History of the Committee on Finance

UNITED STATES SENATE

97th Congress, 1st Session - - - - - - Senate Document No. 97–5

History of the Committee on Finance

UNITED STATES SENATE

May 12, 1981.—Ordered to be printed with illustrations

U.S. GOVERNMENT PRINTING OFFICE

WASHINGTON: 1981

SENATE RESOLUTION 26
Submitted by Mr. Dole

IN THE SENATE OF THE UNITED STATES,
Agreed to May 12, 1981.

Resolved, That a compilation of materials relating to the history of the Committee on Finance be printed, with illustrations, as a Senate document, and that there be printed one thousand six hundred additional copies of such document for the use of the committee.

Attest:

WILLIAM F. HILDENBRAND,
Secretary.

First edition, March 1970

Second edition, March 1973

Third edition, March 1977

Fourth edition, May 1981

United States Senate
Committee on Finance

(NINETY-SEVENTH CONGRESS)

ROBERT J. DOLE, *Kansas*, Chairman

BOB PACKWOOD, *Oregon*
WILLIAM V. ROTH, JR., *Delaware*
JOHN C. DANFORTH, *Missouri*
JOHN H. CHAFEE, *Rhode Island*
H. JOHN HEINZ III, *Pennsylvania*
MALCOLM WALLOP, *Wyoming*
DAVID DURENBERGER, *Minnesota*
WILLIAM L. ARMSTRONG, *Colorado*
STEVEN D. SYMMS, *Idaho*
CHARLES E. GRASSLEY, *Iowa*

RUSSELL B. LONG, *Louisiana*
HARRY F. BYRD, JR., *Virginia*
LLOYD BENTSEN, *Texas*
SPARK M. MATSUNAGA, *Hawaii*
DANIEL PATRICK MOYNIHAN, *New York*
MAX BAUCUS, *Montana*
DAVID L. BOREN, *Oklahoma*
BILL BRADLEY, *New Jersey*
GEORGE J. MITCHELL, *Maine*

ROBERT L. LIGHTHIZER, *Chief Counsel*
MICHAEL STERN, *Minority Staff Director*

Robert J. Dole, Chairman, Committee on Finance

FOREWORD

One of the highest honors that can come to a Member of the U.S. Senate is to serve on the Committee on Finance. The Committee on Finance has since its creation been associated with some of the most significant and most controversial issues in U.S. history.

For well over a century protectionism versus free trade was the major domestic economic issue in this country. Borrowing authority handled by the Committee has to a large extent financed the major wars of this century; and income taxes initiated more than sixty years ago represent the major source of governmental income today.

Legislation acted on by the Committee on Finance raises virtually all of the Federal revenue; expenditures authorized in legislation handled by the committee represent almost one-half of the Federal budget. Overall, the Committee on Finance handles legislation involving more money than any other Committee in the Congress.

The Committee on Finance today consists of 20 members. On the basis of the present ratio of party representation in the Senate, eleven Republicans and nine Democrats serve on the Committee. These members are held in high esteem by their fellow Senators. It is an indication of the high regard in which Finance Committee members are held that a special committee, chaired by the late John F. Kennedy, former Senator from Massachusetts and President of the United States, selected as five outstanding Senators in U.S. history five men all of whom had served on the Committee on Finance.

This brief history of the Committee and its areas of jurisdiction is intended to acquaint the reader with the involvement of the Committee in the major public issues in which the Finance Committee participates and to give some indication of the Committee's major role in shaping U.S. policy in these areas.

ROBERT J. DOLE,
Chairman.

CONTENTS

	Page
Foreword	V
Chapter One: Role of the Senate Finance Committee	1
Role of Senate Committees Today	1
The Senate Finance Committee Today	2
Case Study of a Bill	3
Nominations	7
Features of Committee Jurisdiction Today	8
Famous Committee Members	12
Chapter Two: The Senate Finance Committee From Its Origin to the Civil War	15
Events Leading to the Creation of the Finance Committee	15
Selection of Committee Members in the Senate	20
The Finance Committee From Its Creation to the Civil War	22
Finance Committee Activities During the Civil War	35
Creation of the Senate Appropriations Committee	36
Chapter Three: The Senate Finance Committee From the Civil War to the Present	39
The Committee's Role in Tariff Legislation From the Civil War to 1930	39
The Finance Committee and the Currency Issue	41
Creation of the Senate Banking and Currency Committee	48
The Period of the Two World Wars	48
The Finance Committee and the Nation's Veterans	50
Recent Legislative Landmarks	58
Chapter Four: Committee on Finance's Areas of Jurisdiction	65
1. United States Trade Policy	65
Trade Policy Before the Civil War	66
From the Civil War to the Present	70
Sugar Legislation	75
2. Federal Taxation	77
Revenue Measures From Early Congresses to the Civil War	78
The Struggle for an Income Tax	83
Taxation From the First World War to the Present	86

Page

Chapter Four—Continued

3. The National Debt 94
4. Social Security Act Programs 95
   - Old-Age, Survivors, and Disability Insurance Since 1935 97
   - Medicare 100
   - Unemployment Insurance 101
   - Public Assistance Legislation 102
   - Foster Care and Child Welfare Services 107
   - Social Services 108
   - Medical Assistance (Medicaid) 109
   - Maternal and Child Welfare 109
5. Revenue Sharing 110

Membership, Committee on Finance, by Congress 111

Senators Who Served on the Committee on Finance (alphabetical order) 159

LIST OF ILLUSTRATIONS

	Page
Robert Dole, Chairman, Committee on Finance	iv
Five outstanding Senators	xi
1815 Senate journal record of motion establishing Select Committee on Finance and an Uniform National Currency	17
An excerpt from the 1815 Annals of Congress recording appointment of members of Select Committee on Finance and an Uniform National Currency	17
One of the first written reports filed by the Committee	20
Major tariff bill handled by the Select Committee on Finance and an Uniform National Currency	24
One of the earliest appropriation bills handled by the Committee	26
$1,000 bond related to the Louisiana purchase	29
''Race Over Uncle Sam's Course,'' 1832 political cartoon	31
$100,000 check deposited with the State of Louisiana partially disposing of an 1835 budget surplus	33
25 cent note depicting William Fessenden, Finance Committee Chairman, 1861–64	36
H.R. 7456, a tariff bill with 2,436 Senate amendments	42
Daniel Webster and Henry Clay, former Committee Chairmen, portrayed on ''greenbacks''	44
Silas Wright, former Committee Chairman, and Thomas Benton, former Committee member, portrayed on gold certificates	46
John Sherman, former Committee Chairman, and William L. Marcy, former Committee member, portrayed on silver certificates	47
1833 warrant entitling a Revolutionary War veteran to a pension	53
Cartoon portraying Democratic and Republican parties bidding for the veteran vote in 1888	55
Postage stamps honoring former Committee members	59, 60
''Compromise Tariff'' bill offered by Henry Clay in 1833	69

Page

Cartoon portraying voter feelings on the tariff issue during 1888 Presidential campaign 71

Cartoons depicting reactions to the tariff cuts of 1913 73

Income tax form for the year 1863 ..... 81, 82

Senate joint resolution proposing the 16th amendment to the Constitution authorizing a Federal income tax 84

Cartoon which appeared following ratification of the 16th amendment authorizing a Federal income tax 86

Stock transfer stamps depicting former members of the Committee 88

Revenue stamps depicting former members of the Committee 90

Henry Clay

Daniel Webster

John C. Calhoun

Robert M. La Follette

Robert A. Taft

A specially appointed Senate Committee under the chairmanship of Senator John F. Kennedy in 1959 selected the Senators shown above as five outstanding Senators. All of the five served on the Committee on Finance.

[1]

ROLE OF THE SENATE FINANCE COMMITTEE

ROLE OF SENATE COMMITTEES TODAY

To many people, the Congress appears to work in mysterious ways to produce mysterious things. The principal mystery seems to be the almost miraculous emergence of complex legislation, fullblown in a myriad of technical details. In fact, however, the legislative process is characterized by hard work rather than mystery. In iceberg fashion, the bulk of the work is below the surface and not readily visible. Most of this ''invisible'' effort is performed in the committee rooms of the Congress.

Everyone would agree that legislation affecting the entire Nation should receive most thorough, expert, and informed review prior to being formally voted upon by the full Senate. The committees of the U.S. Senate are designed to—and do—provide the mechanism for that thorough and expert consideration.

As the Nation's problems become more complex, the committee system is ever more useful and ever more necessary to the effective functioning of the Senate. Legislation designed to deal with complex problems is often, of necessity, intricate. Few Senators can devote the time required to develop the expertise necessary for a thorough understanding of the background and details of every major legislative proposal. Much of their time is taken up in seeing constituents from home, helping individuals, groups, and communities—indeed their entire State—with problems before the many Federal agencies, answering voluminous correspondence, and appearing at various meetings, and State and community functions back home. For this reason, most Members tend to rely upon their committees to provide them with legislative recommendations based upon the experience and expert knowledge of the members and staffs of those committees which have jurisdiction over the subject matter of particular bills.

The virtues of the Senate's committee system are generally recognized by all Senators. It is for this reason that a bill which has been

considered and approved by a committee is usually approved by the full Senate. A special committee set up to study the organization of Congress reported in 1966 that over 90 percent of all legislation is finally passed in the form reported out by the appropriate committee to the floor. At the same time, those bills which have not had the benefit of committee consideration are seldom enacted into law.

Another important function of the committee structure is that each committee provides a source of expert advice and assistance in the areas of its competence to all Senators, members and nonmembers of the committee alike. A Senator, for example, might call upon a committee to assist him in drafting legislation or request its informal comments upon the merits of a proposal he is considering. He might also request a committee to examine the operation of existing law or even to investigate a problem which might ultimately require legislation to provide a remedy.

The committee has an ''oversight'' responsibility also. It has the authority and duty to investigate, review, and evaluate the effectiveness of existing laws over which it has legislative authority. How well is a particular agency of the executive branch administering the legislation enacted by the Congress? Is a particular law or section of law, being administered in a manner consistent with the intent of the Congress when it enacted that law? What changes might be required in a law to improve and enhance it? The committee system is a mechanism by which Congress satisfies itself that the laws of this country are sound, and that they are administered according to the intent of Congress. It is a process which involves a continuing search for improved ways and means of meeting the needs of the American people in efficient and economical fashion.

Finally, the committees of the Senate serve to strengthen the ''separation of powers'' provisions of the Constitution of the United States. True separation of powers could not be achieved, for example, if the Senate were dependent solely upon the executive branch for information and advice. Through its committees, the Senate has access to its own sources of information, expertise, and knowledge. Thus, there exists a meaningful check upon the executive branch. If the Senate were forced to rely solely upon the executive branch, it could be subjected to self-serving and biased information which would have to go largely unchallenged. Fortunately, the elected representatives of the people, through the committee system, can serve as members of a truly independent and coequal branch of the Federal Government.

THE SENATE FINANCE COMMITTEE TODAY

A committee's significance and importance may in large part be gaged from an examination of the areas of legislation over which it has

jurisdiction. In terms of this yardstick, the Finance Committee is second to none in the Senate in terms of the legislative responsibilities entrusted to it.

Senate rule XXV states that at the commencement of each Congress there shall be appointed a:

Committee on Finance, to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating to the following subjects:

1. Bonded debt of the United States * * *
2. Customs, collection districts, and ports of entry and delivery.
3. Deposit of public moneys.
4. General revenue sharing.
5. Health programs under the Social Security Act and health programs financed by a specific tax or trust fund.
6. National social security.
7. Reciprocal trade agreements.
8. Revenue measures generally * * *
9. Revenue measures relating to the insular possessions.
10. Tariffs and import quotas, and matters related thereto.
11. Transportation of dutiable goods.

Under the Constitution, revenue measures must originate in the House of Representatives. Thus the work of the Finance Committee typically falls in the latter months of the session.

CASE STUDY OF A BILL

The language of a Senate or House bill often appears to have a cold and impersonal character. The cool quality of formal legislative language is basically the product of efforts at precision and brevity. It is deceptive, however, as most important legislative proposals are, in fact, subjected to substantial amounts of both heat and light during the course of congressional consideration.

Congressional proposals, and ultimately the laws themselves, must be as precise as possible in order that the intentions of the sponsors of the legislation and the Congress be clearly understood by those affected, including the public agencies charged with implementing our laws and the courts which may eventually be called upon to interpret them.

But the language of enacted legislation is not always sufficient indication of congressional intent. It is at this point that the public agencies and the courts look to the various stages of the legislative process leading to enactment of the statute for clarification and explanation of intent. In this regard, committee reports on legislation are a primary source of guidance and reliance. Committee reports often provide ex-

planations—pages in length—describing the background and purpose of a provision which may consist of only one short sentence in a statute. There are several stages in the legislative history of a public law which are capable of serving as guideposts to congressional intent. Each reference point has a different priority in terms of evaluating intent. It is possible to find a clear explanation of a provision at one point which is contradicted at another. In this entire procedure, the key to resolution of contradiction and confusion is the determination of who said what and when.

The ''who'' of greatest importance is the committee having jurisdiction over the legislation involved. The ''when'' of significance is the last statement dealing with the matter in question made by the committee or its representative, the ''floor manager'' of the bill as reported by the committee. It is only when these sources prove inadequate, or when an amendment is adopted during floor debate on the bill, that there is recourse to the statements of the individual sponsors of the legislation and general floor discussion of the proposal.

It would be helpful, therefore, in understanding the role of the Finance Committee in the congressional process. to chart the progress of a significant piece of legislation through the formal and informal stages of its consideration and eventual passage by Congress.

Public Law 89–97, the Social Security Amendments of 1965, offers a good example of legislation which has been exposed to the full range and breadth of congressional consideration. (In Public Law 89–97, the ''89'' indicates that the law was passed by the 89th Congress; the ''97'' denotes that this law was the 97th public statute enacted by the 89th Congress.) Public Law 89–97, while including a number of important amendments to the Social Security Act, is principally known as the Medicare law. It represents the legislative culmination of many years of controversy, discussion. and hard work.

1. *Introduction of the bill.*—In January 1965, Senator Clinton P. Anderson, joined by more than 40 other Senators, introduced the proposal to establish a program of hospital insurance for the aged as part of the social security system. The Anderson bill, strongly supported and recommended by President Lyndon B. Johnson, was Senate bill 1 of the 89th Congress. An identical bill was introduced in the House of Representatives by Representative Cecil R. King as H.R. 1.

Of course, the King-Anderson bill did not suddenly appear on the congressional scene. Its legislative genesis was years earlier. In fact, the Senate had voted on a Medicare amendment in the 86th, 87th, and 88th Congresses. The proposal was rejected in the 86th and 87th Congresses, but it was approved by the Senate in the 88th Congress. However, in the 88th Congress, tile House of Representatives and the Senate could not formally resolve their differences with respect to the various amendments to the Social Security Act, and the Medicare amend-

ment approved by the Senate ''died'' with the adjournment of that Congress.

2. *Action by House of Representatives.*—The Constitution requires that all revenue measures originate in the House of Representatives. The committee with responsibility for revenue legislation in the House is the Ways and Means Committee. Amendments to the Social Security Act are classified as ''revenue'' legislation since they generally involve adjustments in the payroll taxes required to finance the program. For that reason, as with revenue proposals generally, the Senate and its Finance Committee do not usually act on social security amendments in the absence of a social security or other revenue bill which has been passed by the House of Representatives and forwarded to the Senate for its consideration.

During January and February 1965, the Committee on Ways and Means held 11 days of executive (nonpublic) hearings on H.R. 1, the Medicare bill. Public hearings lasting several weeks had previously been held by the committee during the 88th Congress. Following those executive hearings and a series of committee meetings, a substantially revised and expanded bill representing the consensus of a majority of the members of the Ways and Means Committee was introduced by the chairman, Representative Wilbur D. Mills, as a new proposal, H.R. 6675. It was this bill, as further amended, which ultimately became Public Law 89–97.

On March 29, 1965, H.R. 6675 was reported out of committee to the House of Representatives. The ''reporting'' procedure included submission of a lengthy committee report H. Rept. 213) explaining and justifying the various provisions of the bill.

Following consideration by the Rules Committee of the House, a resolution was adopted by the House setting the ''ground rules'' for House consideration of the bill. The Rules Committee has responsibility for assigning priorities to legislation to facilitate orderly floor consideration of bills. Ten hours of debate was provided for, as well as a ''closed rule.'' Under a ''closed rule'' the bill may not, generally, be changed by amendments offered on the floor of the House of Representatives during consideration of the measure. This feature is unique to the House of Representatives. In the Senate, debate is not limited except by unanimous consent or by adoption of a cloture petition.

On April 8, 1965, H.R. 6675 was passed by the House of Representatives by a vote of 313 yeas to 115 nays. The bill was then forwarded to the Senate for its consideration.

3. *Action by Senate.*—Following the favorable action of the House of Representatives, the Finance Committee, to whom the bill was referred, decided on prompt consideration of H.R. 6675. Beginning April 29, 1965, the committee held a total of 15 days of public hearings. During

that time a massive amount of testimony was received from proponents and opponents of the many provisions contained in the bill. The printed transcript of those hearings total 1,256 pages. The committee had previously considered similar legislation in August 1964—some 8 months prior to the 1965 hearings. In 1964, the public hearings covered 7 days and the transcript ran to 729 pages. Thus, in a period of less than 1 year, the Committee on Finance held a total of 22 days of public hearings on tile subject, with a printed record of almost 2,000 pages.

At the conclusion of the public hearings, the Finance Committee held almost 3 weeks of executive sessions during which time it evaluated the testimony it had received and determined which provisions of the House Passed bill were acceptable to it, which provisions should be changed or deleted, and what new provisions should be added.

H.R. 6675, as amended by the Finance Committee, was favorably reported to the Senate on June 30, 1965 (S. Rept. 404). The bill was debated and discussed from July 6 through July 8. Senator Russell B. Long, then the second ranking majority member of the Committee on Finance, served as floor manager of the bill during its consideration by the full Senate. In that capacity, it was his responsibility to defend the committee's report and views on the bill from attacks and amendments by other Senators, and to fully explain the committee position on the many features of this complex legislation. Additionally, Senator Long, after consultation with other members of the committee, announced which amendments to the bill, offered on the floor of the Senate, were acceptable to the committee.

On July 9, 1965, the amended bill was passed by the Senate by a vote of 68 yeas to 21 nays.

4. *Conference action.*—H.R. 6675 as passed by the Senate differed in many important respects from the bill as passed by the House of Representatives. For this reason the floor manager of the bill concluded that the Senate should request a conference with the House in order to resolve the differences in the House and Senate versions of the bill.

In accordance with usual procedure, the President of the Senate appointed conferees from among the senior members of the Committee on Finance. Conferees are usually suggested by the chairman of the committee having jurisdiction over the legislation involved and generally they comprise the senior members of the committee. In similar fashion, the Speaker of the House appointed conferees from among the senior members of the Committee on Ways and Means. (Of course, the House of Representatives, as is the case from time to time, could have accepted the Senate amendments, making a conference unnecessary. Or, if the Senate had not requested a conference, the House could have.) The conferees were charged with upholding the positions

of their respective Houses to the extent possible—compromising only where necessary.

There followed a full week of meetings, during which time the differences between the two Houses of Congress on the measure here resolved, the House conferees accepting certain Senate amendments, and the Senate conferees yielding on others. Still others were compromised.

5. *Final action on H.R. 6675.*—The Ways and Means Committee filed the conference report, describing the actions taken, with the House of Representatives on July 26, 1965. On July 27, the House agreed to the conference report by a vote of 307 to 116.

Following an explanation and discussion of the conference agreement, the Senate approved the conference report by a vote of 70 to 24 on July 28, 1965.

A conference report may not be amended but must be approved or disapproved as a whole. The purpose of this procedure is to avoid the possibility of interminable conferences—for a bill finally must he passed in identical form by both Houses of Congress.

On July 30, 1965, the President formally approved H.R. 6673 at which time it became Public Law 89–97.

NOMINATIONS

In addition to its legislative responsibilities, the committee has the responsibility of considering presidential nominations and making recommendations to the Senate whether the nominee should be confirmed.

