Twenty-ninth Congress, Polk requested an appropriation of two million dollars for use in the treaty negotiations with Mexico for the purpose of purchasing land. In this August 8, 1846, message, the President revealed for the first time the war goal of acquiring territory. Identical language had been included in a letter dated the previous day from Secretary of State James Buchanan to McKay in his capacity as chairman of the Committee of Ways and Means. Neither Polk nor McKay was prepared for the response given to the committee's bill in the House. Some Northern members were suspicious that the real purpose of the bill was to extend slaveholding territory. David Wilmot, a Pennsylvania Democrat with free-soil sentiments, introduced a resolution that slavery should be excluded from any territory acquired from Mexico. The House passed the bill with Wilmot's amendment, but the Senate did not consider it in that session. The Wilmot Proviso marked the reemergence of slavery as an issue that would continue to confound Congress in the coming decade.<sup>64</sup>

The Democrats lost control of the House in the Thirtieth Congress (1847-1849). Samuel Finley Vinton (W-OH) became chairman and McKay stepped down to ranking minority member. Although Vinton and the Whigs made an attempt to repeal the Tariff of 1846, the Democratic Senate prevented any chance for success. Polk tried to use McKay to influence the committee, but the situation strained the relationship between the two men. McKay left one meeting in an outrage, prompting the President to threaten to break off contact. "I was vexed," Polk noted in his diary, ". . . I considered Gen'l McKay's conduct very rude, and that, unexplained, I would never speak to him again." Although McKay later conveyed his apologies and the two reconciled, the President concluded that "he is an excellent & a sensible man . . . but his habit is to find fault with everybody & everything."<sup>65</sup> McKay declined reelection in 1849. One of the few noteworthy accomplishments of Vinton's chairmanship was the bill providing for the establishment of the Department of the Interior in 1849, which Vinton reported out of the committee on February 12, 1849, and which was enacted on March 3 of that year.

*A skilled legislator, Millard Fillmore chaired the Ways and Means Committee from 1841 to 1843 during Tyler's Presidency. Fillmore's diligent leadership marked a period when his party, the newly formed Whigs, held a majority in Congress for the first time. He energetically administered the committee's oversight role, which blossomed partially because of the legislature's ongoing concern with economy in spending. He won high praise for reporting bills on banking and protective tariffs in the face of President Tyler's frequent use of the veto. Fillmore's methodical industry took him to the White House in 1850 as the 13th President of the United States.*



The President's influence upon the Committee of Ways and Means was clearly evident during this period. During the 1830s and 1840s, the committee and the executive operated in an atmosphere of mutual dependence, with the initiative most often supplied by the White House and the Treasury Department. This pattern was interrupted only during Fillmore's chairmanship while Tyler was President, and during the chairmanship of Samuel F. Vinton. The key component of this relationship was party, just as party had consolidated its control over the committee appointment process. Presidents such as Van Buren and Polk who were effective party leaders were most often able to communicate their programs through chairmen of the same party. When the President and the chairman and majority of the committee were of different party affiliations, such as Tyler-McKay and Polk-Vinton, stalemate or opposition resulted on major policy issues. This latter situation increasingly characterized the 1850s, when the party system went through a turbulent period of change and reorganization, and when the slavery issue loomed behind even the most routine legislation. All three Presidents in the 1850s; Fillmore, Pierce, and Buchanan, encountered at least one Congress in which the opposition party controlled the Committee of Ways and Means.



*“Old Money Bags” was the reputation James McKay of North Carolina won for being frugal. He scrupulously upheld the principle of economy to the point of forgoing a clerk; the Ways and Means chairman did all the work himself. He reported appropriations bills that funded the Mexican-American War and a measure to fund treaty negotiations. The treaty bill ignited a great controversy. Some Northern members suspected the measure was a ploy to extend slavery into territory that Mexico would cede to the U.S. The Wilmot Proviso of 1846 allayed their fears but resurrected slavery as an issue that would confound Congress in the decade ahead.*