Nominations referred to the Finance Committee include:

Secretary, Deputy Secretary, Under Secretaries, Assistant Secretaries, and General Counsel of the Treasury Department;

Secretary, Under Secretary, most Assistant Secretaries, General Counsel, and Inspector General of the Department of Health and Human Services;

Special Representative for Trade Negotiations and Deputy Special Trade Representatives;

Under Secretary of Commerce for International Trade and certain Assistant Secretaries of Commerce;

Commissioner of Social Security;

Chief of the Children's Bureau;

Commissioner and Chief Counsel of the Internal Revenue Service;

Treasurer of the United States;

Judges of the U.S. Tax Court; and

Commissioners of the International Trade Commission.

FEATURES OF COMMITTEE JURISDICTION TODAY

The jurisdiction of the Committee on Finance today encompasses vital areas which affect every American citizen:

1. *Tax matters.*—The Finance Committee has the responsibility for all revenue used to finance the Federal Government. This amounted to $666 billion in fiscal year 1984. The committee also has responsibility for the terms and conditions under which the Government borrows money. A total of $170.8 billion was borrowed from the public in fiscal year 1984.

2. *Social Security.*—The Social Security program which provides retirement, survivorship, and disability benefits for workers and their families involved fiscal year 1984 expenditures totalling $180 billion.

3. *Medicare.*—In fiscal year 1984, the cost of health insurance under the Medicare program for aged and disabled social security beneficiaries was $62 billion.

4. *Supplemental security income.*—The supplemental security income program assures all aged, blind, and disabled persons a minimum level of income. The cost of this program in fiscal year 1984 (including both the basic Federal benefit and certain State-funded supplementary payments) was over $10.2 billion.

5. *Family welfare programs.*—In fiscal 1984, Federally aided welfare programs for families required about $15 billion in Federal, State, and local costs. More than half of these costs were met with Federal funds.

6. *Social services.*—In fiscal year 1984, Federal financing of about $3.3 billion was provided to assist States in operating programs of social services, child welfare services, adoption assistance, foster care, and related training.

7. *Medicaid.*—Medical assistance is provided for needy persons under the Medicaid program. Federal, State, and local costs for this program totaled $38 billion in fiscal year 1984. Federal funds accounted for 56 percent of this amount.

8. *Unemployment compensation.*—In fiscal year 1984, expenditures from the unemployment trust fund for benefits and administrative costs amounted to about $19.4 billion.

9. *Maternal and child health.*—The maternal and child health programs are authorized in the Social Security Act and fall under the jurisdiction of the Senate Finance Committee. These programs operated at a level of about $400 million in fiscal year 1984.

10. *Revenue sharing.*—For fiscal year 1984, the revenue sharing program provided fiscal assistance to local units of government totalling $4.6 billion.

11. *Tariff and trade legislation.*—The committee has the responsibility for all legislation affecting tariffs and import trade. The total amount of our international trade—imports and exports—was $559 billion in 1984.

12. *The public debt including related fiscal and monetary policy.*—On September 30, 1984, the public debt stood at $1.57 trillion.

Considered overall, the Finance Committee handles legislation involving more money than any other committee in the entire Congress.

Each of these spheres of jurisdiction involves consideration of matters which are often quite technical and detailed. Proper handling of such legislation demands expertise, knowledge, and skills which are the products of long experience. Furthermore, there are interrelationships between the different areas of jurisdiction which must be properly understood in order to give adequate consideration to a given piece of legislation.

For example, the Revenue Act of 1971 provided a system of tax incentives for U.S. corporations to increase their exports, thereby strengthening the U.S. trade position. Additionally, tax adjustments must also be viewed in terms of fiscal policy—that is, how would a tax reduction affect the national economy? What is the relationship between trade policy and domestic unemployment? Between social security benefits and payments to needy aged persons? These and other questions receive careful consideration in the evaluation of legislation.

Though it is today taken for granted that the Finance Committee has jurisdiction over major tax, trade, and social security bills, some interesting aspects of the committee's jurisdiction seldom receive the spotlight.

Trade.—In the years following World War II, U.S. customs duties were still relatively high, since classification determined rates of duty, it was an important question well in to the early 1970's, even though today such cases go to the U.S. Court of International Trade. However, in the 1950's and 1960's the spirit of tariff laws was often violated when foreign producers contrived ways of manipulating their products to take advantage of the letter of the law to fit their exports within substantially lower U.S. tariff categories. From time to time the Finance Committee had to act to insure that tariff loopholes were closed so that the original congressional intent could be achieved. The following examples serve to illustrate this kind of problem.

Foreign textile manufacturers had found that by combining a small quantity of high-value flax with a large quantity of low-value wool (generally reprocessed or reused wool) they could create a fabric which as 75 to 85 percent wool by weight. Since, however, the chief value of the fabric was flax (although its commercial use was as a woolen), its duty was only 10 percent ad valorem instead of the tariff on woolens of 35 cents per pound plus 60 percent ad valorem—a rate more than 6 times as high. In 1965, legislation was enacted to close this loophole.

No sooner had this loophole been closed than a new one was devised. A new type of woolen fabric was manufactured containing small quantities of high-value rabbit hair and large quantities of low-value re-

processed wool. Since rabbit hair comprised the chief value of the fabric, its tariff rate was only 17.5 percent, rather than the much higher rates for wool fabrics. To deal with this new device for tariff avoidance, legislation was enacted in 1966.

Once again the fabric was manipulated to avoid the high wool fabric tariffs. One method involved a combination of low-value wool with high-value silk in such a way that the resultant fabric was preponderantly wool by weight. However, since its chief value was silk, it as dutiable at a rate substantially below what its rate would have been had its chief value been wool. Because of the substantial discrepancy between silk and wool tariffs, imports of the fabric increased from 234,000 square yards in 1965 to more than 3 million square yards in 1966 and 1967. Once again in 1968 the Finance Committee initiated legislation to eliminate this loophole by assuring that any fabric which for practical purposes is a woolen fabric will be subject to the duties which should apply to woolen fabrics.

Evasion of import quotas by manipulating the product was also prevalent in the case of rubber-soled footwear.

In 1953 and 1954 certain footwear of the tennis shoe or sneaker type were imported, which, in all essential respects, had the characteristics of rubber-soled footwear subject to the high-tariff American selling price system of valuation. However, a strip of expensive leather had been inserted between the inner and outer sole of each shoe with the result that the soles of such imports were in chief value of leather (not rubber) and the shoes were subject to a lower duty. This loophole was closed in 1954. In 1955 a new avoidance practice was developed. It consisted of making the tennis shoe or sneaker with a tongue of high-grade leather, thereby making the shoe in chief value of leather again subject to a lower rate of duty. This practice was terminated in 1958.

Legislation also was enacted in 1965 in order to provide uniform valuation treatment to imports of certain protective rubber footwear (boots, galoshes, rainwear, etc.). Although such footwear of natural rubber was not commercially distinguishable from footwear of synthetic rubber and was dutiable under the same provision at the same rate, the natural rubber footwear was dutiable on the basis of American selling Price while synthetic rubber footwear was not—with the result that imports of the latter were dutiable at a lesser amount than imports of the former.

Taxation.—Jurisdiction over tax legislation is broader than merely setting rate on income or excise taxes. The Finance Committee has handled tax legislation dealing with a variety of subjects.

Some taxes are specifically designated in the Internal Revenue Code as ''regulatory taxes.'' Taxes are levied on the manufacture production, or importation of opium, coca leaves and opium for smoking, and also upon the transfer of marihuana. In addition, every person who im-

ports, manufactures, compounds, sells, deals in, dispenses, or gives away narcotic drugs or marihuana is required to register with the Treasury Department and pay a special occupational tax. Severe penalties are provided for persons failing to pay these marihuana, narcotics, or occupational taxes. Other regulatory taxes relate to white phosphorus matches (which are highly poisonous and are taxed at such a high rate that they cannot be made profitably), adulterated and process butter, and certain contracts for the sale of cotton futures. Regulatory taxes are also imposed on average bank circulation outstanding; this tax was enacted in the Civil War period in order to tax State bank notes out of circulation as the new uniform national currency was established.

An excise tax is levied on wagering transactions (bets), and professional gamblers (persons who take wagers) must register with the Treasury Department and pay an occupational tax annually. As with, narcotics taxes, severe penalties are provided for wagering tax evasion. (The wagering tax has been weakened because of a 1967 decision of the Supreme Court which largely nullified this tax.)

An excise tax is also imposed on sawed-off shotguns rifles, machineguns, and silencers; an occupational tax is imposed on importers, manufacturers (regular or otherwise), and dealers handling these weapons. Many of the gangsters and mobsters of the 1930's were finally convicted of violation of these regulatory taxes and of income tax evasion. Thus, the tax laws serve to further the enforcement or objective of the criminal laws of the State and Federal Governments.

Tax law has also had direct bearing on social issues. Substantial tax benefits are afforded to businesses for private pension plans as an encouragement for their adoption; under the Internal Revenue Code, the Treasury Department must insure that the pension plans meet certain minimuin standards for the company to receive the tax benefits. Working parents may claim a credit for child care expenses: under another provision of the tax law, employers hiring welfare recipients may be eligible for a tax credit.

Proposals for innovative ways to provide a broad base of support for political campaign financing have been acted on by the Senate Finance Committee because of their connection with tax law. This work reached fruition in 1971, when legislation was enacted allowing a taxpayer to designate on his Federal income tax return if he wishes $1 of his tax to be set aside to help fund the next presidential election campaign. The 1976 Presidential campaign was the first one to be paid for with public funds.

Social Security.—Two Medicare provisions illustrate the broad range of areas affected by social security legislation. One of these provisions changed the method of paying for inpatient hospital services under Medicare from cost-reimbursement to one which pays prospectively set

rates based on the patient's diagnosis. The new system represents a major departure from traditional hospital payment methods. It is intended to create an incentive for hospitals to operate more efficiently by allowing them to retain payment amounts that exceed their costs while incurring losses where their costs exceed the payment. Another provision calls for the establishment of Professional Review Organizations through which practicing physicians review services furnished in their geographic area to Medicare and, at the State's request, Medicaid patients.

FAMOUS COMMITTEE MEMBERS

With its prestige and broad jurisdiction, it is not surprising that many of the most famous members of the Senate served on the Finance Committee. Many of these Senators were honored on stamps and currency; this document includes illustrations of some of these.

Some years ago, the Senate charged a special committee chaired by Senator John F. Kennedy to select five outstanding Senators in U.S. history. The five Senators selected had all served on the Finance Committee, the first three as chairmen:

Henry Clay
John Calhoun
Daniel Webster
Robert LaFollette
Robert A. Taft

Three Presidents served on the Finance Committee while in the Senate:

Martin Van Buren
John Tyler
Lyndon B. Johnson

Eight Vice Presidents served on the committee:

John Calhoun
Martin Van Buren
John Tyler
William R. King
Charles Curtis
Alben W. Barkley
Lyndon B. Johnson
Walter F. Mondale

Nine committee members served as Secretary of the Treasury:

George W. Campbell
Louis McLane
Levi Woodbury
Thomas Ewing

William P. Fessenden
John Sherman
James Guthrie
George S. Boutwell
John G. Carlisle

Eleven members served as Secretary of State:

Martin Van Buren
Louis McLane
William L. Marcy
Daniel Webster
Henry Clay
John Calhoun
John M. Clayton
John Sherman
Thomas Bayard Sr.
Frederick Frelinghuysen
Cordell Hull

Eighteen members served in other Cabinet positions:

John C. Calhoun, Secretary of War
John Henry Eaton, Secretary of War
John M. Berrien, Attorney General
Levi Woodbury, Secretary of the Navy
John Branch, Secretary of the Navy
William L. Marcy, Secretary of War
Thomas Ewing, Secretary of the Interior
William Wilkins, Secretary of War
John J. Crittenden, Attorney General
George E. Badger, Secretary of the Navy
Isaac Toucey, Attorney General and Secretary of the Navy
Simon Cameron, Secretary of War
George H. Williams, Attorney General
Henry M. Teller, Secretary of the Interior
Hoke Smith, Secretary of the Interior
James J. Davis, Secretary of Labor
Clinton P. Anderson, Secretary of Agriculture
Abraham Ribicoff, Secretary of Health Education and Welfare
Daniel Patrick Moynihan, Counselor to the President and U.S. Permanent Representative to the United Nations
William E. Brock III, U.S. Special Trade Representative and Secretary of Labor.

Three committee members—Nathaniel Macon, Henry Clay, and Robert Hunter—were Speakers of the House of Representatives before coming to the Senate.

[2]

THE SENATE FINANCE COMMITTEE FROM ITS ORIGIN TO THE CIVIL WAR

EVENTS LEADING TO THE CREATION OF THE FINANCE COMMITTEE

The important role of the Finance Committee does not date from the First Congress which convened in 1789. In fact, for years after its establishment the Senate had no standing legislative committees at all.

One of the very first acts of the new organized Senate of the First Congress was to direct a select committee of Senators to prepare a system of rules for conducting business in the Senate. The 19 rules recommended by this committee were adopted by the Senate on April 16, 1789. One of the rules stated that ''all committees shall be appointed by ballot, and a plurality of votes shall make a choice.''

Though the rule refers to use of committees, the only standing committees established by the Senate during its first 27 years were basically administrative rather than legislative in function. Two major reasons accounted for this. First, the Senate was at that time a small body. In 1789 it began with only 20 Senators—the same number that serve on the Finance Committee today. Even by 1816, when the standing legislative committees were first established, this number had grown to only 36 Senators.

A second reason that the Senate was able to carry on its business expeditiously without recourse to the standing committees was that it handled a relatively small volume of business. In those days Senate rules made it difficult for individual Senators to introduce bills. The Senate rules provided a bill could only be introduced by a Senator after permission had been granted by a majority of the Senators present, and then only after 1 day's notice had been given of his intention to request such permission. Senators did not hesitate to deny permission when they objected to the purpose of a bill. For example, a request of Senator Ray Green for permission to introduce a bill repealing the tax on stamped vellum was denied by the Senate in 1789. The result of such obstacles to the introduction of bills by individual Sen-

ators was a severe limitation on the number of bills introduced. Only four bills were introduced in the Senate in the first session of the First Congress.

A more common means of initiating legislation in the Senate was. for a Senator to move that a committee be appointed to report a bill achieving a specific goal. In this event, a committee was selected whose existence terminated once its specified task was completed.

The most striking feature of the use of committees by the Senate during the early Congresses was its flexibility. All legislative committees during this period were appointed for a specific purpose; and when that purpose had been accomplished, the committee passed out of existence.

This meant that the number of committees named during a session was very large, but it also meant that the committees were directly responsive to the will of the Senate as a whole. Since they were under the immediate control of the Senate, committees could be used for a wide variety of purposes as dictated by the needs of the moment. In addition to appointing committees to initiate legislation in a particular area, as noted above, the Senate used committees to draft legislation once basic policy on a particular subject was decided by the Senate as a whole; to study a subject and report legislation if desirable; to study sections of the Presidents annual message to Congress with instructions to report what legislation, if any, was required; to review petitions and memorials submitted to the Senate; to consider nominations for offices in the executive branch submitted by the President; and for such administrative purposes as preparing or delivering messages from the Senate to the President. These were only some of the uses to which committees were put; and it should be noted that the Senate often acted as a body on particular matters of legislation without the use of committees at all.

As time went on, it became clear that a more efficient use of experience and knowledge would have to be developed. In 1801 the Senate added to its rules the following:

> When any subject or matter shall have been referred to a select committee, any other subject of a similar nature may, on motion, be referred to such committee.

This new provision of the rules had already been followed in practice, and it was increasingly used as time went on. In addition, the practice developed of appointing the same Senators to committees dealing with similar subject matter. Thus, though a number of temporary select committees were established in the 13th Congress to deal with subjects of taxes, tariff duties, and other measures affecting the Treasury, a few Senators were repeatedly appointed to these committees.

Finally, the Senate during the 14th Congress took the first formal step leading to the development of standing committees as we know them today. On Tuesday, December 5, 1815, President Madison delivered his annual message to the Congress. On Friday, December 8, Senator Bibb of Georgia submitted a series of motions to refer parts of the President's message to various select committees. One of his motions was recorded in the Senate Journal as follows:

24 Resolved, That so much of the message of the President of the United States, as relates to finance and an uniform national currency be referred to a select committee, with leave to report by bill or otherwise

(*Resolved,* That so much of the message of the President of the United States, as relates to finance and an uniform national currency. be referred to a select committee, with leave to report by bill or otherwise.

The Annals of Congress record that on the following Monday—

> The Senate resumed the motion made the 8th instant, for the appointment of a Committee on so much of the Message of the President of the United States, as relates to Finance and an Uniform National Currency, and agreed thereto; and Messrs. CAMPBELL, CHACE, BIBB, KING, and MASON, were appointed the committee.

Appointed to the committee were Senators Campbell (chairman, Tennessee), Chace (Vermont), Bibb (Georgia), King (New York), and Mason (New Hampshire).

It had not been uncommon before this for portions of the President's annual message to be referred to select committees for consideration and recommendations of appropriate action. But the select committees created previously had been dissolved upon completion of their immediate task. The select committees of the 14th Congress, first session, however, were utilized throughout the session for a variety of legislative measures.

Though the new Committee on Finance and an Uniform National Currency (as it was subsequently referred to) remained a select, and theoretically temporary, committee, it soon proved its mettle by handling the two most important legislative measures enacted by the 14th Congress: the Tariff Act of 1816 and the Bank Act. Some background is necessary to appreciate the significance of these two acts.

The War of 1812 had left U.S. finances in a chaotic state. Expenditures had risen sharply because of the war, but customs revenues, which had represented 90 percent of Federal income, were cut in half by the drop in trade during the war. Excise taxes were levied too late to be a significant source of income during the war. As a result, the national debt, which had declined from $81 million to $45 million between 1801 and 1811, almost tripled to $127 million by 1815.

In addition, the charter of the United States Bank had been allowed to expire in 1811. The Bank had issued uniform currency, acted as a depository for Federal funds, and cooperated closely with the Treasury in attempting to stabilize the money market and protect the banking system. With the United States Bank defunct, the war years saw a tremendous growth in State-chartered banks, each issuing its own notes. Since Government spending was very heavy and taxes were not imposed, price inflation resulted. Soon the public lost its faith in bank notes and attempted to redeem them. The banks themselves refused to accept bank notes from banks chartered by other States. After the summer of 1814, the entire U.S. banking and currency system broke down. For practical purposes, much of the Treasury's revenue was useless, since it was collected in State bank notes which were not accepted in other States.

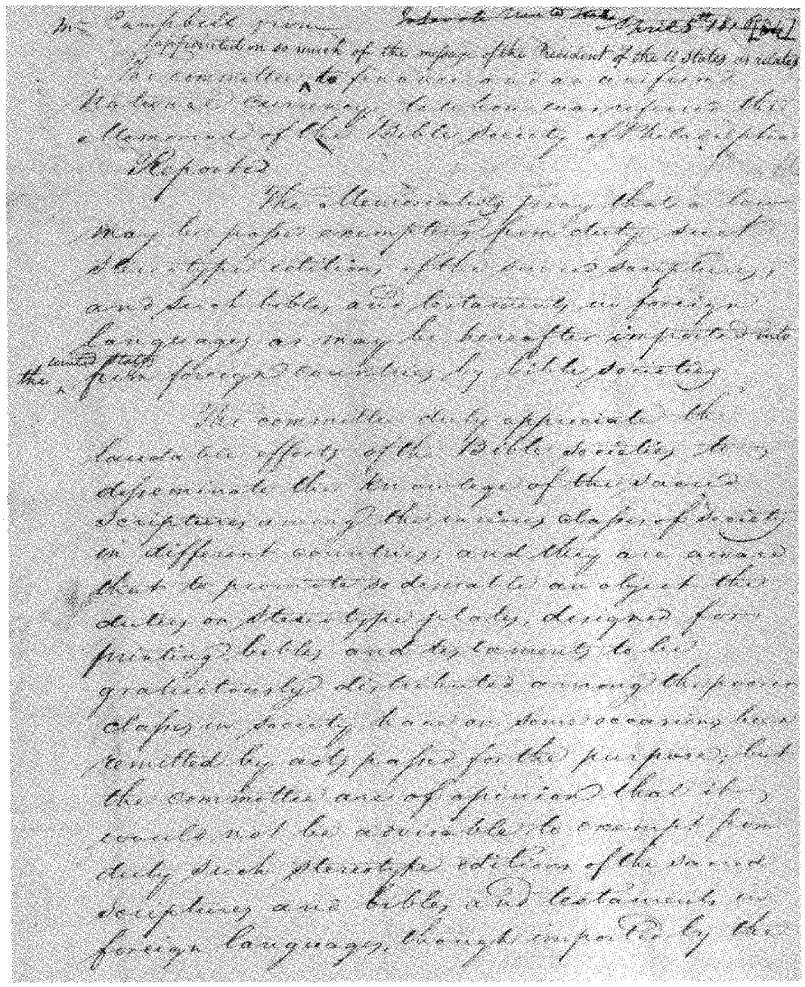
Faced with this situation, President Madison, in his annual message to the Congress delivered December 181 urged the Congress ''that the benefits of an uniform national currency should be restored to the community''—if necessary, through the reestablishment of a national hank. The President also suggested that tariffs be raised both to increase Federal revenues and to protect infant industry in the United States.