## The Committee of Ways and Means in the 1850s

The decade of the 1850s proved to be a period of relative inactivity for the Committee of Ways and Means. The committee continued to consider appropriations matters, but with the exception of the Morrill Tariff as the decade ended, it initiated no major policy legislation. In part this seeming inactivity belied the political turbulence of the era. The issue of slavery in the territories destroyed the existing party system as the Democratic Party split into Northern and Southern wings, the Whig Party disintegrated, and a variety of third parties—Liberty, American, and Free Soil—gave way to the Republican Party in mid-decade. Central to the vision of the Republican Party was economic growth unhindered by slavery. Building upon the free-soil ideology, the Republican Party preached the virtues of economic opportunity, growth, and expansion in the form of homestead legislation, transcontinental railroads, steamship subsidies, and protective tariffs. The history of the Committee of Ways and Means would assume a kaleidoscopic aspect as it touched upon all of these issues.

The committee did not play a prominent role in the Compromise of 1850, the first important legislative accomplishment of the decade, which attempted to settle the issue of slavery in the territories acquired from Mexico. California was admitted as a free state and New Mexico and Utah were created as territories with no restrictions on slavery. The slave trade in the District of Columbia was also prohibited, and a more stringent fugitive slave law was enacted. Following the

Compromise of 1850, Congress experienced a period of relative tranquility. Few legislators were satisfied with the compromise, yet most hoped that it would provide a final solution to the territorial problem.

With the bank and tariff issues momentarily resolved, and with the country prospering, the majority of the committee's business concerned routine appropriations. Occasionally the committee considered an appropriations request that involved the slavery issue. For example, in February 1853, Chairman George S. Houston (D-AL) received a letter from W. Parker Foulke, Chairman of the Board of Managers of the Pennsylvania Colonization Society, requesting an appropriation for a naval expedition to Liberia to locate a site for colonizing free blacks. In the 1840s and '50s, the committee also periodically received estimates from the Secretary of the Navy of the sums necessary for the suppression of the illegal African slave trade. There is no indication that these proposals prompted extended discussion either in the committee or on the floor of the House.<sup>66</sup>

The most controversial committee measure between 1850 and 1855 was an appropriation for the mail steamship service during the Thirty-third Congress (1853-1855). Steamship subsidies were among the most lucrative of government contracts, and the operators of the domestic and international mail routes reaped huge profits with little interference from the federal government. Frequent explosions on these vessels prompted Congress in 1852 to tighten safety standards and to establish a Board of Inspectors under the direction of the Secretary of the Treasury. Chairman Houston reported the steamship appropriations bill for 1856, which limited contract subsidies and slashed the appropriations for one New York to Liverpool line operated by Edward K. Collins. The restrictive clauses of the bill had been requested by the Democratic Pierce Administration in its desire to prevent further abuses of the system. When the bill came up for consideration, Collins' friends in the House reinstated his subsidy over Houston's objections. The House and the Senate passed the bill in this form, but the President vetoed it on March 3, 1855. The President's veto was returned to Congress in the final hours of the session, causing a stormy scene in the House, but the veto was sustained by a vote of 98-79, and the appropriations bill, without the subsidy clause, was tacked on to a naval appropriations bill and enacted without further incident.<sup>67</sup>

The Thirty-third Congress also witnessed the investigation of charges of misconduct against former Chairman of the Committee of Ways and Means Thomas H. Bayly (D-VA). Benjamin Green, former Chargé d'Affaires for the United States in Mexico, charged in 1854 that Bayly had used his position to secure passage of appropriations bills for the payment of indemnities due to Mexico with the knowledge that some of the funds would be paid to prominent Washington bankers. Bayly was susceptible to these accusations because of his

close ties to the banking community, and because his father-in-law, Judge John F. May, had considerable holdings in various land and railroad ventures. Rumors had also been circulating that Bayly had manipulated the Illinois Central Railroad bill through the House in return for a gift of Illinois and United States bonds.<sup>68</sup>

The matter was initially referred to a special committee that was currently investigating several cases of alleged improper congressional conduct. The committee decided that the charges were not within their jurisdiction, but Bayly insisted that any charges against his "representative character" be referred to the House. The matter was referred to another select committee which deliberated for several months before it found that Bayly, while having made some "erroneous" statements to the House, was not guilty of any impropriety.<sup>69</sup>

The atmosphere of relative calm in Congress was shattered by the passage of the Kansas-Nebraska Act in May 1854. This legislation repealed the Missouri Compromise of 1820 by allowing the residents of Kansas and Nebraska to determine whether they would be free or slave states. The Committee of Ways and Means became involved in the controversy in March 1856, when Chairman Lewis D. Campbell of Ohio reported an Army appropriation bill that was amended by the Free Soil faction in the House to include a proviso forbidding the use of federal troops to support the territorial government of Kansas, currently challenged by a rival antislavery government in Topeka. The intent of the proviso, originally introduced by Lucien Barbour, a Free Soil delegate from Indiana, was to buy time for the Topeka government until Congress could resolve the question of the legitimacy of the rival governments.

The proviso to the Army bill placed Chairman Campbell in a difficult position. A free-soil advocate, Campbell opposed the Kansas-Nebraska Act. Although he favored "the speedy exercise of all legislative power to exclude slavery from Kansas and Nebraska," as chairman of the Committee of Ways and Means, Campbell felt compelled to oppose the introduction of independent legislation into appropriations bills. Campbell believed that this procedure violated "the rules of law, and the usage of this House." The chairman also stated his conviction that the subject matter of the current proviso fell under the legitimate jurisdiction of either the Committee on the Judiciary or the Committee on Territories. Thus, the entire Army bill would be placed in jeopardy "for no better reason than that other committees and the House may have failed to perform their duties in regard to the interesting condition of the people of Kansas."<sup>70</sup>

In spite of Campbell's opposition, the House passed the Army appropriations bill with the proviso prohibiting the use of troops in Kansas. The Senate, on the recommendation of the Committee on Finance, refused to accept the amendment, initially using the argument that it infringed on the power of the executive to enforce the laws.

*The masthead of the leading abolitionist newspaper of the antebellum period reflects the gathering momentum to eradicate slavery from the South. Such requests as a petition for funds to colonize freed slaves and an appropriations bill containing a free-soil proviso to prohibit the use of federal troops in the Kansas Territory occasionally drew Ways and Means into the slavery question, an inflammatory issue that refused to go away.*

In 1857, agitation over Kansas was interrupted by a financial panic, precipitated by reckless land and railroad speculation. On August 24, the New York branch of the Ohio Life Insurance and Trust Company failed, touching off a rapid chain of bank foreclosures, industrial bankruptcies, and dwindling imports. Within months

the 1856 Army appropriation bill was signed into law by President Pierce.<sup>71</sup> For his part, Hunter preferred that "the Army be disbanded, rather than the Senate be destroyed." In a lengthy speech on August 22, Hunter launched into a stinging condemnation of the House's behavior, and asserted his intention to let the bill fail if an agreement could not be reached. For over a week the bill bounced back and forth between the House and the Senate, which insisted that the proviso be taken out. Eventually, on August 30, the House tired of this battle of wills and agreed to pass the bill without the proviso. That same day, the executive's power to enforce the laws, now look on the form of the first great showdown between the House and the Senate over their respective roles in the appropriations process. Senator Robert M. T. Hunter of Virginia, former Speaker of the House and chairman of the Senate Committee on Finance since 1850, announced his categorical opposition to the House proviso. Hunter's original instinct was to oppose it as a breach of executive power, but he now stated his belief that the House was trying to force concurrence, thereby threatening the status of the Senate as a coequal branch of the legislature. Hunter launched into a stinging condemnation of the House's behavior, and asserted his intention to let the bill fail if an agreement could not be reached. For over a week the bill bounced back and forth between the House and the Senate, which insisted that the proviso be taken out. Eventually, on August 30, the House tired of this battle of wills and agreed to pass the bill without the proviso. That same day, the executive's power to enforce the laws, now look on the form of the first great showdown between the House and the Senate over their respective roles in the appropriations process. Senator Robert M. T. Hunter of Virginia, former Speaker of the House and chairman of the Senate Committee on Finance since 1850, announced his categorical opposition to the House proviso. Hunter's original instinct was to oppose it as a breach of executive power, but he now stated his belief that the House was trying to force concurrence, thereby threatening the status of the Senate as a coequal branch of the legislature.