On March 15, 1816, the House sent to the Senate ''An Act to incorporate the subscribers to the Bank of the United States;'' the bill was ''referred to the Committee on Finance and an Uniform National Currency.'' The committee reported the bill one week later, and following Senate passage, the House accepted the Senate amendments and sent the bill to President Madison for his approval on April 10. The act chartered a national bank for 20 years, with the Government providing one-fifth of the capital; notes of the Bank were acceptable in payment of all public debts. The Bank Act ended the chaotic fiscal situation of the prior 5 years.

On April 9, 1816, the Senate received from the House ''An act to regulate the duties on imports and tonnage.'' Although the section of the President's message dealing with tariffs had been referred to a Select Committee on Manufactures, the House-passed Tariff Act of 1816 was referred to the Committee on Finance and an Uniform National Currency. The bill was reported by the committee shortly and, following House concurrence in the Senate amendments, was signed into law on April 26. This bill served as the basic U.S. tariff law for the following 8 years.

Thus did the nascent Finance Committee achieve its first two legislative landmarks. But the committee handled other issues as well, of a different character. For example, in 1816 there had been referred to the committee a memorial of the Bible Society of Philadelphia praying ''that a law may be passed exempting from duty such stereotype editions of the sacred scriptures, and such Bibles and Testaments in foreign languages, as may be hereafter imported into the United States from foreign countries by Bible societies.'' In one of its first printed reports, the Finance Committee states its appreciation of the ''laudable efforts of the Bible societies to disseminate the knowledge of the sacred scriptures among the various classes of society in different countries;'' however, the committee felt that exemption from duty of Bibles imported by Bible societies ''might have the effect of preventing or discouraging the importation of those kinds of books by other descriptions of persons, and might also discourage the printing them in our own country.'' The committee therefore recommended that the request not be granted.

At the beginning of the second session of the 14th Congress, in December 1816, following the delivery of President Madison's annual message, Senator Sanford of New York offered a set of motions to refer parts of the message to select committees, as had been done in 1815. But this time, no action was taken on these motions. Instead, the following day Senator Barbour of Virginia offered a motion to establish specified standing committees as part of the Senate rules. Senator Barbour's motion was approved, and on December 10, 1816, the Committee on Finance was established as a standing committee of the Senate. Three days later, its members were appointed: Senators Campbell (chairman, Tennessee), Mason (New Hampshire), Thompson (New Hampshire), King (New York), and Troup (Georgia). Three of its members, including the chairman, had served on the Select Committee on Finance and an Uniform National Currency; Senator Bibb of Georgia, a member of the previous year's select committee, had resigned at the end of the first session.



Shown above is one of the first written reports ever filed by the Select Committee on Finance and an Uniform National Currency (predecessor of the Finance Committee in the 14th Congress). In this report, the Committee turned down a request of the Philadelphia Bible Society that foreign language bibles be permitted to enter this country duty-free.

SELECTION OF COMMITTEE MEMBERS IN THE SENATE

The Senate had in 1789 adopted the rule that ''all committees shall be appointed by ballot, and a plurality of votes shall make a choice.'' The significance of this rule took on a new dimension with the establishment of standing committees.

At first, the choice of committee chairmen and members continued to be by ballot of the whole Senate. But this system led to embarrassing situations. In 1816, three of the five members of the Finance Committee were members of the minority' Federalist Party, though the chairman was a Democrat; in the first session of the 24th Congress, Chairman Daniel Webster and two other members of the five-man Finance Committee were members of the minority Whig Party. In the 17th and 21st Congresses, the entire membership of the Finance Committee was of the majority party.

In 1823, Senator Eaton proposed that the chairmen of the Finance Committee and four other major committees be selected by ballot, and that these five chairmen select the remaining members of all standing committees. After consideration of this proposal, the Senate voted instead to amend the rules to provide that all committees ''shall be appointed by the presiding officer of this House, unless otherwise ordered by the Senate.'' Since Vice President Tompkins virtually never attended Senate sessions, it was the President pro tempore, an officer chosen by and responsible to the Senate, who made the appointments. But the next Vice President, John Calhoun, was a political enemy of President John Quincy Adams. Exercising his function as Presiding Officer of the Senate, in 1826 he appointed to the Finance Committee only one Senator not hostile to the Adams administration. In view of the strong political nature of these and other committee assignments by the Vice President, the Senate, whose majority supported the President, soon stripped the Vice President of the power to appoint committees and restored the original rule of committee choice by ballot.

In 1826, the procedure was also adopted of appointing committee chairmen separately by majority vote, and then voting by one ballot for the remaining committee members. But this too proved unsatisfactory since the ranking committee member by this method would often be a member of the minority party, who would head the committee in the event of the chairman's absence.

In the following dozen years the Senate experimented with various ways of dealing with the problem, aiming always for a solution which would enable the parent body to keep some control over committee appointments while avoiding the capricious results that sometimes followed from the timeconsuming balloting procedure.

In 1846, the Senate finally adopted the method of committee selection which has been followed to this day: the parties selected the committee chairmen and members, and the resulting lists were approved by the Senate as a whole.

The method of choosing the committee chairman also underwent modification. Senator William Maclay, a member of the select committee appointed in 1789 to recommend the Senate's first set of rules, proposed that the chairman of each committee ''shall be the Senator

from the most northerly State of those from whom the committee is taken.'' The proposal was not even considered. In fact, for its first 37 years the Senate rules made no provision for choice of committee chairman. Jefferson's Manual of Senate Procedure (compiled during his Vice Presidency) merely states that ''The person first named is generally permitted to act as chairman. But this is a matter of courtesy, every committee having a right to elect their own chairman who presides over them, puts questions, and reports their proceedings.'' In 1808, John Quincy Adams declared it to be the Senate's prevailing practice that ''the member having the greatest number of votes is first named, and as such is Chairman.''

But this was before the standing legislative committees were created. Only after their creation did the chairmanship begin to assume the significant role characteristic of a later period. Eventually, after the kind of experimentation noted above, chairmanship was decided on the basis of party and committee seniority, as it is today.

THE FINANCE COMMITTEE FROM ITS CREATION TO THE CIVIL WAR

The Finance Committee had well shown its value to the Senate by its activity during the first session of the 14th Congress. But the standing committees did not immediately assume the role they have today. Today, with extremely rare exceptions, every bill in the Senate is referred to one of the standing committees; the jurisdiction of each committee is set forth explicitly in the Senate rules.

In 1816 and the ensuing decades, the Senate had not fully decided on the way it was to use its standing committees. In the early years after the Finance Committee's establishment, referral of bills to committees was determined by motions on the Senate floor. Sometimes bills dealing with similar subject matter were referred to different committees; sometimes temporary select committees were created to deal with particular legislation (as had been done before the standing committees were created); often, bills were considered directly on the Senate floor without recourse to committees at all.

Tariff measures.—Though the Finance Committee had handled the Tariff Act of 1816, it was years before its authority over all tariff bills was recognized. The sections of the 1815 President's message dealing with tariffs had been referred to a Select Committee on Manufactures. This committee became the standing Committee on Commerce and Manufactures in December 1816; its membership in the second session of the 14th Congress was limited to Senators from Rhode Island, New Hampshire, New York, and Pennsylvania. Given its composition: it was naturally sympathetic to raising tariffs to protect American industry.

Proponents of high tariffs argued that their purpose was not primarily to raise revenues, but rather to protect American industry: and

indeed, if tariffs on certain goods are raised high enough, revenue ceases since legal importation of those goods stops. Be that as it may, protectionists were partially successful in diverting some tariff bills to the sympathetic Committee on Commerce and Manufactures. In 1816, two out of the four tariff bills introduced in the Senate or passed by the House were referred to the Committee on Commerce and Manufactures, while the Finance Committee received two; for the next 10 years, no significant tariff bill was referred to the Finance Committee. A distinction was apparently made between tariff measures for revenue purposes only (such as the duty on salt), which were referred to the Finance Committee, and tariff measures on manufactured goods for the purpose of protection, which were referred to the other committee. But even this rule of thumb often was not followed, and in a number of cases tariff bills were directly considered on the Senate floor without referral to either committee.

The conflict over jurisdiction is shown in Senate action on the House bill that was to become the protectionist Tariff Act of 1824. When the bill was sent to the Senate following House passage, Senator Lloyd of Maryland (who did not serve on either the Finance Committee or the Committee on Commerce and Manufactures) moved to refer the bill to the Finance Committee on the grounds that it would have a profound effect on the finances of the country. This motion gave rise to considerable discussion on the propriety of such a referral, and opponents of the motion contended that the subject properly belonged to the Committee on Commerce and. Manufactures. A vote was taken, and the motion to refer the bill to the Finance Committee was defeated, 23 to 22. It was then referred to the Committee on Commerce and Manufactures.

An even more protective tariff law, called the ''Tariff of Abominations,'' was enacted in 1828. But the Committee on Manufactures, with its extreme protectionist sentiments, was not able to maintain its jurisdiction over tariff matters.

In 1833, Senator Henry Clay of Kentucky (who was not yet a member of the Committee on Finance) introduced his ''Compromise Tariff'' bill to reduce tariffs. Senator Dickerson of New Jersey, chairman of the Committee on Manufactures, moved that the bill be referred to his committee. Senator Grundy of Tennessee recommended instead that a seven-member special committee, chosen from different parts of the country, be set up under Clay's chairmanship to deal with this ''measure introduced in a spirit of conciliation and harmony, with a view to the settlement of the dangerous collisions of opinions which exist between different sections of the country. The motion to refer the bill to the Committee on Manufactures was defeated by a vote of 26 to 12, and the special committee was appointed under Clay's chairmanship.

None of the other Senators on the special committee were members of the Committee on Manufactures.

H. R. No. 42.

IN SENATE OF THE UNITED STATES.

January 25, 1816.

Read and passed to a second reading.

AN ACT

To continue in force the act entitled "An act, for imposing additional duties upon all goods, wares, and merchandise imported from any foreign port or place, and for other purposes."

1 *Be it enacted by the Senate and House of Representatives of the*
2 *United States of America, in Congress assembled,* That the
3 additional duties upon goods, wares, and merchandise import-
4 ed into the United State
5 imposed by the act entit
6 duties upon all goods, wa
7 any foreign port or place,
8 the first day of July, in th
9 and twelve, shall continue
10 the mode therein preseri
11 same regulations and pro
12 nalties, forfeitures, and rel
13 now provided by law, unti
14 thing in the said act to th
15 withstanding.

No. XVI.

IN SENATE OF THE UNITED STATES.

January 29, 1816.

Mr. Campbell, from the Committee appointed on so much of the President's Message as relates to finance, &c. to whom was referred the bill "to continue in force, the Act, entitled an Act, for the imposing additional duties upon all goods, wares, and merchandise, imported from any foreign port or place, and for other purposes," report the same, with the following

AMENDMENTS:

Sec. 1, *line* 8, strike out the word "is" and insert "are."

Sec. 2, *line* 2, strike out the word "manner" and insert "and under the regulations and allowances."

Line 3, after the word "collection," insert "and drawback."

After the word "merchandise," strike out "the sum," and insert "an additional duty."

Line 4, after the words "on the" strike out "amount of the."

The major tariff bill handled by the Select Committee on Finance and an Uniform National Currency (predecessor of the Finance Committee in the 14th Congress) became the Tariff Act of 1816. The Select Committee also handled other tariff bills during the first session of the 14th Congress, such as the bill shown above.

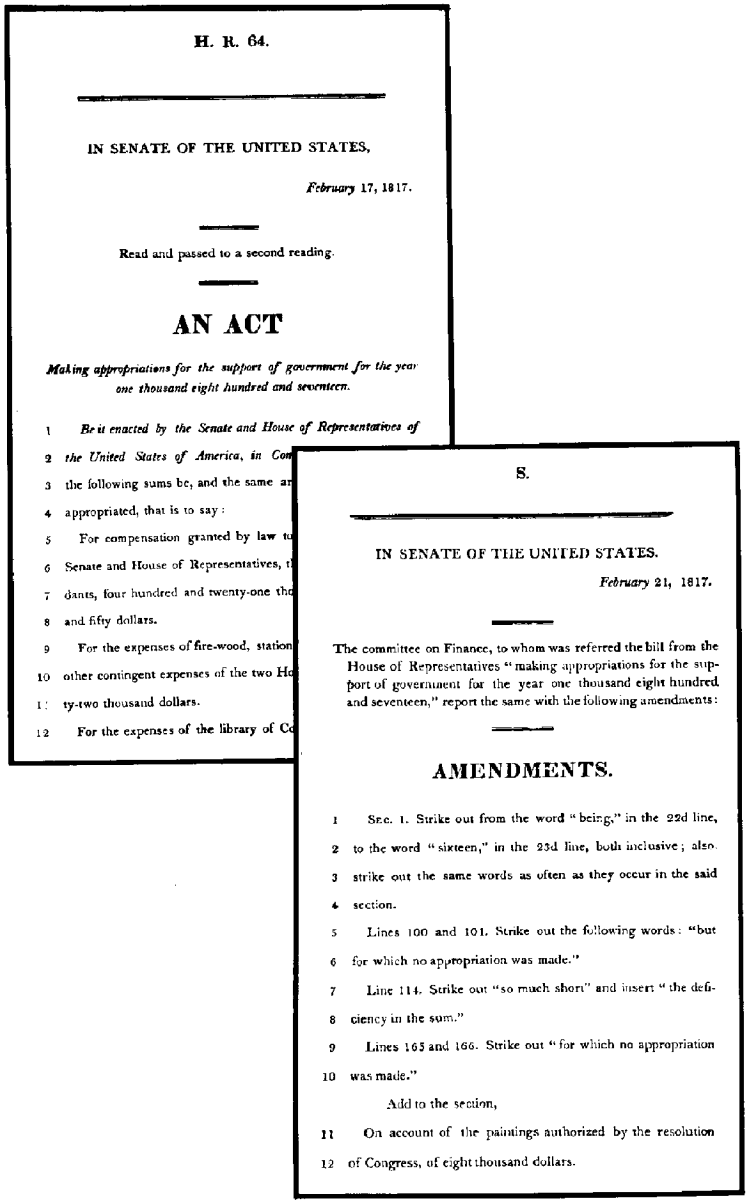
This vote of no confidence proved a turning point in jurisdiction over tariff bills. Beginning in 1834, all tariff bills were referred initially to the Finance Committee. The important Tariff Act of 1842 was handled by the Finance Committee, as were a number of minor bills in the decade following the Compromise Tariff of 1833.

In 1846, a bill to reduce tariffs was passed by the House and sent to the Senate on July 6. The Senate leaders wished to take the bill up on the Senate floor immediately; a motion to refer it first to the Finance Committee was narrowly defeated. 24 to 22. After 6 weeks of floor debate, it was referred to the Finance Committee on July 27 by a 28 to 27 vote, with detailed specific instructions on what to report. The following day the committee asked to be discharged from further consideration of the bill. A motion to refer the bill to a special committee, with similar detailed instructions, was defeated 27 to 27 (with the Vice President opposing the motion), the bill was then passed with the Vice President voting for the bill, thereby breaking a tie vote of 27 to 27.

For the next decade, there was no serious challenge to the Finance Committee's jurisdiction over tariff measures. The tariff-reducing Tariff Act of 1857 was handled by the Finance Committee; an attempt to prevent referral of the 1861 Tariff Act to the Finance Committee was defeated, 29 to 27 (though subsequent to Finance Committee action, a select committee was appointed to consider the bill further).

Appropriation bills.—Though the Finance Committee was to become the major committee handling appropriations before the Civil War, this role was not established immediately upon the creation of the committee in 1816.

In the earliest years of the committee's existence, there were only three major appropriation bills to be considered each year: for the Army, for the Navy, and for the civil functions of Government. In the first session of the 14th Congress, while the Finance Committee was still a select committee, the Army appropriation bill was handled by the Select Committee on Military Affairs; the Navy appropriation bill was handled by the Select Committee on Naval Affairs; and the general Government appropriation bill was referred to a specially created select committee none of whose members served on the select Committee on Finance and an Uniform National Currency).



H. R. 64.

IN SENATE OF THE UNITED STATES,

February 17, 1817.

Read and passed to a second reading.

AN ACT

Making appropriations for the support of government for the year one thousand eight hundred and seventeen.

1 *Be it enacted by the Senate and House of Representatives of*
2 *the United States of America, in Con*
3 the following sums be, and the same ar
4 appropriated, that is to say:
5 For compensation granted by law to
6 Senate and House of Representatives, t
7 dants, four hundred and twenty-one tho
8 and fifty dollars.
9 For the expenses of fire-wood, station
10 other contingent expenses of the two Ho
11 ty-two thousand dollars.
12 For the expenses of the library of Co

S.

IN SENATE OF THE UNITED STATES.

February 21, 1817.

The committee on Finance, to whom was referred the bill from the House of Representatives "making appropriations for the support of government for the year one thousand eight hundred and seventeen," report the same with the following amendments:

AMENDMENTS.

1 SEC. 1. Strike out from the word "being," in the 22d line,
2 to the word "sixteen," in the 23d line, both inclusive; also
3 strike out the same words as often as they occur in the said
4 section.
5 Lines 100 and 101. Strike out the following words: "but
6 for which no appropriation was made."
7 Line 114. Strike out "so much short" and insert "the defi-
8 ciency in the sum."
9 Lines 165 and 166. Strike out "for which no appropriation
10 was made."
Add to the section,
11 On account of the paintings authorized by the resolution
12 of Congress, of eight thousand dollars.

From its creation until after the Civil War, the Finance Committee was the major committee handling appropriation bills. Shown above is one of the earliest appropriation bills handled by the Committee—the 1817 General Government Appropriations Bill.

The next year, when the standing Committee on Finance was established it took over the responsibility for the Army and general Government appropriation bills. The Navy appropriation bill continued to be

handled by the Committee on Naval Affairs until 1827 (with the exception of the 2 years 1821 and 1822), when the Finance Committee was assigned the bill.

One of the appropriation actions in the early years of the Senate Finance Committee related to the Louisiana purchase, which had been made in 1803. Of the $15 million cost of the purchase, $3.75 million was retained by the United States to pay claims of U.S. citizens for damages incurred (mostly at sea at the hands of the French). The remaining $11.25 million was provided in 6-percent bonds payable in four annual installments, from 1818 to 1821. Since Napoleon wanted cash rather than bonds, he sold them to two international bankers for about $10.2 million. The bankers held the bonds until maturity: when they were paid, the Senate Finance Committee had jurisdiction over the appropriation bills. The total cost of the Louisiana purchase to the United States, including interest and American damage claims, was $23.5 million less than 3 cents an acre for the entire territory.