The debate over the Army bill, which had previously centered on the executive's power to enforce the laws, now look on the form of the first great showdown between the House and the Senate over their respective roles in the appropriations process. Senator Robert M. T. Hunter of Virginia, former Speaker of the House and chairman of the Senate Committee on Finance since 1850, announced his categorical opposition to the House proviso. Hunter's original instinct was to oppose it as a breach of executive power, but he now stated his belief that the House was trying to force concurrence, thereby threatening the status of the Senate as a coequal branch of the legislature. Hunter launched into a stinging condemnation of the House's behavior, and asserted his intention to let the bill fail if an agreement could not be reached. For over a week the bill bounced back and forth between the House and the Senate, which insisted that the proviso be taken out. Eventually, on August 30, the House tired of this battle of wills and agreed to pass the bill without the proviso. That same day, the executive's power to enforce the laws, now look on the form of the first great showdown between the House and the Senate over their respective roles in the appropriations process. Senator Robert M. T. Hunter of Virginia, former Speaker of the House and chairman of the Senate Committee on Finance since 1850, announced his categorical opposition to the House proviso. Hunter's original instinct was to oppose it as a breach of executive power, but he now stated his belief that the House was trying to force concurrence, thereby threatening the status of the Senate as a coequal branch of the legislature.

[SATURDAY, APRIL 23, 1851.]

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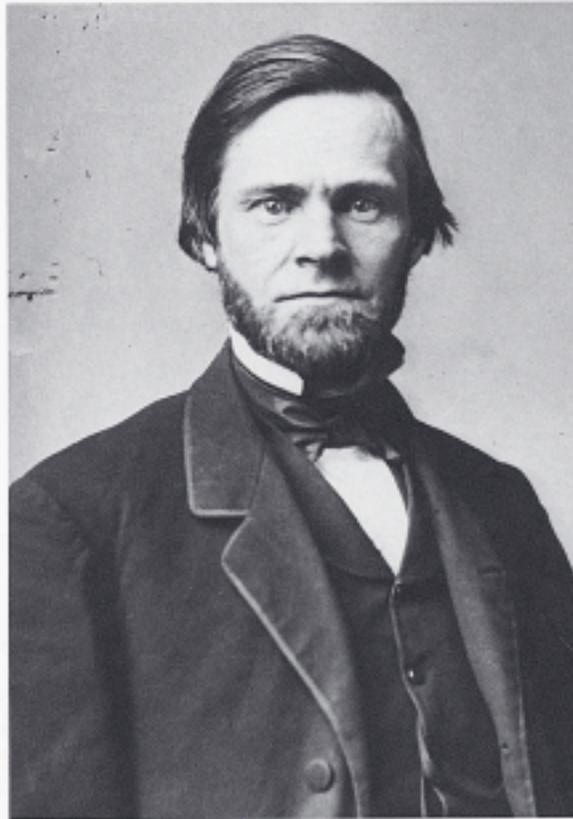
BOSTON, MASSACHUSETTS.]

OCH COENREY IS THE WORLD—OOR COONTRYKEN ARE MANKIND.

# THE LIBERATOR.



BOSTON—



*Republican John Sherman of Ohio came to Washington, DC, in 1855 and stayed in public office for nearly 50 years. Sherman's memoirs indicate that the Thirty-sixth Congress consciously avoided the seething issue of slavery. As chairman of Ways and Means, Sherman was preoccupied with appropriations bills. His committee experimented with delegating work to individual members. This practice later formed the basis of the panel's formal use of subcommittees during the Civil War. From Sherman's committee came the Morrill Tariff bill, enacted in 1861, the last important measure reported by Ways and Means before the Civil War. Sherman subsequently became chairman of the Senate Finance Committee*

the United States was in the throes of a severe economic depression that lasted until 1859.

The panic caused a fiscal crisis for the federal government. In the early 1850s, federal expenditures, boosted by a Treasury surplus, remained at high levels. During this period Congress was also pressured by increasing demands by the various departments for supplemental appropriations to meet expenses (also known then as deficiency appropriations). Between 1851 and 1856 deficiencies incurred by the federal government fluctuated between 2.5 million dollars and 5.5 million dollars.<sup>72</sup> The Democratic Congress in 1857 enacted a tariff for revenue only that had the effect of substantially lowering federal revenues at the very time the panic hit. This sudden change in the financial condition of the Treasury left two alternatives to Congress, enact a loan bill or increase the tariff.

The House engaged in a lengthy debate in May 1858 on the state of the public finances. Congressional Republicans, attempting to use the perceived extravagance of the Democratic Buchanan Administration as a campaign issue, accused the department secretaries of usurping the congressional power of the purse by transferring funds to purposes other than those for which they were specifically authorized. The Republicans also attacked the executive for entering into government contracts before funds had been allocated, thereby forcing

Congress to comply with additional appropriations. John Sherman (R-OH) played a prominent role in the debate and even singled out the Democratic members of the Committee of Ways and Means for criticism, stating that "If we [Republicans] indicate even the commencement of retrenchment, or point out abuses, we are at once assailed by the Committee of Ways and Means."<sup>73</sup>

The Republican Party made significant gains in the congressional elections of 1858, but when the House convened in December 1859, no party held a majority.<sup>74</sup> The opening of the Thirty-sixth Congress occurred just three days after the execution of John Brown for his role in the raid on Harper's Ferry. The selection of a Speaker of the House was prolonged by the lack of any party majority as well as by sectional animosity.

Sherman, the Republican candidate, was a third-term congressman of considerable ability, but his previous endorsement of a controversial book on slavery, *The Impending Crisis of the South*, alienated any Northern Democrats who might have supported him, and his supporters could not muster the votes needed to ensure his election. Sherman eventually withdrew from the race in favor of a compromise candidate, a first-term member from New Jersey, former Governor William Pennington, who won by a single vote. Sherman compiled a roster of committee appointments that the grateful Speaker adopted. According to the Ohio congressman, the Speaker "thanked me kindly, stating that he had little knowledge of the personal qualifications of the Members . . . and adopted the list as his own." On January 9, 1859, with no prior service on the committee, Sherman was named the new chairman of the Committee of Ways and Means, replacing Democrat John S. Phelps of Missouri.<sup>75</sup>

The committee's deliberations during the Thirty-sixth Congress (1859-1861) were almost exclusively devoted to appropriations and the preparation of a new tariff measure. This focus was due in part to the still chaotic state of the nation's finances, but Sherman also suggested that the legislature was once again consciously avoiding slavery by concentrating on issues of a "nonpolitical" character, under which appropriations and the revenue now qualified. Sherman also stated that at this time the chairman of the Committee of Ways and Means was recognized as the leader of the House, "practically controlling the order of its business."<sup>76</sup>

Sherman's attempts to secure the speedy enactment of appropriations bills in the Thirty-sixth Congress were frustrated somewhat by the Senate. The Committee on Finance, still under the guidance of Virginia's Robert M. T. Hunter, took an aggressive role in the appropriations process. By 1860, the Southern Democratic majority on the Senate committee routinely obstructed the passage of appropriations bills passed by the Republican House. For example, the Committee on Finance substantially amended two House appropriations bills for

Indian affairs and the Army. In the case of the latter bill, the Senate committee recommended the adoption of 47 amendments, including appropriations of \$50,000 each for the construction of public buildings in Charleston and in New Orleans. In June 1860, the Committee of Ways and Means recommended that the House disagree to all but two of the Senate amendments. In the subsequent conference committee, Senator Robert Toombs of Georgia, representing the Committee on Finance, informed Sherman that the Charleston and New Orleans appropriations had to be included or the bill would be rejected by the Senate. Sherman answered that the ultimatum meant that the bill would be defeated in the House. Toombs eventually backed down and the bill was passed without the Senate amendments.<sup>77</sup>

The Committee of Ways and Means also prepared a major tariff revision in the Thirty-sixth Congress. Such a bill had been considered in the winter of 1859, but the then Democratic majority on the committee prevented any real tariff reform. In March 1860, the Republican majority reported a bill "to provide for the payment of outstanding Treasury notes, to authorize a loan, to regulate and fix the duties on imports, and for other purposes." The bill was drafted and reported by Justin S. Morrill of Vermont, a tariff expert who had prepared a readjustment of existing duties in connection with a loan bill to raise revenues in 1859. The bill's intent was to restore the rates imposed by the Walker Tariff of 1846, thereby raising nearly 50 million dollars a year in revenues while providing protection for American industries.<sup>78</sup>