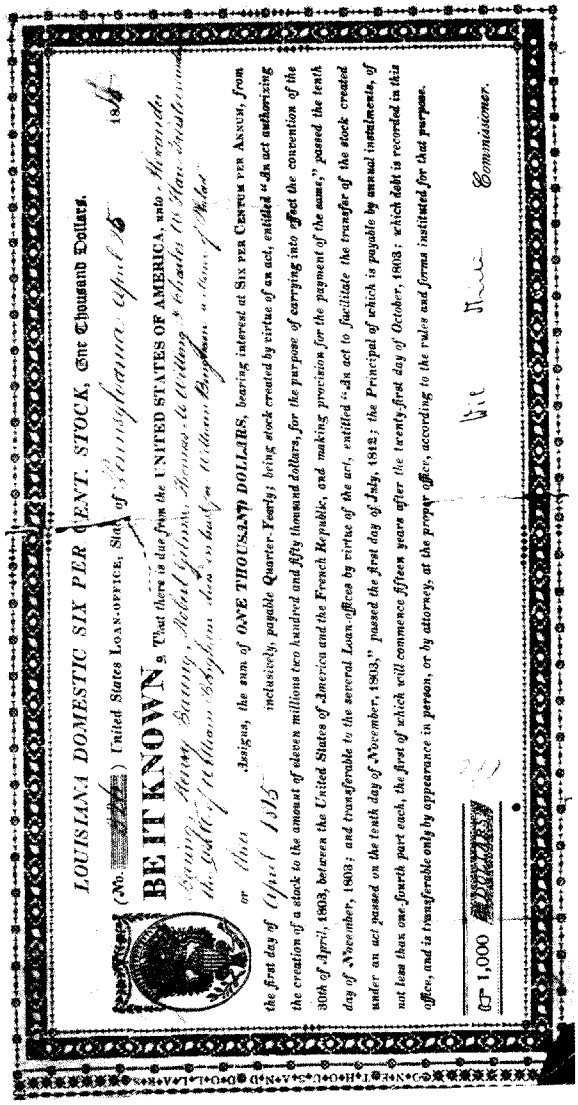
New appropriation bills were not always referred to the Finance Committee. An annual bill appropriating funds for Revolutionary War pensions was first referred to the Committee on Pensions: not until 1830 was Finance Committee jurisdiction over appropriations for this purpose firmly established. Appropriations related to Indian treaties were first handled by the Committee on Indian Affairs; transfer of jurisdiction to the Finance Committee took several years, and it was not until 1834 that all Indian appropriation bills began to be referred to the Finance Committee.

From this time on, jurisdiction over appropriation bills remained virtually unchanged until the Civil War. The Finance Committee was given basic responsibility for appropriations, with the sole exception of public works appropriation bills (which were referred either to the Committee on Commerce or the Committee on Territories, depending on the location of the projects).

National debt, currency, and banking.—The jurisdiction of the Finance Committee over matters of the national debt, currency, and banking in the first decades after its creation were more firmly established than its jurisdiction over other areas, yet even here there were instances where the Senate chose not to use the committee in important matters.

The Finance Committee had played an active role in the creation of the National Bank in 1816. But the National Bank charter was scheduled to expire by 1837. President Jackson had made clear his opposition to the bank. In December 1831, political forces opposed to Jackson met in Baltimore and nominated Henry Clay for President. The convention, convinced that the public supported the bank, decided to make Jackson's opposition to the bank the chief issue of the campaign. On January 9, 1832, Senator Dallas of Pennsylvania (not a member of the Finance Committee) presented the memorial of the president, di-

rectors, and company of the Bank of the United States seeking a renewal of their charter. Instead of referring the memorial to the Finance Committee, which had handled the original bank charter bill in 1816, Senator Dallas moved that the memorial be referred to a select committee of five members. Only one of the five Senators, Senator Johnston of Louisiana, was a member of the Finance Committee. The select committee wrote a bill extending the bank's charter for 15 years; after weeks of debate the bill was finally passed. But following House approval, President Jackson vetoed the recharter. The anti-Jackson forces were elated by their ''success''—but their elation was short lived, for Clay was badly defeated by Jackson in the 1832 presidential election.


LOUISIANA DOMESTIC SIX PER CENT. STOCK, One Thousand Dollars.

(No. [redacted]) United States Loan-office, State of Pennsylvania. April 26 1803

BE IT KNOWN, That there is due from the UNITED STATES OF AMERICA, unto Alexander Baring, Henry Baring, Abel Gilbert, Thomas le Mesley & Charles Ce Fleur Crutwell the sole of William Bingham, Esquire, Assignee of William Bingham, a citizen of the United States, or their Assigns, the sum of ONE THOUSAND DOLLARS, bearing interest at Six per Centum per Annum, from the first day of April 1803 inclusively, payable Quarter-Yearly; being stock created by virtue of an act, entitled "An act authorizing the creation of a stock to the amount of eleven millions two hundred and fifty thousand dollars, for the purpose of carrying into effect the convention of the 30th of April, 1803, between the United States of America and the French Republic, and making provision for the payment of the same," passed the tenth day of November, 1803; and transferable to the several Loan-offices by virtue of the act, entitled "An act to facilitate the transfer of the stock created under an act passed on the tenth day of November, 1803," passed the first day of July, 1812; the Principal of which is payable by annual instalments, of not less than one-fourth part each, the first of which will commence fifteen years after the twenty-first day of October, 1803; which debt is recorded in this office, and is transferable only by appearance in person, or by attorney, at the proper office, according to the rules and forms instituted for that purpose.

£1,000 [redacted] Dollars

Commissioner.

The Finance Committee had jurisdiction over appropriation bills during those years when the bonds issued to finance the Louisiana purchase were redeemed. Shown above is a bond for $1,000, bearing interest at 6 percent per year, related to the Louisiana purchase.

The National Bank issue was not the only controversial issue relating to finance during this period. The Federal Government faced another serious problem: what to do with Federal surpluses. Appropriations for construction and improvement of roads and canals were increased, but fell far short of exhausting the surpluses.

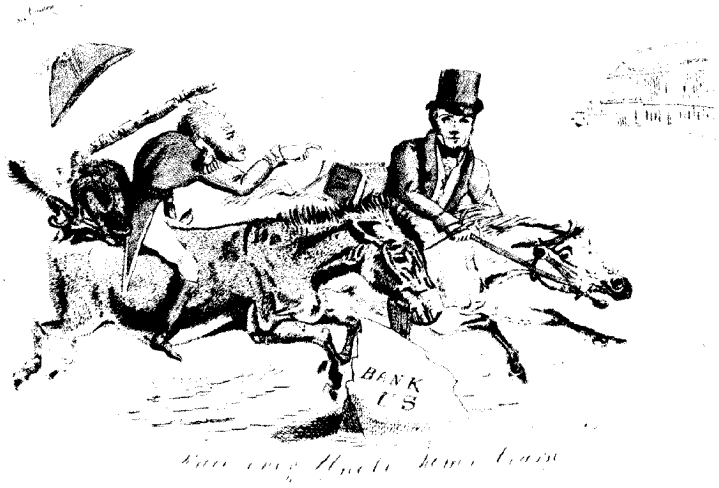
Henry Clay, fearing that the surpluses would threaten protective tariffs, favored the distribution to the States of revenue from the sale of public lands. President Jackson, however, supported instead a more lib-

eral land policy. When Congress passed a bill embodying the Clay proposal, Jackson vetoed it.

In June 1836 Senator John Calhoun of South Carolina proposed a bill to distribute the substantial annual Federal budget surpluses to the States. After extensive floor debate, the bill was referred on Senator Calhoun's motion to a select committee of nine Senators. Senators Daniel Webster (of Massachusetts) and Silas Wright (of New York) were the only Finance Committee members to serve on the select committee.

A bill was signed into law in June 1836. The law provided for the deposit of the surplus in excess of $5 million in four equal quarterly installments with the States in proportion to their representation in the House and Senate. Since the deposit was to bear no interest, and there was no stipulation for their eventual return to the Federal Government, the funds actually represented the first Federal grant-in-aid to the States.

On January 1, 1837, the accumulated surplus was $42.5 million; after the $5 million deduction, $37.5 million was left for distribution to the States. Only the first three quarterly installments, totaling $28 million, were actually distributed. But when the panic of 1837 made the fourth installment of the payment to States impossible, President Van Buren called a special session of Congress to meet in September of 1837. The first and most prominent portion of his message concerned the impossibility of making the quarterly payment. On a motion by Chairman Wright of the Finance Committee, the portion of the President's message relating to finance was referred to the Finance Committee on Friday, September 8. On Tuesday, September 12, the Senate Finance Committee reported a bill postponing the quarterly payment. The bill was soon signed by the President.



"Race over Uncle Sam's Course" is the name of this 1832 political cartoon sympathetic to Senator Henry Clay's quest for the presidency. Racing toward this goal are Clay and President Andrew Jackson, threatening Clay with a veto as his (Jackson's) mule is about to stumble over the United States Bank. The Bank had originally been chartered under legislation handled by the Committee on Finance shortly after the Committee's creation; the charter was scheduled to expire by 1837. Jackson opposed recharter of the Bank while Clay supported it. Seated on the mule in back of Jackson is Martin Van Buren, Jackson's candidate for Vice President and former member of the Senate Committee on Finance. Jackson and Van Buren were elected; Clay lost, but later became Finance Committee Chairman.

The experiment with the distribution of the surplus was unsuccessful in any case. In many States, the funds simply led to inflation, and the withdrawal of substantial amounts from Treasury deposits in banks had a disruptive effect on banking operations and the money market.

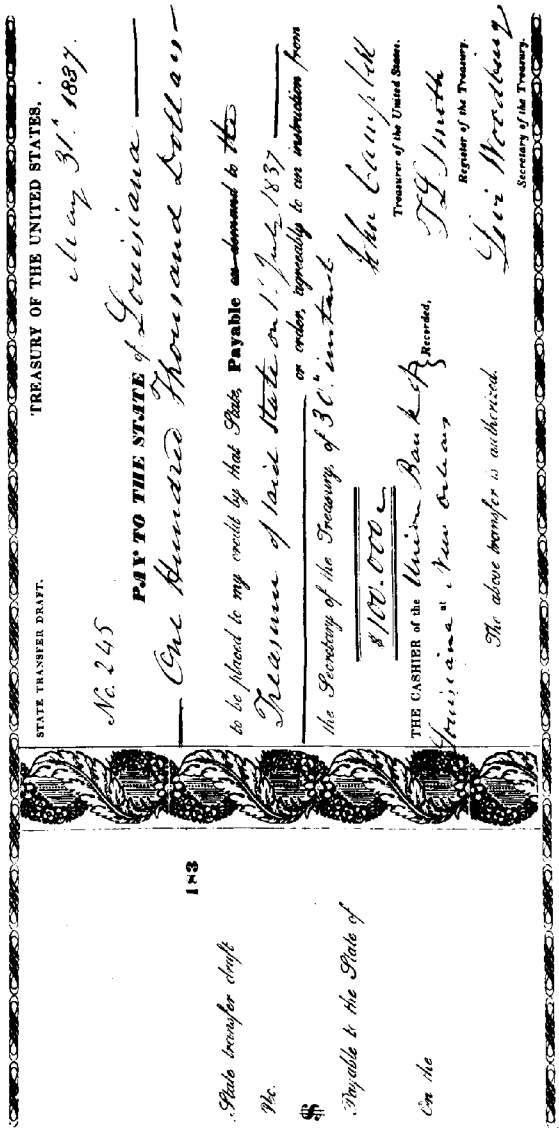
For many years following passage of the October 1837 statute, the deposits with the States were carried on the books of the Treasury as ''unavailable funds.'' In 1910, Congress passed an amendment relieving the Treasurer of the United States from further accountability for the deposits. However, it did not relieve the States of liability for these deposits. To the contrary, the act stated that the amendment ''shall in no wise affect or discharge the indebtedness of the several States to the United States.'' Several States continued to carry these deposits in special accounts; most States long since used the funds for public purposes. Not until enactment of the State and Local Fiscal Assistance Amendments of 1980 were States discharged from this debt.

During its first two decades, the Finance Committee had established its jurisdiction over matters relating to currency, banking, and the national debt—although some measures continued to be taken up by the Senate without referral to committees. An important floor battle in

1838 dramatically illustrates an unsuccessful attempt to avoid referral to the Finance Committee.

Extensive speculation in the purchase of public lands led to an intolerable situation by 1836. To prevent speculators from purchasing public lands—on easy bank credit through bank notes—for resale at substantial profit, President Jackson in July 1836 issued an Executive order providing that beginning December 15, 1836, all land sales were to be for specie. On April 30, 1838, Senator Henry Clay of Kentucky introduced a resolution to repeal the President's Executive order. Clay wanted immediate Senate floor action, but a motion by Chairman Wright of the Finance Committee to refer the resolution to the committee passed by a vote of 28 to 19 (over Clay's opposition). The Finance Committee issued an extensive report on the resolution without recommending that the bill either be passed or be defeated. When the bill was finally brought to a vote, two of the five members of the committee supported it, two opposed it, and the chairman abstained from voting.

Other important issues arose soon after. President Van Buren had long recommended that Treasury operations be separated from the banks. This highly controversial proposal was incorporated in his message to the Congress in 1839. That portion of the Presidential message containing the proposal was referred to the Finance Committee, and the committee reported out an original bill which became the Independent Treasury Act of 1840.


STATE TRANSFER DRAFT.

TREASURY OF THE UNITED STATES,

May 31st 1837.

No. 245

PAY TO THE STATE of Louisiana

One thousand Dollars

to be placed to my credit by that State, Payable ~~on demand to the~~

Treasurer of said State on 1st July 1837

or order, especially to our instruction from

the Secretary of the Treasury, of 3d. instant.

$100.000

THE CASHIER of the Union Bank of Louisiana at New Orleans

Recorded,

The above transfer is authorized.

Treasurer of the United States.

Register of the Treasury.

Secretary of the Treasury.

1843

State transfer draft

No.

$

Payable to the State of

On the

In 1836 the national debt was almost completely repaid and the Congress faced the serious problem of disposing of the surpluses created by protective tariffs. Senator John Calhoun, later a Finance Committee Chairman, proposed that the budget surpluses be deposited with the States, and this proposal became law. Shown above is a partial deposit of $100,000 with the State of Louisiana. Levi Woodbury, the Secretary of the Treasury whose signature appears on this State transfer draft, had been a former member of the Committee on Finance.

The new act's life was short. The next Congress which met in 1841 was controlled by the Whigs; and Henry Clay arranged to become chairman of the Finance Committee—a committee on which he had not served previously. Senator Clay had introduced a resolution earlier to repeal the Independent Treasury Act, but no action was taken on

his resolution. As chairman of the Finance Committee during the first session of the 27th Congress, he introduced a different resolution on June 3, 1841, directing the Finance Committee to report a bill repealing the Independent Treasury Act. Senator Silas Wright of New York, who had been chairman of the Finance Committee during the preceding 5 years of Democratic control, urged Senator Clay instead to reword his resolution to direct the Finance Committee ''to inquire into the expediency of repealing'' the Independent Treasury Act. Senator Clay agreed to the modification and the resolution as modified passed the Senate the same day.

One day later the Senate Finance Committee reported S. 1, a bill repealing the Independent Treasury Act. The bill was signed into law August 13, 1841.

Also on June 3, 1841, Senator Clay secured Senate approval of a resolution referring that part of the Presidential message relating to uniform currency and a suitable fiscal agent to a select committee of nine members. Senator Clay was chairman of the select committee, which had seven Whigs and only two Democrats. This committee reported out a bill to create a Fiscal Bank similar to the second United States Bank. Approved by both Houses, the bill was vetoed by President Tyler. Yet another proposal for a replacement of the Bank, called a Fiscal Corporation, was enacted by the House. When it came to the Senate, Senator John Berrien, of Georgia, moved that the bill be referred to a select committee of five members. All of the Senators appointed were Whigs. Although it too eventually passed the Senate, the fate of this bill was the same as that of Senator Clay's earlier bill to create a Fiscal Bank it was vetoed by President Tyler.

Once again in 1846 a bill was passed by the House to establish an independent treasury system. This time, however, the House-passed bill was referred to the Senate Finance Committee, and it soon became law.

Summary.—In the first 4½ decades of its existence, the Senate Finance Committee had continually extended and consolidated its power and jurisdiction. As Senate procedure in selecting committees and their chairmen became more stable, the Finance Committee became better able to assert its jurisdiction. In the years immediately following its establishment, only a portion of tariff, appropriation, banking, and currency bills were referred to the new Finance Committee. The committee proved itself to the Senate, and by the eve of the Civil War its jurisdiction in these areas was unquestioned.

The growing importance of the committee was recognized by the Senate, and a simple incident with respect to staffing practices reflects this prestige. The Finance Committee, for more than a decade; had been authorized to employ a clerk. In 1857, however, it was decided by the Senate that each standing committee should be authorized a

clerk. Each of the major standing committees was empowered to secure a clerk to be paid $6 a day only during the period the Senate was in session. The Finance Committee, on the other hand, was authorized to employ a permanent clerk, with a salary of $1,850 per year (roughly equivalent to a salary of about $12,000 in current dollars before taxes).

FINANCE COMMITTEE ACTIVITIES DURING THE CIVIL WAR

The Civil War presented the Congress with financial problems of a magnitude unheard of before. Before the Civil War, the largest Federal budget in U.S. history had totaled $74 million. The largest annual budget deficit had been $27 million; the national debt had never risen above $ 127 million. Yet within the 5 years from 1861 to 1865, the Federal Government spent a total of $3.4 billion, reaching its first annual budget exceeding $1 billion in 1865. Revenues during the 5-year period totaled $800 million, more than had been collected in the previous 20 years by the Federal Government, but the unprecedented expenditures resulted in a previously inconceivable $2.6 billion 5-year deficit. During the war, it was the responsibility of the Finance Committee to handle measures which raised and appropriated more Federal funds than had been raised and appropriated in the country's entire history.

The committee's activity is amply demonstrated in the record of its workload. In the 37th through the 39th Congress (1861–67) the Finance Committee was responsible for seven major tax bills (including the first Federal income tax in the Nation's history), five major tariff bills, and nine major bills affecting Government borrowing. Legislation during this period included the National Bank Act and its subsequent amendments, which were part of a program to establish a uniform national currency. Each year the committee handled all the major appropriation bills. These appropriations were for support of the Army; support of the Navy; construction, preservation and repairs of certain fortifications and other works of defense legislative, executive, and judicial expenses of the Government; sundry civil expenses; payment of invalid and other veterans' pensions; consular and diplomatic expenses of the Government; expenses of the Indian Department and for fulfilling treaty stipulations; and for the Post Office Department. During these three Congresses, the Finance Committee handled more than 80 significant measures which became law in addition to numerous other legislative proposals of lesser importance.

Depreciation of paper money (greenbacks) early led to the hoarding of coins; by July 1862, $1 in coins was worth $1.08 in paper currency. To make up for the disappearance of small coins, the Finance Committee approved legislation in 1862 authorizing the Treasury to issue paper money in values less than one dollar. Shown above on a 25-cent note is William Fessenden, Finance Committee Chairman from 1861 to 1864.

CREATION OF SENATE APPROPRIATIONS COMMITTEE

The House of Representatives in March 1865, divided the Ways and Means Committee, whose jurisdiction had been similar to that of the Finance Committee, into three committees: a Ways and Means Committee with responsibility for tariff, tax, and other revenue-raising measures; a Committee on Appropriations to handle appropriation bills; and a Committee on Banking and Bank Currency to be responsible for matters affecting banks and currency. The resolution to split the Ways and Means Committee was subjected to extensive debate on the House floor. Opposition centered particularly on whether it was sound policy to divorce the appropriation function from the committee responsible for raising revenue. Congressman Morrill (who was subsequently appointed chairman of the Ways and Means Committee and who still later became chairman of the Senate Finance Committee) also raised this objection and added:

> It is true that for the last 3 or 4 years the labors of the Committee on Ways and Means have been incessant; they have labored not only days, but nights, not only weekdays but Sundays. If gentlemen suppose that the committee have permitted

> some appropriations to be reported which should not have been permitted, they little understand how much has been resisted.

No amendments to the resolution were allowed, however, and it was adopted by the House.

Two years later, in March 1867, the Finance Committee was relieved from responsibility for appropriation measures when a resolution was adopted on the Senate floor modifying the Senate rules by creating a Committee on Appropriations. The purpose of the resolution was to ''divide the onerous labors of the Finance Committee with another committee.'' It may well be imagined that the Finance Committee's labors equalled those of the House Ways and Means Committee as reported by Congressman Morrill.

[3]

THE SENATE FINANCE COMMITTEE FROM THE CIVIL WAR TO THE PRESENT

THE COMMITTEE'S ROLE IN TARIFF LEGISLATION FROM THE CIVIL WAR TO 1930

The period following the Civil War was a period of high protectionist tariffs. During this period the Senate, and particularly the Senate Finance Committee, exercised enormous power and dominated tariff legislation, principally in the direction of making the tariff law increasingly protectionist. For though the Constitution prevents the Senate from originating bills raising revenue, the Senate during this period did not hesitate to exercise its constitutional authority to ''propose or concur with amendments'' upon House-passed bills for raising revenue. The following table shows the number of Senate amendments to the major tariff bills enacted between 1890 and 1929.

Act	*Amendments*
McKinley Tariff of 1890	64
Tariff Act of 1894	634
Tariff Act of 1897	873
Tariff Act of 1909	847
Underwood Tariff of 1913	676
Tariff Act of 1922	2,436
Smoot-Hawley Tariff of 1930	1,253

Though many of these amendments represented merely technical or clerical changes, the tremendous numbers of substantive changes illustrate the impact of the Finance Committee and the Senate on tariff legislation during this period.

In 1872, the House passed a bill of only four lines repealing the tariff on tea and coffee. When the bill came to the Senate an amendment of more than 20 pages was added to the bill, revising the tariff laws and repealing the income tax which had been enacted a decade before to help pay the tremendous costs of the Civil War. The House refused

to consider the Senate amendment on the grounds that the Senate was exceeding its constitutional authority, and instead passed this resolution:

> *Resolved,* That the substitution by the Senate, under the form of an amendment, for the bill of the House (H.R. 1537) entitled ''An act to repeal existing duties on tea and coffee,'' of a bill entitled ''An act to reduce existing taxes,'' containing a general revision, reduction, and repeal of law's imposing import duties and internal taxes, is in conflict with the true intent and purpose of that clause of the Constitution which requires that all bills for raising revenue shall originate in the House of Representatives; and that, therefore, said substitute for House bill No. 1537 do lie upon the table; and be it further
>
> *Resolved,* That the Clerk of the House be, and he is hereby, directed to notify the Senate of the passage of the foregoing resolution.

In 1882, the House passed a three-page ''act to reduce internal revenue taxation'' which repealed certain bank and tobacco taxes. The Senate delicately modified the title to read ''An act to reduce internal revenue taxation, and for other purposes'' to reflect the fact that a 107-page Senate amendment was substituted for the three-page House bill; 103 of the pages representing a complete revision of tariff law. This time the House protest on constitutional grounds did not prevent it from appointing conferees, and accepting most of the Senate amendments.

In 1888, the Democrats controlled the House while the Republicans controlled the Senate. A tariff bill enacted by the House was deliberately killed by the Senate Finance Committee, which proposed instead a substitute tariff bill of its own. The House refused to consider the Senate-amended bill, and the bill died. But when the Republicans regained control of the House in 1890, the House-passed McKinley tariff bill was reported by the Senate Finance Committee promptly, without even a written report, on the grounds that it was substantially the same as the committee-approved bill of the previous Congress.

In 1894 the Democratically controlled House passed a tariff revision bill aimed at reducing tariffs. Even though the Senate had a small Democratic majority, a number of Democratic Senators were reluctant to further expose domestic industry to foreign competition, and when the bill passed the Senate, the tariff reduction features of the House bill were virtually eliminated. The Senate conferees would not yield, and finally the House conferees were constrained to accept the Senate version without change.

In 1897 the Finance Committee had framed a tariff bill of its own even before the Congress met. After a House-passed tariff bill was referred to the Finance Committee in March 1897 the committee went to work amending the bill. The committee's actions were reflected in the 873 amendments placed on the House bill by the Senate. The conference bill which became law bore little resemblance to the original House bill.

The tariff bill of 1909 was referred to the Committee on Finance, Saturday, April 10. On Monday, April 12, it was reported back to the Senate with 847 amendments a mark of the committee's advance preparation for the work entrusted to it.

An alltime record was set in the legislative history of the Tariff Act of 1922, referred to the Senate Finance Committee on July 22, 1921. It was reported back to the Senate with 2,428 amendments after almost 9 months of committee consideration. One of the House conferees later declared that, in the conference on the bill, the House had yielded more than 30 times as often as the Senate. Again in 1929 a House bill referred to the Finance Committee was subjected to extremely close scrutiny over a period of months, and it was reported out with more than 1,000 amendments. The bill became the Smoot-Hawley Tariff Act of 1930.

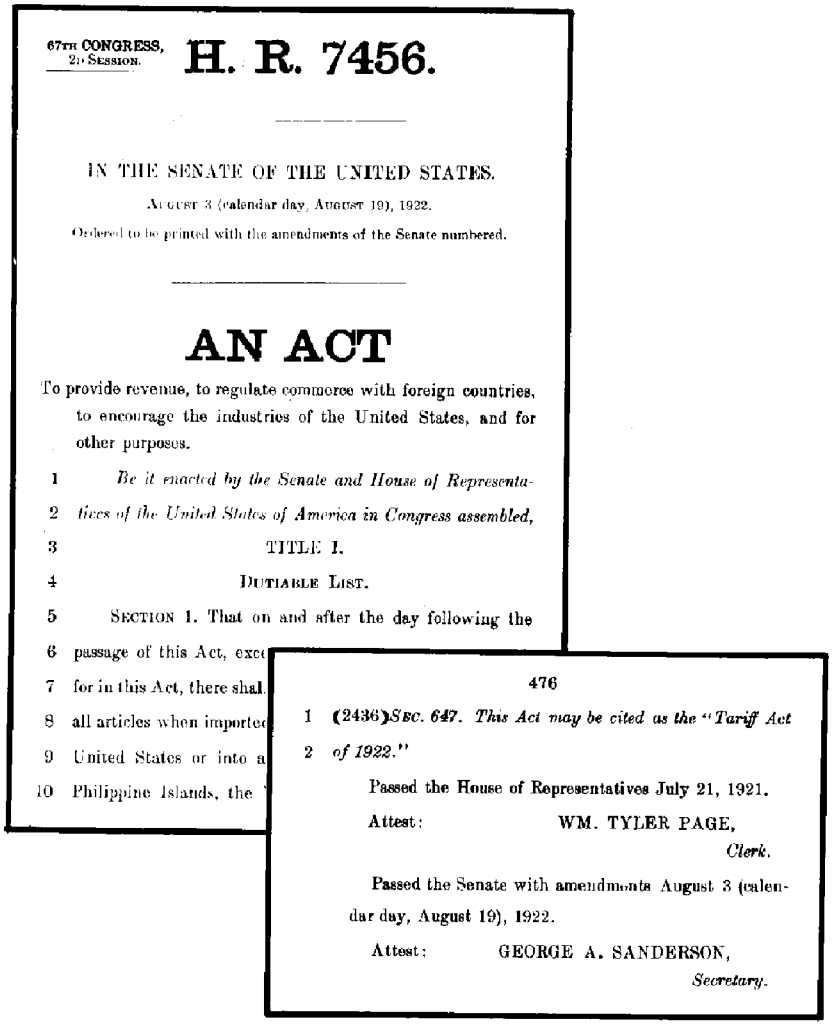
THE FINANCE COMMITTEE AND THE CURRENCY ISSUE

In 1862, faced with an immediate need for large amounts of funds to finance the Civil War, Chairman William P. Fessenden of the Senate Finance Committee asked leave to bring in a bill, which was approved by the Senate instantly and soon was signed into law as the Legal Tender Act. The act provided for the issue of $150 million of U.S. notes in denominations of $5 or higher. Since the back of the notes was printed with green ink, they soon became known as ''greenbacks.'' The greenbacks were the first—real paper money ever issued by the U.S. Government; they were made—legal tender for all public and private debts except payment of customs duties and payment of interest on U.S. bonds and interest-bearing notes, which had to be paid in specie. It is interesting to note that the basic authority in Senator Fessenden's bill, with subsequent modification, is still in effect. Five dollar notes under this authority are still in circulation; they can be identified by the red seal on the front of the bill.

The issuance of legal tender notes backed only by faith in the United States began one of the most severe controversies of the last third of the 19th century—a controversy that the Finance Committee found directly within its jurisdiction. Fiscal conservatives in general wished to retire the greenbacks from circulation as quickly as possible following the end of the Civil War to restore U.S. currency to a specie basis. Opponents of this position felt that rapid retirement of greenbacks would lead to reduced prices, lower national income, and depression. Hard-money advocates pressed their cause year after year but did not reach their ultimate triumph until 1900.

In March 1869, President Grant approved a bill pledging payment of both bonds and U.S. notes in coin (i.e., gold, since at that time the

legal Treasury buying price for silver was lower than the price at which it could



67TH CONGRESS, 2D SESSION. **H. R. 7456.**

IN THE SENATE OF THE UNITED STATES.

AUGUST 3 (calendar day, AUGUST 19), 1922.

Ordered to be printed with the amendments of the Senate numbered.

AN ACT

To provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 TITLE I.
4 DUTIABLE LIST.
5 SECTION 1. That on and after the day following the
6 passage of this Act, exce
7 for in this Act, there shal
8 all articles when importe
9 United States or into a
10 Philippine Islands, the

476

1 (2436) *SEC. 647. This Act may be cited as the "Tariff Act*
2 *of 1922."*

Passed the House of Representatives July 21, 1921.

Attest: WM. TYLER PAGE, *Clerk.*

Passed the Senate with amendments August 3 (calendar day, August 19), 1922.

Attest: GEORGE A. SANDERSON, *Secretary.*

The tariff bill which passed the House in 1921 had the distinction of receiving more amendments in the Senate than any other tariff bill in history. Shown here are the first and last pages of the 476-page bill, which passed the Senate with 2,436 amendments. The bill went on to become the Tariff Act of 1922.

be sold elsewhere). President Andrew Johnson had refused to approve the same bill just weeks before. The panic of 1873 and the subsequent depression strengthened the proponents of an expanded supply of greenbacks in an attempt to cause an inflation which would alleviate somewhat the burden of indebted farmers. A sympathetic Finance Committee originated a bill increasing the legal limit on greenbacks to $400 million; the bill was vetoed by President Grant. Hard-money advo-

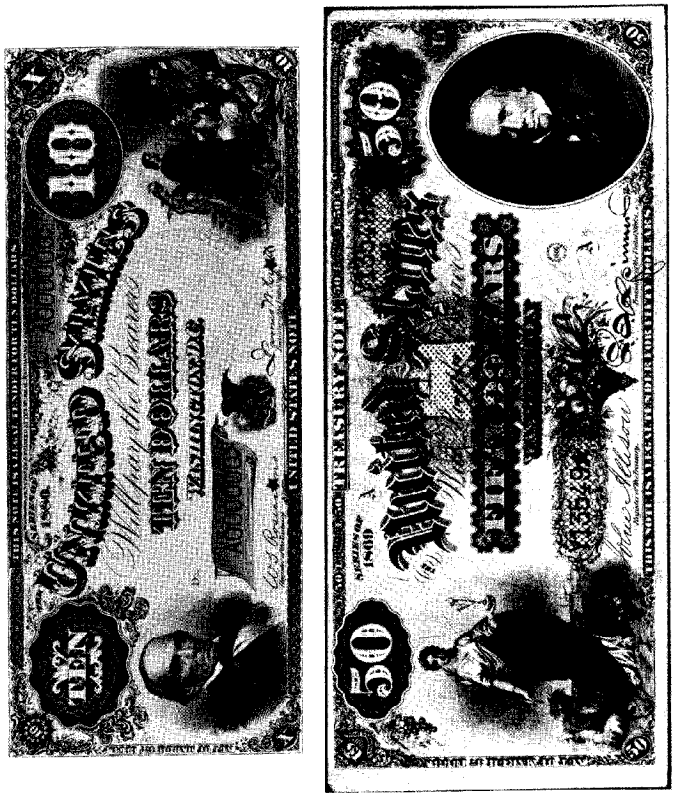
cates took heart at their opponents' defeat, and 2 months later were able to limit greenback circulation to $382 million, the amount in circulation at that time. They were able to score a bigger victory with the enactment of the Resumption Act in January 1875 by a lame-duck Congress. Under this act, the Treasury was required, beginning in 1879, to redeem—in coin upon request any greenback presented. Greenbacks were to be replaced until the amount outstanding was reduced to $300 million.

Proponents of expanded paper money reacted by forming the Greenback Party, which nominated a presidential candidate on a platform pledging—repeal of the Resumption Act and the expansion of the greenback supply. Though they did poorly in the national election of 1876, they were able to secure congressional approval in May 1878 of a bill prohibiting further retirement of greenbacks (which had by this time dropped to a circulation level of $347 million).

Treasury Secretary John Sherman, former chairman of the Senate Finance Committee, was able to take advantage of a favorable turn in American economic conditions to build up a substantial gold reserve in the Treasury by January 1879, when the redemption of greenbacks in gold was to commence. The buildup in the gold reserve had led to a rapid appreciation of greenbacks so that by December 17, 1878, a greenback dollar was already worth one dollar in gold.

After 17 years with a paper currency which could not be redeemed for specie, U.S. notes were now redeemable in gold. But at this moment, the second phase of the battle against hard currency was beginning: the battle for ''free silver.''

In 1873, silver had been worth $1.30 per ounce on the market but the Treasury by law could pay only $1.29 per ounce. For 40 years little silver had been sold to the Treasury because of this differential in value; authority for silver coinage was terminated in 1873. But fabulous silver mines had been discovered in the West; U.S. silver production rose from $2 million in 1861 to $40 million in 1876. The market price of silver declined and for the first time fell below the former Treasury buying price of $1.29 per ounce; by 1874. the market price had dropped to $1.24 per ounce, and by 1876 the price had fallen even further. Silver producers considered



Faced with Federal expenditures many times higher than at any time in previous U.S. history, the Congress during the Civil War could not raise sufficient funds through taxation and borrowing. In February 1862 Chairman William Fessenden of the Senate Finance Committee obtained immediate Senate approval of his bill authorizing "Legal Tender Notes" (popularly called greenbacks) which represented the first paper currency issued by the Federal government. The basic authority for these notes remains law today, though the printed bills themselves are different. Shown here, on a later version of the greenback, are Daniel Webster on the $10 note and Henry Clay on the $50 note. Both of these men had served as Chairman of the Finance Committee.

it a crime that termination of the Treasury's silver coinage authority deprived them of a higher-than-market sale price. On the other hand, former greenback supporters saw free silver coinage as a means of increasing the currency supply and inflating prices.

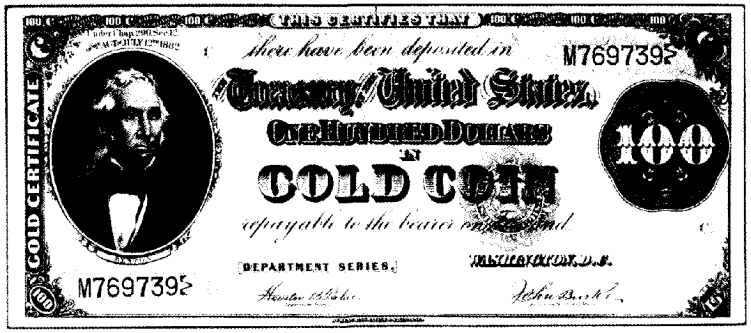
In 1877 the House passed a bill providing that ''any owner of silver bullion may deposit the same at any United States coinage—mint or assay—office, to be coined''—with no limitation on amount. In the Senate, the Finance Committee struck this provision and substituted instead an authorization for the Treasury to purchase $2 to $4 million of silver monthly at the market price. A veto by President Hayes was overridden and the bill became the Bland-Allison Act. The act provided for the monthly purchase of between $2 and $4 million of silver bullion at the market price to be coined as silver dollars. Silver dollars could be exchanged for silver certificates (which were, however, not legal tender for private transactions).

The Bland-Allison Act was unsatisfactory both to hard-money advocates, who wished to make no concessions, and to free silver supporters, who wanted unlimited silver coinage. Increasing prosperity in the years following the passage of the act dulled somewhat the drive for free silver, but a recession in the mid- and late-1880's once more brought the controversy to the fore.

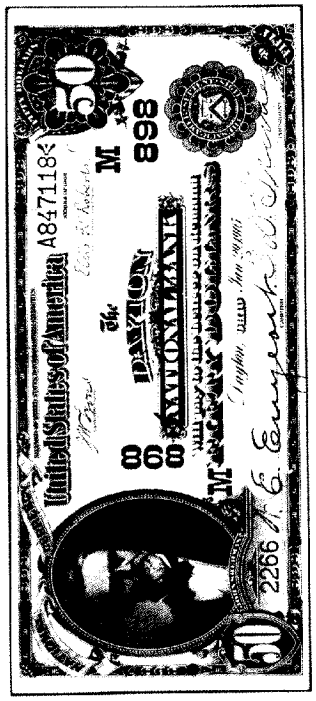
In 1890, protectionists were experiencing some difficulty in obtaining enactment of the high-tariff McKinley tariff bill. As a result of parliamentary logrolling, they agreed to support more liberal silver legislation if the silverites would support the tariff bill. From this agreement came the Sherman Silver Purchase Act of 1890, named after the Senate Finance Committee chairman whose bill it was. The Sherman Act repealed the more restrictive Bland-Allison Act of 1877 and differed from it in major respects. The Sherman Act provided for the monthly purchase of 4½ million ounces of silver at the market price; payment would be made in Treasury notes which—were legal tender for all purposes and were redeemable in either silver or gold.

The depression of 1893 and the drain on U.S. gold reserves led to the—repeal of the Sherman Act in late 1894, after bitter resistance in the Senate. Silverites wished to increase, not decrease, the circulation of money. For example, Senator William A. Peffer, of Kansas, introduced a bill directing the Treasury to print $500 million in greenbacks to employ 4 million workmen in the construction of roads all over the Nation. The bill was referred to the Finance Committee; no action was taken on it.

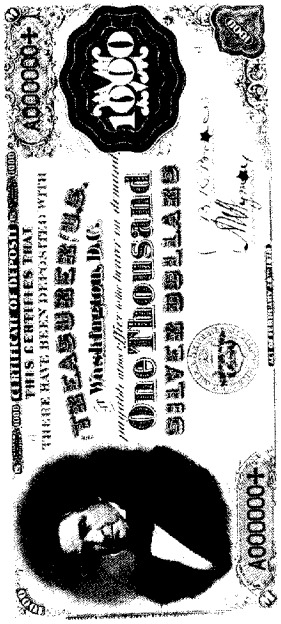
As the gold drain continued, President Cleveland insisted on maintaining the gold standard at any cost. The price paid was a restraint on the growth of the economy, for restrictions on the availability of funds made difficult the financing of business activity.



Gold certificates were first authorized in 1863, and first issued in 1865. Shown here, from a later issue, are the $50 certificate with a portrait of Silas Wright (Finance Committee Chairman from 1836 to 1841) and the $100 certificate with a picture of Thomas Benton (Member of the Finance Committee 10 of the 15 years 1837–51).



The Finance Committee in 1863 reported a bill establishing the National Bank system. Shown here is a $50 National Bank Note, printed by the Federal government as national currency but issued by the Dayton National Bank. On the note appears the portrait of John Sherman, Finance Committee member for 33 of the 37 years from 1861 to 1897, and Chairman from 1867 to 1877.



In the 1870's silverites demanded unlimited Treasury purchasing of silver as a means of greatly increasing the supply of money. The House passed such a "free silver" bill in 1878, but Senate Finance Committee modifications placed a number of restrictions on silver purchasing which remained in the bill as it became law. Shown here is a $1000 silver certificate issued pursuant to the law; portrayed on the certificate is William L. Marcy, who served on the Finance Committee in 1831 and 1832.

The 1896 election threw the issue into sharp focus. The Republicans nominated William McKinley on a platform of preserving the gold standard. The Democrats nominated William Jennings Bryan. who made the silver cause a major issue of his campaign. McKinley won by a vote of 7 million to 6.5 million, and in March 1900 Congress passed the Gold Standard Act. This act fundamentally changed the U.S. monetary system by establishing a solely gold standard for U.S. currency. With the passage of this act, the silver movement ended.

CREATION OF THE SENATE BANKING AND CURRENCY COMMITTEE

In the elections of November 1912, the national split in the Republican Party had enabled the Democrats to gain control of the Senate for the first time in two decades. An effort was made to divide the chairmanships of the more important committees in such a way as to recognize so far as possible the different wings and conflicting interests within the party. Since this was a difficult objective to achieve with the seniority system and the existing committee structure, a movement arose to divide the functions of some of the existing committees. The House ways and Means Committee had been relieved of its banking and currency functions and its appropriations functions in 1865. The Senate Finance Committee had lost its jurisdiction over appropriations measures in 1867, but it still retained jurisdiction over banking and currency. After considerable negotiations, the Democratic leadership decided to take from the Finance Committee its banking and currency functions and to create a new Committee on Banking and Currency. It is interesting that few Members of the Senate were at that time aware of President Wilson's determination to press forward with the banking and currency reform which became the Federal—Reserve Act of 1913. It is likely that the Senate leadership believed that—the new committee would have only nominal functions in its early years since aside from the new chairman, none of the members of the new committee had served on the Finance Committee or had otherwise gained substantial knowledge or experience in the banking and currency field. The new committee was formed at the beginning of the 63d Congress.