After the bill was introduced, it was debated by the House for two months. Chairman Sherman was preoccupied with the committee's appropriations bills and did not act as floor manager during the preliminary debates on the Morrill Tariff. The task was left to the Vermont congressman, who was a brilliant technician, but whose unfamiliarity with the House rules allowed the bill to be loaded down with so many amendments that it was altered beyond recognition. Chairman Sherman intervened by proposing a lengthy amendment that in effect restored the original provisions of the bill. The House, wearied by the long debate, passed the bill on May 10, 1860.<sup>79</sup>

The Senate returned the Morrill bill to the House on December 20, 1860, with the recommendation that consideration be postponed until the following session. At the beginning of the Thirty-seventh Congress on January 23, 1861, the Senate referred the measure to a special committee, which proposed several minor amendments. Both the Senate and the House subsequently approved the bill and it was enacted on March 5, 1861. The Morrill Tariff was the final important legislation of the Committee of Ways and Means before the Civil War. The conflict erupted the following month, and the tariff was gradually modified out of necessity in the war years by statutes that doubled and even tripled the original rates.<sup>80</sup>

MILESTONES IN THE HISTORY OF THE COMMITTEE  
1829-1861

1832-33	Nullification Crisis
1833	Compromise Tariff of 1833 lowered duties of the 1828 "tariff of abominations"
1832-36	Bank War
1836	Deposit Act
1840	Subtreasury (or Independent Treasury) established
1841	Independent Treasury repealed
1842	Tariff of 1842 returned to protectionist rates
1846	Constitutional Treasury reestablished the Independent Treasury plan
1855	Controversial Mail Steamship Subsidy Appropriation bill
1856	Controversial Army Appropriations bill
1857	Tariff of 1857 for revenue only
1861	Morrill Tariff returned to principle of protectionism

In the years immediately preceding the Civil War, the Committee of Ways and Means had nine members, six from the majority party, and three from the minority. It usually met pursuant to adjournment of the House's morning session, between 9:30 and 11 a.m., or at the call of the chairman. The committee also convened in the evening if necessary. In 1857, the House had finally permitted the committee to hire a full-time permanent clerk at an annual salary of \$1,800. The Committee of Claims was the only other House committee at this time allowed to hire a permanent clerk. The other standing committees could hire temporary clerks, but only by special House resolution. The committee's first clerk, Robert Cochran, recorded the minutes and handled most of the committee's correspondence, among other duties. He was replaced at the end of the first session of the Thirty-sixth Congress by George Bassett.<sup>81</sup>

Sherman's committee also adopted the practice of delegating the responsibility for certain bills to individual members of the committee.<sup>82</sup> Morrill, for example, specialized in tariff legislation, and Elbridge G. Spaulding (R-NY) prepared banking and currency measures, while the chairman drafted most of the committee's appropriations bills. When it came to amending appropriations measures, various members would be instructed by the committee to prepare amendments once the panel had decided its basic principles and content. Later, during the Civil War, this informal delegation of responsibility would develop into a subcommittee system.

## Conclusion

By the 1820s the status of standing committees of the House of Representatives as legislative policy-makers was assured by revisions in the House Rules enabling standing committees to originate bills without prior instructions by Committees of the Whole House. In ensuing decades, these bodies gained additional importance as the legislative workload intensified and as two-party politics became institutionalized in Congress.

The increasing specialization of operations represented by Chairman Sherman's delegation of authority in the Thirty-sixth Congress was but one byproduct of the development of the Committee of Ways and Means during this period. Between 1829 and 1861, the committee's oversight role in the congressional appropriations process was formalized and expanded, as was the chairman's position as *de facto* floor leader, second in importance only to the Speaker of the House.

Relations between the President and the Committee of Ways and Means were generally harmonious in the antebellum period. However, on occasion the committee found it necessary to assert its independent role *vis-à-vis* both the executive branch and the Senate. The President and the executive departments provided both policy initiatives and supporting information for the legislative process, but the Committee of Ways and Means tended to conduct its own inquiries and to jealously guard against any insinuations of executive dictation. The Senate Committee on Finance also emerged in this period as both a powerful rival as well as a complement to the House committee. But perhaps most significantly, the Committee of Ways and Means had consolidated its tripartite jurisdiction over revenue, banking, and appropriations, creating a unique power base that became even more crucial in the Civil War Congresses.