THE PERIOD OF THE TWO WORLD WARS

The enormous cost of World War I brought the Finance Committee to the fore again in its revenue-raising role. As during the Civil War period, much of the committee's legislation dealt with borrowing authority, though the funding method used this time assured that the debt would remain domestic (a substantial proportion of the funds borrowed during the Civil War came from foreign sources) and that it would be owned by a large number of small investors.

The major source of Federal revenue during the First World War was from taxation. The Civil War had given rise to an income tax, which was repealed in 1872. Strong agrarian and populist pressures had led to the enactment of an income tax law in 1894, but the law was soon declared unconstitutional. The issue was dormant for a decade, then flared up again until finally an amendment to the Constitution authorizing a Federal income tax was passed and ratified in 1913 shortly before the war broke out in Europe. This proved a timely and valuable authority. The first income tax was enacted in 1913, and by 1918, fol-

lowing several increases in the tax rates, income taxes produced about 70 percent of Federal revenues.

In the 19th century, tariff bills had represented the major type of legislation considered by the Finance Committee. The Civil War period and the First World War era served as the forerunner of the subsequent decades, in which tax legislation became, and continues to be the Finance Committee's major legislative duty.

World War I also resulted in a major new responsibility being added to the Finance Committee's jurisdiction: veterans' benefits. Before World War I, the major veterans benefits had been compensation benefits for veterans with service-connected injuries and for survivors of deceased servicemen, and pension benefits for aged needy veterans. At the outset of World War I, new approach was designed to supplement these programs; and under the War Risk Insurance Act of 1917, the first veterans' legislation handled by the Finance Committee, life insurance protection, was provided for servicemen, and emphasis was placed on rehabilitation and other benefits to help them adjust to civilian life after service.

During the 1920's most of the committee's business dealt with reducing taxes and increasing tariffs. But with the onset of the great depression, trade came to a virtual halt, and unemployment soared. Committee legislation in this period dealt with experimentation in using the tax system to redistribute wealth, and for the first time the President was delegated substantial advance authority to negotiate reciprocal trade agreements involving reduction of tariffs.

In 1935, a new program of old-age and unemployment insurance, public assistance, and maternal and child welfare grants became law in the Social Security Act. Because of its special tax provisions, the act was handled in the Senate by the Finance Committee, as have amendments to the act since that time.

With the addition of the veterans' and social security programs, the jurisdiction of the Finance Committee by 1935 was substantially similar to the committee's jurisdiction today. This jurisdiction was written into the Senate rules in 1946, when the old Committee on Pensions was terminated officially—even though its jurisdiction had largely passed to the Finance Committee several decades before this.

Again during World War II, the Finance Committee was principally occupied with borrowing and revenue measures. It was during the war that the income tax was expanded to the broad-based pay-as-you-go tax system we have today.

One of the committee's most notable legislative achievements of the war period was the enactment of the GI bill of rights in 1944, a bill which originated in the Finance Committee. This bill has served as the model for all subsequent programs designed to aid veterans in readjusting to civilian life.

THE FINANCE COMMITTEE AND THE NATION'S VETERANS

Since our Nation's independence was declared, more than 42 million persons have served in its armed forces. On November 30, 1972, there were almost 29 million veterans who, together with members of their families, and the surviving widows, minor children and dependent parents of deceased veterans, constitute close to half of the total population of the Nation. From 1917 to 1970, the compensation, pension, and insurance benefits enjoyed by veterans and their families were due to the legislative efforts of the Senate Finance Committee. The Legislative Re-organization Act of 1970 created a new Senate Veterans' Affairs Committee and withdrew veterans' legislation from the jurisdiction of the Finance Committee. The story of veterans' legislation before and during the period of Finance Committee jurisdiction is a notable chapter in the Nation's history.

After each major conflict in which the United States has been benefits have been provided for veterans of the conflict. Benefits may be classified into three major categories:

(1) Service-connected benefits are provided for veterans who are disabled as a result of their military service or for the dependents of veterans who die as a result of service. These include disability and death compensation benefits, medical and hospital care for injuries resulting from service, vocational rehabilitation for the disabled, and similar benefits.

(2) Non-service-connected benefits have been enacted, not because of needs arising directly from military service, but on the grounds that the Government owes a special obligation to those who were in military service during time of war but who are now in need. Pensions are the major type of benefit in this category.

(3) Readjustment assistance is designed to assist veterans in their transition from military to civilian life. Benefits include the mustering-out pay and land grants of earlier wars, and the more recent Finance Committee-originated GI bill benefits, such as education and training allowances, unemployment benefits, home, farm, and business loan guarantees, and employment preference.

Veterans' Benefits Before World War I

The Revolutionary War.—Compensation for the war-disabled was well established in colonial laws prior to the Revolution. As early as 1636, the Plymouth Colony enacted a law providing that ''if any man shall be sent forth as a soldier and shall return maimed, he shall be maintained competently by the Colony during his life.''

Similar benefits were established for veterans of the Revolutionary War shortly after it started. The act of August 26, 1776, provided compensation for service-connected disability on the basis of half pay for life (or for the duration of his disability) for every officer, soldier, or

sailor either losing a limb in any engagement or otherwise being so disabled in service in the Continental Army or Navy as to render him incapable of earning a livelihood. Proportionate relief was promised to those only partially handicapped in earning a livelihood. Various changes were made in the benefits in 1782 and 1785. The rate set in 1785 for a totally disabled enlisted man was $5 a month. An officer received half pay.

Widows and orphans were first provided compensation by national enactment in a resolution of the Continental Congress adopted August 24, 1780. This resolution promised pensions of half pay for 7 years to the widows and orphan children of officers who died or should die in the service. It made no provision. however, for the widows and orphans of deceased enlisted men.

The Revolutionary War was fought under the most adverse military, economic, and political conditions. In addition, rapid depreciation of the currency seriously affected those serving in the Armed Forces. They were paid in paper money, which sank lower and lower in value. The $80 mustering-out pay for enlisted men and the half pay commutation certificates for officers were paid at war's end in worthless currency or in Continental securities which soon became almost worthless. Ultimately, most of the securities were redeemed by the Government, but this provided little relief to the veterans themselves since by that time, many years later, most of the securities had passed into the hands of speculators.

Beginning in 1816, an increase in tariff rates led to substantial surpluses in the Federal Treasury. In his message to the Congress in December 1817, President Monroe called attention to the surplus and suggested that provision be made for the surviving Revolutionary soldiers. Legislators favoring high tariffs supported veterans' pensions as a way of using up the surplus, thus resisting pressures to reduce tariffs.

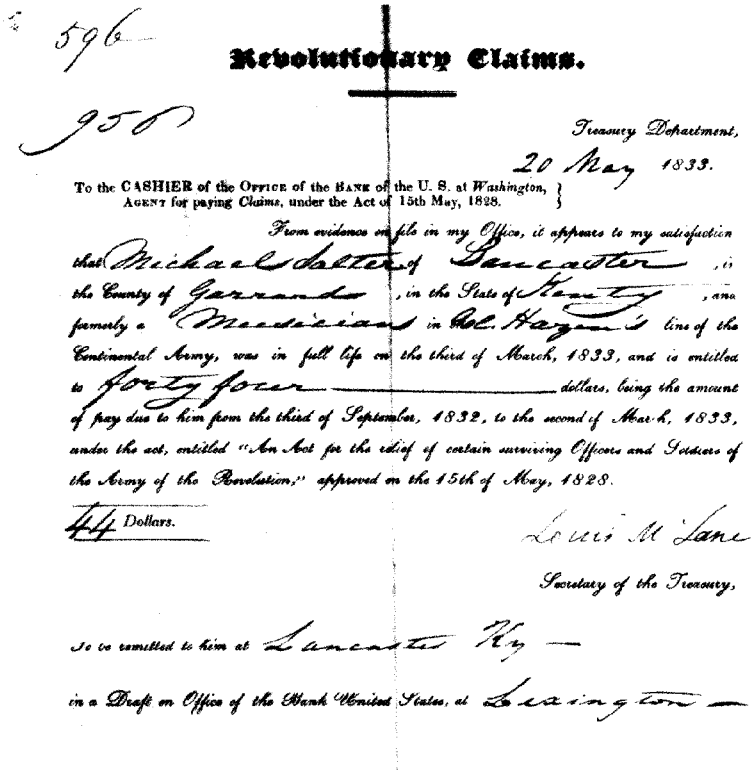
This factor, together with sympathy for the plight of many aged veterans, motivated the enactment of a non-service-connected pension for Revolutionary War veterans in 1818, 35 years after the end of the conflict. The measure was strongly opposed by a minority of Senators, who felt that the non-service-connected pension would serve as a costly precedent for treatment of veterans of subsequent wars. Yet there were no other public or private programs designed to meet the needs of the aged at that time, and a veteran's pension was often the only alternative to going to the poorhouse.

The last Revolutionary War veteran's benefit was paid in 1906, 123 years after the end of the conflict.

Revolutionary War pensions are particularly significant because they established a precedent for the idea that the Government owed it to the veterans to protect them against indigency in their old age. In addition, the link made by President Monroe between the tariff-created

Federal surplus and the veterans' pension served as a significant precedent. For the alliance established between support for pension benefits and support for protective tariffs was to continue as long as the tariff remained a principal source of Federal income. The alliance was of particular importance in the years following the Civil War.

Civil War.—The Civil War climaxed the first period of pension development. At the beginning of this war, the compensation laws which had been inherited from the three previous wars were superseded by a new system covering the Union forces. It provided compensation for the service disabled and the dependents of the war dead on a much broader and more comprehensive basis than previous law. Compensation was based upon rank and degree of disability. The rates for total disability ranged from $8 a month for the lowest grade enlisted man to $30 for a lieutenant colonel. Provisions for dependents were much more comprehensive than they had been previously. Survivors were paid the same rates as the totally disabled living soldier. Disability or death directly connected with military service were the only requirements for compensation. During the years immediately following the Civil War, these provisions were liberalized and extended to include more disabilities and to raise the rates of compensation.



596

950

Revolutionary Claims.

Treasury Department,
20 May 1833.

To the CASHIER of the OFFICE of the BANK of the U. S. at Washington, AGENT for paying Claims, under the Act of 15th May, 1828.

From evidence on file in my Office, it appears to my satisfaction that Michael Salter of Lancaster, in the County of Garrard, in the State of Kentucky, and formerly a Musician in Col. Hazen's line of the Continental Army, was in full life on the third of March, 1833, and is entitled to forty four dollars, being the amount of pay due to him from the third of September, 1832, to the second of March, 1833, under the act, entitled "An Act for the relief of certain surviving Officers and Soldiers of the Army of the Revolution," approved on the 15th of May, 1828.

44 Dollars.

Louis McLane
Secretary of the Treasury,

So to be remitted to him at Lancaster Ky —

in a Draft on Office of the Bank United States, at Lexington —

Pensions for veterans who were needy due to causes unrelated to their military service began after the Revolutionary War. The warrant above entitled this particular Revolutionary War veteran to a $44 pension for a six-month period. The signature on the warrant is that of Louis McLane, Secretary of the Treasury in 1833 and former member of the Committee on Finance.

Circumstances during the Civil War led to early recognition by veterans of their political importance as a group. Each time an important election was held, large numbers of soldiers were furloughed to go home and vote. The importance of the soldier vote in 1864 laid the groundwork for the subsequent emergence of the Grand Army of the Republic as a potent political force. This group was very influential in obtaining pension benefits for Civil War veterans and served as the forerunner of the many veterans' organizations which have been formed since then.

Agitation for non-service-connected pensions began earlier in the case of Civil War veterans than for the veterans of any previous war. Increasing numbers of veterans were becoming disabled from causes which they felt were the result of hardships and deprivations suffered during the war. Since it was not possible to connect these disabilities

with service, these veterans were not eligible for compensation. The Dependent Pension Act was passed in 1890, only 25 years after the end of the war. It provided pensions for veterans disabled so severely as to be unable to earn a living by manual labor; veterans who could meet this requirement were eligible regardless of the cause of disability or of income, property, or other financial conditions, subject to certain minor qualifications. The act also provided pensions for dependents of deceased veterans. As time went on, this law was liberalized.

Benefits related to the Civil War are still being paid today, more than a century after the end of the war. In fiscal year 1980, pension and compensation benefits to survivors of Civil War veterans totaled $248 thousand.

War with Spain.—Veterans' benefits legislation for the war with Spain brought no changes or additions to the benefit system then in effect. Compensation under the existing system was provided at the start of the conflict.

In fiscal year 1980 about $ 18 million was spent on Spanish-American War veterans' benefits.

During this long period before the First World War, chief reliance rested on compensation benefits for service-connected disability and death, and on pension benefits. Pension benefits gradually predominated, and in every case prior to the Spanish-American War they were enacted many years after the veterans had been discharged from the Armed Forces. Though called veterans' benefits, pensions came to have little connection with needs arising from military service. Actually, they constituted a type of old-age assistance payable only to veterans and their widows.

The Grand Army of the Republic, a Civil War veterans' organization, was very influential in obtaining pension benefits for Civil War veterans. Its political power was the theme of this 1888 cartoon portraying the Democratic and Republican parties bidding for the vote of the veterans.

Veterans received little timely readjustment assistance during this period. They were given mustering-out payments, land grants, homestead

preferences, and preference for Government jobs, but these were primarily used as enlistment incentives.

From the beginning of the committee system in the Senate through the enactment of pensions for Spanish-American War veterans, almost all veterans' benefit measures fell within the jurisdiction of the Senate Committee on Pensions. A turning point in the history of veterans' benefits was reached when the Senate Finance Committee took over responsibility for programs for veterans' benefits in 1917.

Developments Under Finance Committee Jurisdiction

As the Finance Committee assumed jurisdiction for World War I veterans' benefits at the beginning of the war, an effort was made to bring about a change in the nature and philosophy of the whole system of benefits.In its work on the War Risk Insurance Act of 1917, the committee and the Congress attempted to establish a new benefit system which would provide adequate aid to the serviceman and his family both during and after service in order to avoid the necessity for non-service-connected pensions later. Emphasis was placed on the benefits for service-connected disability and death as being ''compensation'' rather than ''gratuities.'' These compensation benefits were regarded as the basic benefits. To permit the serviceman who felt the need for more adequate protection to supplement the compensation benefits, a system of optional low-cost Government insurance on a term basis was set up. This allowed a maximum of $10,000 insurance against death or permanent total disability. A wartime system of allotments and allowances to dependents of servicemen was instituted so that their dependents would not be in need while they were away. Finally, the act looked toward new benefits in the form of vocational rehabilitation to return disabled veterans to useful employment. Another law, authorizing medical care for veterans with service-connected injuries, was enacted in 1919. This bold new approach represented an innovation in handling the problem of veterans' benefits.

Following the provision of funds for hospital construction and the building of new facilities. there came a major step in the extension of medical care. In 1924 new legislation allowed veterans whose disabilities or ailments were not related to service to obtain treatment in veterans' hospitals.

About the same time, a wholly new benefit entered the picture—adjusted compensation, or ''bonus.'' A Finance Committee matter, it was originally voted by the Congress in 1924, overriding a Presidential veto. on the ground that men in the lower grades had been underpaid during their service as compared with civilians, and were therefore entitled to a bonus from the Government.

The challenge to veterans' programs imposed by World War II was unsurpassed in the Nation's history. Over 16 million servicemen were called to the colors. To meet the needs of these servicemen and future

veterans, the Congress early turned to the benefits which had been used in World War I. A Senate amendment to a 1940 revenue bill led to the establishment of a new system of insurance, national service life insurance, similar in purpose to that of World War I but differing in details. Compensation benefits for disability and for death resulting from service were extended to World War II servicemen on the same basis as for World War I veterans, and the rates were gradually raised. Various other benefits, including family allowances and tax exemptions, were likewise enacted, and a disability pension for World War II veterans was enacted in 1944, while the war was still in progress.

The most striking development in veterans' benefits, however, occurred in the readjustment category. For World War I veterans the main readjustment benefit was the vocational rehabilitation provided to 180,000 veterans who had incurred service-connected disabilities. Early in World War II, steps were taken to provide vocational rehabilitation to disabled veterans. But a much more broadly conceived readjustment assistance was established by a bill originating in the Senate Finance Committee. Its official name was the Servicemen's Readjustment Act of 1944, but it was better known as the GI Bill of Rights.

This act was based on the philosophy that veterans whose lives have been interrupted by military service, or who have been handicapped because of this military service, should be provided assistance for a limited time to aid them in becoming self-supporting and useful members of society. The act provided for unemployment allowances, education and training benefits, and home, farm, and business loan guarantee benefits through the Veterans' Administration. In addition, mustering-out payments were provided through the military departments. The Veterans' Administration has expended almost $20 billion in assisting World War II veterans to return to civilian life in this remarkably successful program.

A second major innovation occurred with the granting of special rights to veterans under the general social security program of old-age and survivors' insurance. All military service between September 16, 1940, and June 30, 1947, was credited under the social security program at no cost to the veterans.

Following the outbreak of the Korean conflict, benefits essentially similar to those established in the World War II program were provided for this group of 6.8 million veterans. Korean conflict veterans received the same compensation, vocational rehabilitation, medical, and pension benefits as World War II veterans. Readjustment benefits, provided by' the Veterans' Readjustment Assistance Act of 1952 (known as the Korean GI bill) differed in detail but not greatly in substance from the World War II readjustment benefits. Similarly, social security credits were continued on a gratuitous basis for all service to 1956.

In 1956, the Congress enacted an entirely new system of survivor benefits for widows, children, and dependent parents of persons who died of service-connected causes. The new system, called dependency and indemnity compensation, today provides monthly benefits to widows related to their deceased husband's military rank. Specific dollar rates are set for the children of veterans where there is no widow.

Under the same act, social security coverage was permanently extended to all members of the Armed Forces, but now they were required to pay the same social security tax that other workers must pay. It was specifically provided that survivors of veterans could receive the new compensation benefits in addition to social security benefits.

In 1966, readjustment benefits, similar to those provided World War II and Korean war veterans, were extended to veterans serving after 1955. The act is referred to as the Cold War GI Bill. Since there is no limit to the act's duration, it may eventually assist more veterans than any previous legislation. In this way, the pattern set by the original Finance Committee World War II readjustment program has been extended by the Congress to veterans of subsequent conflicts.

Compensation and pension benefits, too, have been expanded by the Congress repeatedly in the period since the Second World War, with landmark legislation enacted in 1968. In that year, the largest single compensation increase ever enacted by the Congress became law, with an annual cost estimated at close to one-quarter billion dollars. During the same year, another bill was enacted incorporating a thorough revision of the veteran's pension program to relate pension benefits more closely to the veteran's need. Pension benefits of more than a million veterans were increased by the bill.

In the final two years of Finance Committee jurisdiction over veterans legislation, compensation and pension benefits were substantially increased; compensation for widows was thoroughly revised and increased; and insurance protection for servicemen was raised 50 percent. Three out of four of these major bills originated in the Finance Committee.

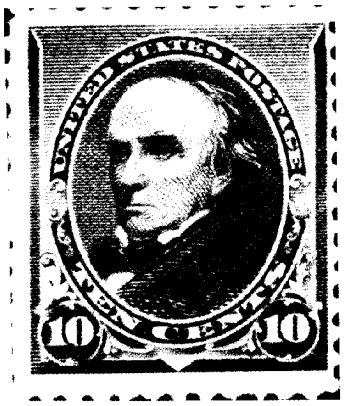
RECENT LEGISLATIVE LANDMARKS

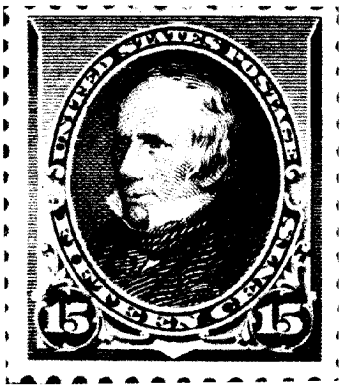
The Finance Committee has always had a heavy legislative workload; recent years have seen the enactment of landmark legislation in all areas of its jurisdiction. The following brief list of the most significant legislation handled by' the committee since 1969 should furnish some idea of how the committee's activities affect every citizen of the United States.

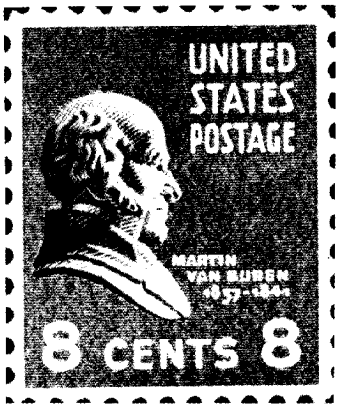
The Tax Reform Act of 1969 was the first comprehensive modification of our tax laws since they were recodified in 1954.

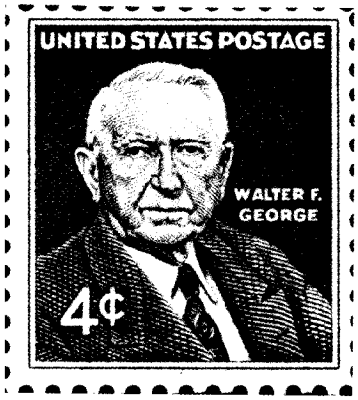
Social security benefit increases enacted in 1969, 1971, 1972, and 1973 cumulatively increased benefits by 68 percent and provided for automatic future benefit increases as the cost of living rises.

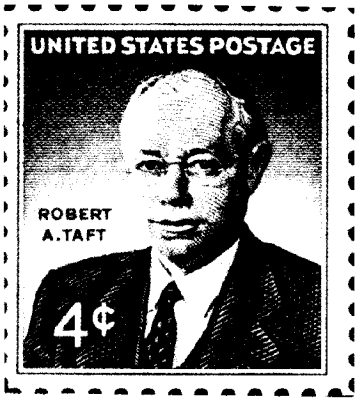
Unemployment compensation legislation in 1970 included the most extensive changes in the unemployment insurance program since the original Social Security Act, broadening coverage and providing a permanent program of additional unemployment benefits in times of high employment in individual States or in the Nation as a whole.











A number of former Finance Committee members have been honored by being portrayed on U.S. postage stamps. Shown on the opposite page are Senators Daniel Webster (Committee member, 1833 to 1841 and again in 1849; Chairman for 4 of those years), Henry Clay (Chairman in 1841), John Tyler (member, 1831–1836), and Martin Van Buren (member, 1821–1823). Senators Walter F. George (member, 1925 to 1956, and Chairman 10 years), Robert A. Taft (member, 1941–1952), Cordell Hull (member, 1931–1933) and Everett Dirksen (member, 1963–1969) are shown above.

The Revenue Act of 1971 contained major provisiions designed to stimulate the economy; it also included a provision permitting taxpayers to contribute $1 of their taxes to a fund to pay part of the cost of Presidential election campaigns.

The State and Local Fiscal Assistance Act of 1972 provided $30 billion in revenue sharing funds for State and local governments for the 5-year

period from 1972 through 1976. Assistance was extended by further enactments in 1976 and (for local jurisdictions only) in 1980 and 1983.

The Social Security Amendments of 1972 provided major modifications designed to improve the social security, Medicare and Medicaid programs, and established a new program of supplemental security income for needy aged, blind and disabled persons.

The Trade Act of 1974 renewed the President's authority to engage in international trade negotiations and for the first time provided authority for the President to negotiate for the reduction of non-tariff barriers to international trade, subject to Congressional approval. The law also improved the ability of the United States to respond to unfair international trade practices such as dumping and subsidization.

The Social Services Amendments of 1974 restructured the social services program with a view towards allowing each State substantial flexibility in deciding the types of services to be provided and the categories of individuals to be served under this program. These amendments also established a major new child support program under which States will, with significant Federal assistance, attempt to collect support from absent parents for children on welfare and also for other families desiring help in enforcing parental support obligations.

Emergency unemployment compensation legislation in 1971, 1974, and 1982 responded to unusually high levels of unemployment by providing temporary programs of federally-funded benefits extending the duration of unemployment compensation beyond the thirty-nine week maximum available under permanent legislation.

The Employee Retirement and Income Security Act of 1974 set Federal standards for private pension plans in the areas of funding and benefit levels, and vesting schedules.

The Tax Reduction Act of 1975 reduced taxes by more than $22 billion. This measure included a tax rebate of $8.1 billion to individuals in 1975. The Tax Reduction Act provided for an earned income credit, which for the first time provided low-income workers with children a tax credit or refund of up to $400. This provision, as well as additional individual income tax cuts, were continued by the *Revenue Adjustment Act of 1976*.

The Tax Reform Act of 1976 was designed to limit the utilization of tax shelters, impose an effective minimum tax on high-income individuals paying little or no tax, and to revise the estate and gift tax laws to primarily affect only the wealthiest class of individual taxpayers on the transfers of substantial wealth by gift or at death. This Act also extended the tax cuts provided in the Tax Reduction Act of 1975 for an additional year, reducing Federal taxes by more than $17 billion for 1977.

The Social Security Amendments of 1977 addressed a severe long- and short-range financing problem in the social security program. Studies

of the program, including an actuarial evaluation commissioned by the Committee on Finance, had shown a need to increase the funding resources of the program and to correct the operation of the benefit formula which was leading to excessive rates of program growth. The 1977 Amendments restructured the procedures for computing initial benefits so as to moderate these growth rates and made a number of other changes designed to improve the program and provide needed additional financing.

Legislation enacted in 1977 facilitated Federal and State efforts to identify and prosecute cases of *Medicare* and *Medicaid* abuses and strengthened penalties for program violations. Separate legislation enacted in the same year provided Medicare payments for care furnished by nurse practitioners and other rural health clinic personnel in physician shortage areas.

The Trade Agreement Act of 1979 approved and implemented in United States laws the results of the Multilateral Trade Negotiations conducted in Geneva under the authority of the Trade Act of 1974. The law revised our countervailing duty and antidumping laws, simplified the customs valuation laws, and revised the procedures in the area of government procurement and standards formulation, in return for reciprocal revisions in the laws of other countries. The authority to negotiate international trade agreements, subject to Congressional approval, was continued for an 8-year period

The Crude Oil Windfall Profit Tax Act of 1980 imposed a tax on domestically produced crude oil, provided tax incentives to encourage energy conservation and production of alternative energy sources, and provided energy assistance to low-income persons.

The Social Security Disability Amendments of 1980 sought to improve the climate for rehabilitation of disabled Social Security beneficiaries by reducing certain inappropriately high benefit levels while also eliminating situations which created a sharp loss of benefits and loss of medical coverage for individuals attempting to return to employment.

The Adoption Assistance and Child Welfare Act of 1980 emphasized finding permanent homes for abandoned and neglected children through adoption or return to their own family rather than continuing them in foster care.

Spending Reduction Legislation pursuant to Congressional Budget Act reconciliation instructions was enacted in 4 of the 5 years 1980 through 1984. The Finance Committee made a major contribution to the overall reductions in Federal spending achieved by these measures. The Committee examined each of the spending programs under its jurisdiction with a view towards tightening eligibility standards, improving administration, and eliminating lower priority benefits. Significant spending reductions were achieved in the Finance Committee programs of Social Security, Medicare, Medicaid, aid to families with dependent

children, and unemployment compensation. Altogether, the aggregate savings in Federal spending under these programs as a result of the budget reduction legislation is estimated to be in the range of $20 billion to $30 billion per year.

The Economic Recovery Tax Act of 1981 provided for the largest tax cut in U.S. history. Individuals received rate reductions aggregating 25 percent over a 3-year period, tax brackets were indexed for inflation, and significant new business investment incentives were provided.

The Tax Equity and Fiscal Responsibility Tax Act of 1982 provided for $98.3 billion in increased revenues over the 3-year period beginning with fiscal 1983. This act included a new alternative minimum tax, reductions in capital investment incentives and new measures designed to improve tax compliance.

The Caribbean Basin Economic Recovery Act created a one-way free trade zone with 27 Caribbean and Central American nations and dependencies, under which these countries may export all but a few specified products to the United States duty-free until September 30, 1985, subject to certain conditions.

The Social Security Amendments of 1983 responded to the serious financing difficulties of the program by making major changes in program coverage, revenues, and benefit structure. Changes included provision for a future increase in the normal retirement age to be phased in starting in the year 2000, coverage of Federal and non-profit employment, and partial elimination of the exemption of social security benefits from income taxation. Short-range financing was also improved by deferral of a scheduled benefit increase, payroll tax increases, and general fund transfers. The amendments also significantly modified the Medicare program by instituting a system of prospective payment for reimbursing hospitals under the program.

The Child Support Enforcement Amendments of 1984 built upon the successes of the 10-year-old program. Under the new law, Federal financial incentives were restructured to place greater emphasis on service to non-welfare families, States were required to institute wage withholding and other effective methods of improving collections, and the Federal rules for monitoring State effectiveness were substantially revised.

The Social Security Disability Benefits Reform Act of 1984 addressed problems which had arisen in the implentation of the increased level of review mandated by the 1980 disability amendments. The 1984 act ordered the remand from the courts of numerous cases relating to a dispute over the standard to be applied in determining the continuing eligibility of disability beneficiaries. These cases involved well over 100,000 claimants. The new legislation resolved the issue by establishing a specific statutory standard of review. The amendments also clarified several other outstanding issues related to eligibility policy and administrative practices in the disability program.

The Deficit Reduction Act of 1984 contained revenue increases aggregating approximately $50 billion over the four fiscal years beginning in 1984. This Act provided for delays in future tax reductions previously enacted, revision of tax accounting rules, additional compliance measures, limits on tax-exempt industrial development bonds and other measures affecting the tax treatment of a wide variety of business transactions.

[4]

COMMITTEE ON FINANCE'S AREAS OF JURISDICTION

1. United States Trade Policy

The growth of U.S. foreign trade in the more than two centuries of our Nation's existence closely parallels our industrial growth and our development into a world power. During most of those years, the history of the trade policy of the United States is reflected in the history of our tariff laws.

Tariffs represent a special form of taxation, the taxation of specified articles imported from foreign countries. The purpose of the tariff may be to raise revenue, or tariffs may be aimed at developing or protecting industry in the country setting the tariff. Since tariffs tend to increase the price of the imported article, the domestically manufactured item is made more competitive and, if the tariff is set high enough, imports may be cut off altogether.

In general, U.S. tariff policy has gone through four phases. From 1789 to 1832, tariffs became increasingly protectionist, reaching a peak with the ''Tariff of Abominations'' in 1828. During the next period, until the Civil War, tariffs were lowered, and were only moderately protectionist. After the Civil War, the Nation returned to highly protective tariffs, culminating with the Smoot-Hawley Tariff of 1930, the highest in our Nation's history. The period from 1933 to date has reversed this trend, with a pattern of trade agreements and reduced tariffs.

Under the Constitution—

The Congress shall have the power—

To lay and collect taxes, duties, imports, and excises, . . . but all duties, imports, and excises shall be uniform throughout the United States; . .

To regulate commerce with foreign nations, and among the several states . . . (Article I, Section 8)

No tax or duty shall be laid on articles exported from any State. No preference shall be given by any regulation of commerce or revenue to the ports of one State over those of another; nor shall vessels bound to or from one State be obliged to enter, clear, or pay duties in another. (Article I, Section 9)

No State shall, without the consent of Congress, lay any imports or duties on imports or exports, except what may be absolutely necessary for executing its inspection laws; and

the net produce of all duties and imports, laid by any State on imports or exports, shall be for the use of the Treasury of the United States; and all such laws shall be subject to the revision and control of the Congress. No State shall, without the consent of Congress, lay any duty of tonnage (Article I, Section 10).

In ratifying the Constitution, the States gave up their power to impose competing tariffs on foreign and interstate commerce. The United States was made into a single economic entity with a single source of international trade policy—the Congress—and with free trade throughout the Nation. The Constitution thus created the first large, successful common market.

Trade Policy Before the Civil War

The Congress recognized at its first session that its most immediate task was to raise revenue to finance the new Federal Government. In view of the colonial experience, it was natural for the new Congress to turn to import duties as a source of revenue. The second law enacted by the First Congress was the Tariff Act of 1789 (the first act had established the oaths of office for Senators, Congressmen, and other officials).

It took several months to complete legislative action on the Tariff Act of 1789 because even at that time, with few manufacturers in the country, the need for protection had developed. A division of opinion arose which was primarily geographic. The South with its basically agrarian economy favored a freer trade policy which would promote its agricultural exports and permit the purchase from abroad of cheaper manufactured goods and machinery. The North, on the other hand, favored higher tariffs to protect its infant manufacturing industry. The Tariff Act of 1789 was only mildly protective.

Alexander Hamilton, the first Secretary of the Treasury, was not satisfied with the tariff law. In his *Report on Manufactures* issued in December 1791, he developed the philosophy of protection, arguing that everything possible should be done to encourage domestic industry and protect it against foreign competition. Tariffs were increased somewhat in 1792.

During the War of 1812, tariffs were raised, but had little impact, since the British blockade during the war cut trade drastically. At the same time American industry, without foreign competition, expanded materially. When peace was concluded in 1815, foreign goods once more flooded the American market—giving rise to new demands for protection of American industry.

The war-imposed tariff was scheduled to expire in 1816; revenue needs were considerable due to the war expenditures which had almost tripled the national debt in only 4 years. These factors converged and resulted in the first bill handled by the Senate Finance Committee: the Tariff Act of 1816.

Under the new Tariff Act, the average rate of duty was about 20 percent (compared with 8½ percent under the 1789 act and 13½ percent under the Tariff Act of 1792). Added protection was given to many domestically produced commodities.

With the Tariff Act of 1816 began the national controversy over ''protectionism'' versus ''free trade.'' Jurisdiction over major tariff bills passed to the Senate Committee on Manufactures, and tariff legislation became more and more pointedly protectionist, reaching an average tariff rate of 33½ percent in 1824 and culminating with the Tariff Act of 1828, unpopularly known as the ''Tariff of Abominations.''

This tariff law was actually passed in a form desired by no one; it is an example of a political strategy that backfired. In 1824, there had been five major candidates for the Presidency; but though Andrew Jackson was far ahead in the popular vote, no candidate had a majority' of the electoral college, and the House subsequently chose as President John Quincy Adams. During his administration political alliances crystallized into supporters of President Adams and supporters of Jackson. Neither group had a clear-cut protectionist or free trade position, but Adams was a moderate protectionist with a base of support in New England. Jackson's supporters in Congress were passionate in their partisan opposition of Adams. and devised an ingenious strategy to embarrass him politically through tariff legislation. The Jackson partisans controlled the House, and had five of the seven members on the House Committee on Manufactures, which handled tariff measures at that time. The committee reported out a high tariff bill, with duties especially high on those raw materials for which New England manufacturers wanted the duties to be low but for which western agricultural interests wanted high protective duties. The bill was to satisfy the protective demands of the Western and Middle States while being obnoxious to New England Congressmen who supported Adams.

All Jackson supporters were to unite in preventing floor amendments; when the final vote came, Southern Jacksonians would vote against the measure (since they had always opposed high tariffs) and, together with Adams partisans, defeat the bill. No tariff bill would be passed, yet the Jacksonians could blame the defeat on Adams and could themselves parade as friends of domestic industry. As Congressman John Randolph of Virginia later stated bluntly, the bill was concerned with ''manufactures of no sort or kind but the manufacture of a President of the United States.''

The majority was able to vote down attempted floor amendments but their strategy failed when the bill was passed by a vote of 105 to 94.

In the Senate, the bill was referred to the Committee on Manufactures, which added amendments to increase the protection of New England textile industries. With a bill now considerably more palatable to the industrial Northeast, the Senate passed the measure by a 26-to-

21 margin, and President Adams signed the bill into law. The 1828 Tariff Act represents the high-water mark for protectionist legislation before the Civil War.

Following the enactment of the Tariff of Abominations, protectionist feeling abated somewhat. The tariff question became a less important political issue, and there was a strong desire to make some concession to passionate Southern opposition to the high tariffs. In 1832, the Congress enacted a bill generally reducing tariffs to their 1824 rates.

Yet even these lowered tariffs did not stem the tide of Southern opposition. In 1832, following Senator John Calhoun's interpretation of the Constitution, the South Carolina Legislature passed a nullification ordinance providing that ''the tariff law of 1828, and the amendment to the same of 1832, are null and void and no law, nor binding upon this State, its officers, and citizens.'' It was also declared that collection of tariff duties under that law would not be permitted in South Carolina after February 1, 1833.

President Jackson reacted by denying any State such right, insisting that if necessary he would use the Army and Navy to enforce the tariff. Yet he, too, was dissatisfied with extreme protection, and was more than happy when Senator Henry Clay, leader of the protectionists, reached agreement with Calhoun on what was to become the Compromise Tariff of 1833. Under this bill, all tariff rates were to be gradually reduced to a maximum of 20 percent by 1842.

The enactment of the Compromise Tariff presented an interesting side-light. The Constitution states that ''all bills for raising revenue shall originate in the House of Representatives'' (Article I, Section 7). When Clay first brought his bill to the Senate floor, protectionist opponents argued that the Senate could not originate the bill under the terms of the Constitution. Clay argued that since his proposal would lower tariffs, it was a bill for lowering revenue rather than raising revenue, and this section of the Constitution did not apply. While the bill was being debated in the Senate, however, an identical bill was quickly approved by the House; when it was received in the Senate, the House bill was passed and Clay's bill was shelved. Whether or not Clay seriously intended to test the constitutional issue and seek a Senate vote on a Senate revenue bill, he had achieved his purpose.

22d CONGRESS,
2d SESSION.

S. 115.

IN SENATE OF THE UNITED STATES.

Agreeably to notice given, Mr. CLAY asked and obtained leave to bring in the following bill; which was read, and passed to a second reading, and ordered to be printed.

FEBRUARY 19, 1833.

Reported with amendments, viz. Strike out the parts within [brackets,] and insert those parts printed in *italics*.

A BILL

To modify the act of the fourteenth of July, one thousand eight hundred and thirty-two, and all other acts imposing duties on imports.

1 *Be it enacted by the Senate and House of Representatives*
2 *of the United States of America in Congress assembled*, That,
3 from and after the thirtieth day of September one thousand
4 eight hundred and thirty-three, in all cases where duties are
5 imposed on foreign imports by the act of the fourteenth day of
6 July, one thousand eight hundred and thirty-two, entitled "An
7 act to alter and amend the several acts imposing duties on
8 imports," or by any other act, shall exceed twenty per centum
9 on the value thereof, one-tenth part of such excess shall be
10 deducted; from and after the thirtieth day of September,
11 one thousand eight hundred and thirty-five, another tenth part
12 thereof shall be deducted; from and after the thirtieth day of
13 September, one thousand eight hundred and thirty-seven, an-
14 other tenth part thereof shall be deducted; from and after the
15 thirtieth day of September, one thousand eight hundred and
16 thirty-nine, another tenth part thereof shall be deducted; and

Strong Southern opposition to the protectionist "Tariff of Abominations" led to Henry Clay's "Compromise Tariff." The bill (shown above) was opposed by protectionists, who argued that the Senate could not, under the Constitution, originate a revenue bill. Clay argued that the bill lowered tariffs rather than "raising revenue," the term used in the Constitution. The bill would have been sent to the House of Representatives, but the latter body quickly enacted the same legislation as a House bill, and a Constitutional conflict was avoided.

From the Civil War to the Present

The immediate effect of the tremendous increase in Government expenditures during the Civil War was a pressing need for additional Federal revenues. It was natural for the Congress to follow the established precedent of turning to tariffs as a method of increasing funds. During the Civil War years five major tariff bills were enacted in addition to a number of smaller bills.

Federal revenues reached a level of $558 million in 1866, the highest level that they were to reach in the 19th century. With the war over and Federal expenditures dropping sharply, it was clear that Federal revenues would be reduced. The basic issue became which sources of revenue should be reduced first. In general, the agricultural areas of the country favored tariff reductions: manufacturers favored repealing income and other taxes while maintaining tariffs at a high level. Though the rationale for wartime tariff increases had been the need for additional revenues, it was now argued by protectionists that the high tariffs should be retained in order to reduce the public debt. Attempts to reduce tariffs failed.

As the annual surpluses continued year after year, pressure grew for tariff reductions. Democratic President Grover Cleveland in December 1886 became the first President since the Civil War to denounce protectionist tariffs. Making high tariffs the central theme of his message to Congress in December 1887, he was able to obtain House passage of a 7-percent reduction in tariffs, but the Senate Finance Committee reported an entirely new bill to the Senate, striking out the entire text of the House bill and substituting new language which retained the protective nature of previous tariff law. The House refused to consider the Senate bill, and the bill died. Having failed to obtain congressional approval of his proposal, President Cleveland decided to make tariff reduction the major issue of his 1888 Presidential campaign. He lost the election to Benjamin Harrison, and with Republicans in control over both House and Senate, the Congress enacted the McKinley Tariff of 1890. Spurred on by the voters' acceptance of protectionism, the McKinley tariff was unapologetically protectionist.

In 1892, Cleveland was again elected President, this time with Democratic majorities in both Houses. Since he attributed the success of the Democratic Party at the polls principally to public endorsement of tariff reform, he pressed for legislative action. In 1894, the House passed a bill which not only generally reduced tariffs and eliminated duties on raw materials, but also established an income tax as an alternative source of Federal revenues. Though the bill passed the House by a wide margin, a small group of Democrats in the Senate joined the Republicans to emasculate the basic tariff reduction intent of the House bill. The Senate would not permit a tariff reduction bill to become en-

acted, and the House had no choice but to accept the Senate bill: which became law without Cleveland's signature.

Feelings ran high on the issue of protectionism vs. free trade, the major issue of President Cleveland's unsuccessful presidential campaign in 1888. A contemporary cartoon portrays political activism in New York City during the campaign.

Over the next 20 years, substantial changes occurred in the economy. Rises in prices were blamed by many city dwellers on the high tariffs. The expansion of American industry led some manufacturers to feel that high tariffs might limit U.S. markets in foreign countries. In the Middle West, the high tariffs were considered to be closely linked to Eastern monopolies.

The Democrats controlled both Houses of Congress when President Wilson began his first term of office in 1913. He called a special session of Congress soon after his inauguration. With his backing, a tariff

reduction bill soon passed the House by a 2-to-1 margin, and with only slight modification, it passed the Senate in 1913. This Tariff Act set the lowest tariff rates that had been imposed by any act since 1857.

In 1916, an act was passed to create a Tariff Commission of six members, not more than three of whom could be members of the same political party. In this act, the Congress delegated much of its technical and factfinding work on tariff legislation to the Tariff Commission, and indeed this seems to have been the principal reason for the Commission's creation. The Commission was required by law to put at the disposal of the Senate Finance Committee, the House Ways and Means Committee, and the President ''whenever requested all information at its command,'' and to ''make such investigations and reports as may be requested.''

The First World War drastically changed the nature of America's international position. U.S. industry had reached maturity; Europe was in debt. In 4 years, the position of the United States had changed from that of a net debtor for $3 to $4 billion to that of a net creditor for over $5 billion. With the United States a creditor nation, much of the earlier justification for high protective tariffs was gone. Yet the war stimulated American nationalism and isolationism, and for a decade led to the highest tariffs in U.S. history.

In 1930 tariff rates were raised to the highest in U.S. history in the Smoot-Hawley Tariff Act, the last protectionist tariff bill enacted. At the outset, the bill was not motivated by the Great Depression. By the end of May 1929, before the stock market crash, the original bill had been passed by the House of Representatives, after public hearings held in December 1928. At the time of the stock market crash in October 1929, Senate consideration of the House-passed bill was well underway. The crash did strengthen the support for a high tariff.

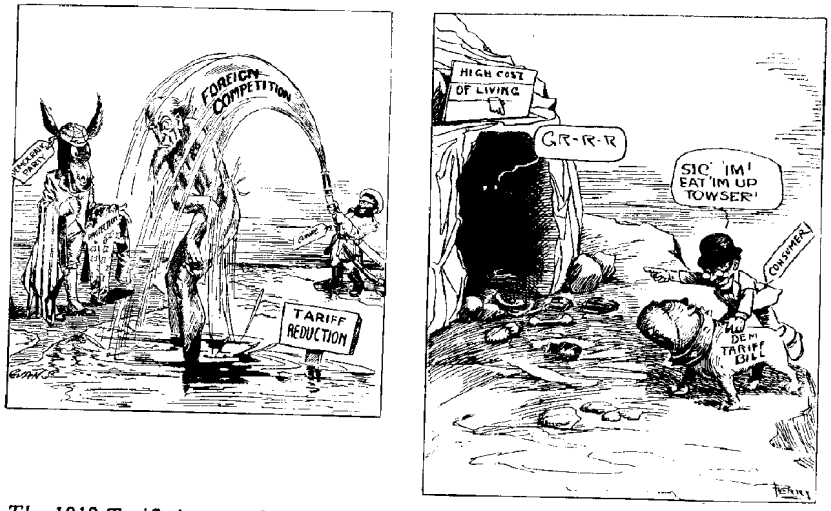
As a result of the depression and high tariffs everywhere, world trade fell considerably in the early 1930's. Between 1929 and 1933 the value of U.S. export fell by almost 70 percent. Much of this decline in value was caused by prices that fell nearly 40 percent.

It is against this background that the Congress opened a new chapter in U.S. foreign trade policy in 1934. The Reciprocal Trade Agreements Act was enacted by the Congress in June 1934 after extensive debate. It was conceived by Secretary of State Cordell Hull, formerly a Senator from Tennessee and member of the Finance Committee. Under the act, for the first time, the President was given advance authority to enter into reciprocal trade agreements with foreign governments reducing tariffs without the advice and consent of the Senate. He was authorized to do this whenever he found that any existing duty or other import restrictions of the United States or any foreign country were unduly burdening the foreign trade of the United States. Under the act, he could raise or lower tariffs as part of a reciprocal trade

agreement by up to 50 percent of the rates in effect under the Smoot-Hawley Tariff Act of 1930. The authority was limited to 3 years.

The Constitution had clearly established in the Congress the sole power ''to regulate commerce with foreign nations'' (Article I, Section 8); but it also vested in the President the sole power to make treaties, with the advice and consent of the Senate (Article II, Section 2). Thus a partnership between the Congress and the President was required for the new trade policy to be effective.

It had been the principal goal of American foreign policy since 1934 to strive for the removal of barriers to the free flow of international trade. The original trade agreements program has been extended several times, and since 1934 the Congress repeatedly, after careful scrutiny and examination, renewed the President's advance authority to negotiate reciprocal agreements to lower trade barriers.



The 1913 Tariff Act was the first major tariff reduction bill in more than half a century. Reaction to the tariff cuts was sharply partisan, as these contemporary political cartoons demonstrate. The cartoon on the left portrays an unhappy Uncle Sam denuded of his protective clothing; the cartoon on the right shows the consumer looking to the tariff bill to attack the high cost of living.

Political events abroad have had a major impact on the nature of world trade since the Second World War. The United States strengthened Japan to a degree that it became Japan's largest customer.

Of even more significance was the economic integration of Europe into the European Economic Community (Common Market). The creation of the Common Market raised new trade policy problems for the United States, since a common tariff to protect the large European market could place American exports, especially of farm commodities, under a severe handicap.

It was against this background that President Kennedy in 1962 requested unprecedented authority to engage in international trade negotiations. After careful consideration, the Congress enacted the Trade Expansion Act of 1962. This Act authorized the President, for a 5-year period ending June 30, 1967, to enter into trade negotiations aimed at reciprocal tariff concessions. These negotiations, which became known as the Kennedy Round, achieved a significant reduction of tariffs and contributed to a further expansion of world trade.

In the late 1960's and early 1970's concern about discriminatory practices in international trade and the proliferation of ''non-tariff barriers'' led President Nixon to request a new grant of negotiating authority from the Congress. Non-tariff barriers are various types of government laws, regulations and practices which are not tariffs but which effectively impede the free flow of goods and services across international borders. In the opinion of most experts, non-tariff barriers represent the most serious distortions remaining in the world trading system. After extensive legislative consideration, the Congress enacted the Trade Act of 1974. This Act provided the impetus for the Multilateral Trade Negotiations concluded in Geneva in 1979 (also called the ''Tokyo Round'' of trade negotiations because it was held pursuant to a declaration signed by more than 100 nations in Tokyo, Japan in 1972).

The results of the Multilateral Trade Negotiations, which were approved and implemented in U.S. law by the Trade Agreements Act of 1979 and by Presidentially proclaimed tariff reductions, include: (1) revision of the U.S. antidumping and countervailing duty laws to confrom with internationally agreed principles, as well as to increase the speed and certainty of relief under these laws; (2) increased access by foreign firms to U.S. Government procurement in return for increased access by U.S. firms to foreign government procurement; (3) revised procedures for establishing U.S. product standards that may affect international trade, in return for comparable changes in foreign government procedures in setting standards; and (4) simplification of the U.S. customs valuation law in return for simplification in the laws of other countries.

The Tokyo Round represents a first step in dealing with non-tariff barriers to international trade; future negotiations will deal with other areas, such as actions by countries to safeguard domestic industries hard hit by import competition. The non-tariff barrier negotiating authority under the Trade Act of 1974 was extended by the Trade Agreements Act of 1979 for an 8-year period.

Sugar Legislation

The United States consumes annually more than 15 percent of the world's sugar production. Over half of the roughly 11 million short tons—of raw sugar consumed in the United States annually is supplied by domestic growers of sugar cane and sugar beets. The balance, almost all cane sugar, is imported.

Prior to 1934, the sugar industry and the sugar needs of the United States were protected and regulated almost solely through the raising or lowering of tariff duties. The very first Federal tariff law in 1789 laid duties on foreign sugar imports.

During the 19th century, domestic sugar production accounted for only about 10 to 15 percent of U.S. sugar consumption. Tariffs on sugar imports were levied primarily to raise Federal revenue, rather than to protect American sugar growers (though they did receive the protection). During the 19th century, customs revenues from sugar imports represented the largest single source of tariff revenues.

During the decade of the 1880's, annual budget surpluses reached a magnitude that was unnecessary and embarrassing. Surpluses averaging $100 million during the last 4 years of the decade led to pressures to reduce tariffs. During these years, the sugar tariff produced revenues of more than $50 million annually.

Protectionists wished to reduce the Federal budget surpluses by cutting the sugar tariff while maintaining high protective tariffs on items domestically produced. Opponents of protectionism wished to cut protective tariffs while continuing to use the sugar tariff as a source of Federal revenue. In 1890, the protectionists won out, and the sugar tariff was eliminated. However, its repeal was short-lived, and it was restored in 1894 when additional Federal revenues were needed.

Elimination of the sugar tariff had its greatest impact on Hawaii and Cuba—to the detriment of the former and the advantage of the latter. With no tariff, Cuban sugar became more competitive; a subsequent rise in the free market price of sugar meant that some of the cost of sugar formerly channeled to the Treasury as tariff revenues was now providing higher profits to Cuba.

By way of contrast, under the 1890 Tariff Act, Hawaii was suddenly denied the competitive advantage it had enjoyed the previous 14 years, during which period Hawaiian sugar was admitted duty-free to the

United States while sugar from other countries was subject to a tariff. As a result, the price of Hawaiian sugar fell sharply following the 1890 act, and the Hawaiian economy suffered a general deflation. The discontent of this period played a role in the revolution against the monarchy which led to the establishment of the Republic of Hawaii in 1892.

From the turn of the century until the First World War, the price of raw sugar remained extraordinarily stable, at about 2½ cents per pound. Sugar production was adjusted to world demand during this period, and with the firm prices it was possible to maintain a stable rate of duty in the United States. For 17 years, the tariff was not changed.

Sugar is an essential commodity during wartime, and during World War I sugar production was carefully controlled by the Government. The war in Europe had shattered the careful balance in the world sugar market achieved during the previous two decades. Since three-quarters of the U.S. supply of raw sugar came from the islands of Cuba, Puerto Rico, Hawaii, and the Philippines, a continuous supply of sugar demanded an adequate number of oceangoing vessels which were in short supply because of demands of military transport.

The control of sugar during the war attained its objectives of a reasonable price to the consumer, an increase in supplies from Cuba to partially offset the deficit faced by our allies in Europe, and an adequate return to our domestic producers. By achieving this through price fixing, rationing, and other methods, the Government assumed virtual control over the sugar industry.

When the war ended, the controls were lifted. This led to an immediate instability in the sugar industry which lasted for more than a decade. The shortage of sugar immediately after the end of the war caused the price to rise to an astronomical level of 24 cents per pound. In 1920, when the speculative bubble burst, the price of sugar dropped to 5 cents per pound within 12 months. Another boom-bust cycle took place in the following years.

By the early 1930's, it had become clear that price and production relationships between foreign and domestic sugar production areas were so complex that adjustments in tariff rates no longer assured adequate supplies of sugar at reasonable prices.

To meet this situation, the Jones-Costigan Act was passed in 1934. The act (and subsequent sugar legislation) came under the jurisdiction of the Finance Committee because it involved foreign trade and because it levied a processing tax (later replaced by an excise tax) on raw sugar. Although the legislation was amended many times since its enactment, its basic philosophy was endorsed by succeeding Congresses. The act set forth six principal means for dealing with the question of sugar supply, including: (1) the determination each year of the quantity of sugar needed to supply the Nation's requirements at prices rea-

sonable to consumers and fair to producers; (2) the division of the U.S. sugar market among domestic and foreign supplying areas by the use of quotas and other limitations; (3) the allotment of these quotas among the various sugar processors in each domestic area; (4) the adjustment of sugar production in each domestic area to the established quotas; (5) the use of tax receipts to finance payments to growers to repay them for limiting their sugar production to comply with marketing quotas and to augment their incomes; and (6) the equitable division of the receipts from the sale of sugar among beet and cane processors, growers, and farmworkers.

In 1974, responding to a combination of rising demand and poor crops attributable to bad weather, the price of sugar rose to unprecedented levels. The Sugar Act was allowed to expire on December 31, 1974, after 40 years of operation. Following the expiration of the Sugar Act, sugar prices plummeted and many U.S. sugar producers were forced out of production. Efforts to enact a domestic sugar program to help stabilize the U.S. sugar industry and stabilize prices for sugar producers failed of enactment in 1978 and 1979. As a result of the depressedlevels of sugar prices during 1977, 1978, and 1979, world production did not keep up with world demand, and sugar prices rose rapidly in 1980.

2. Federal Taxation

The most distinctive feature of the Federal tax system today is the great weight it places on individual and corporation income taxes and the fact that these taxes are paid so largely on a voluntary basis. Income tax has become a part of life for Americans today. But Federal income taxation is relatively recent. Our present income taxes date back only to the period immediately preceding the First World War. During the 19th century, tariffs represented the major source of income for the Federal Government.

The history of Federal taxation reflects the events in the history of the United States. Tax legislation responds to the need for revenues, and revenues are required for the expenditures of the Federal Government. Wars, depressions, crises, expansion of the Federal role in meeting social and economic problems—all these events increased the need for Federal revenues. In the history of the United States it is war which has required the greatest increase in Federal revenues, and a history of Federal taxation to a large extent reflects the Nation's defense needs.

The original Constitution provided the basis for Federal taxing authority in these three clauses of Article I:

> The Congress shall have Power To lay and collect Taxes, Duties, Imposts and Excises, to pay the Debts and provide for the common Defense and general Welfare of the United States; but all Duties, Imposts and Excises shall he uniform throughout the United States; (Section 8, Clause 1).

No capitation, or other direct, Tax shall be laid, unless in Proportion to the Census or Enumeration herein before directed to be taken. (Section 9, Clause 5.)

No Tax or Duty shall be laid on Articles exported from any State. (Section 9, Clause 5.)

A crucial problem in interpreting the constitutional authority is identifying what is meant by ''direct'' taxes, and what distinguishes them from other forms of taxation. From the documents left by the Founding Fathers, it seems that the meaning of the term was not clear even to the framers of the Constitution. In 1796 the issue was raised in a court case challenging the constitutionality of a Federal law taxing carriages. The court held that no tax ought to be classified as ''direct'' which could not be conveniently apportioned; on this basis the tax on carriages was held to be an excise tax.

Revenue Measures From Early Congresses to the Civil War

The first source of Federal revenue sought by the Congress was tariff revenue; that is, the taxation of foreign imports. Customs duties continued to be the most important single source of Federal funds throughout the 19th century.

But Alexander Hamilton, the first Secretary of the Treasury under George Washington wished to increase Federal revenues beyond the level produced by the 1789 Tariff Act. He proposed higher tariff rates, and also the initiation of several Federal excise taxes.

Hamilton proposed in June 1790 that domestic distilled spirits (alcohol) be subject to an excise tax. He felt that this was a logical commodity to tax because of the consistent demand for it. He pointed out that luxuries of this kind ''lay the strongest hold on the attachment of mankind, which, especially when confirmed by habit, are not easily alienated from them.'' The excise bill became law on March 3, 1791. The tax was bitterly opposed in the frontier regions of the Middle and Southern States. The western counties of Pennsylvania, Virginia, and North Carolina were more than 300 miles from the Atlantic seaboard with its main centers of population. With roads through the Allegheny Mountains so few and bad, the rye and corn raised in these western counties could not economically be sold as grain in the east. To profit from their grain, farmers turned it into whisky which with its small bulk and greatly increased value could be transported economically over the worst roads. Almost every farmer in these western regions manufactured liquor on a small scale. Whisky was so common and money so scarce that liquor often served as a medium of exchange in trade. To these pioneers, the liquor tax seemed to be a tax that was enacted especially to punish them.

By the end of 1792 popular resistance to the excise tax had reached the stage of mob violence against any attempt to collect the tax. The situation grew worse in 1793. Finally, President Washington issued a

proclamation in August of 1794 requiring the opposers of the law to desist. When resistance continued, Washington, on September 15, ordered Federal troops into the area. This move brought compliance without bloodshed. for the leaders of the ''Whisky Rebellion'' had fled, while the remainder of the population submitted. The troops remained in the area over the winter.

Thus ended the incidents following the enactment of the first Federal excise tax. The Government had established its right to tax, and had shown its power to enforce such a tax. The importance of the repression of the ''Whisky Rebellion,'' however, went beyond that, for it enabled Hamilton for the first time to assert forcefully the authority of the National Government. Thus the enactment of this tax became a fundamental turning point in the early history of our country.

Before the Civil War, annual Federal expenditures never exceeded $74 million, and the relatively high customs revenues resulted in budget surpluses more often than deficits. An exception was the period during the War of 1812 when customs duties fell off because of lack of trade and the Congress was forced first to borrow and finally to adopt new internal taxes. These included direct taxes on dwelling houses, lands, and slaves which were apportioned among the States on the basis of the 1810 census. After the war these were repealed and customs duties regained their position as the main revenue source and retained this position until the Civil War.

The Civil War brought with it a level of Federal expenditures of a magnitude unheard of before 1861; they reached a level of $1.3 billion in 1865. Tariffs were increased; but it soon became clear that even the higher customs receipts would fall far short of revenue needs.

Excise taxes were levied on alcohol, tobacco, carriages, a number of manufactured products, and certain financial transactions. A direct tax on land, a progressive tax on dwelling houses, and an inheritance tax were imposed, and, most significant of all because of its value as a precedent, an income tax was imposed on individuals and corporations.

Thus, instead of concentrating on a few objects at high rates, the Civil War tax laws attempted to spread the burden as broadly as possible at low rates. This greatly increased the ability of the tax measures to raise revenues, though it did create problems of administration. One successful device was the use of special revenue stamps which were affixed to an object and canceled when the tax on it was paid (in the same way that postage stamps are affixed to envelopes and canceled to indicate that postage has been paid). Some kinds of revenue stamps are still used today.

Several features of the income tax laws of the Civil War period served as precedents for later tax legislation. First, these tax laws established the principle of direct dealing between the Federal Government

and large numbers of individuals in the collection of personal taxes. Despite extensive tax evasion, 460,000 persons (about 1 out of every 15 gainfully employed persons) filed tax returns in 1866. Second, they provided to some extent for collection of the tax at the source through withholding of taxes from wages in the case of Government employees and from dividends from certain stocks and bonds. This served as an important precedent for later measures to collect taxes at the source. Third, the concept of ''taxable income'' was developed as deductions for business expenses, interest, taxes, and other items were allowed.

INCOME RETURN OF

(24.)

INCOME TAX: 1864.

By the sixth section of the Act of July 1, 1862, it is made the duty of any person liable to the income tax, on or before the first Monday of May in each year, to make a list or return of the amount of his annual income to the assistant assessor of the district in which he or she resides.

Every person who shall fail to make such return by the day specified, will be liable to be assessed by the assessor according to the best information which he can obtain; and in such case the assessor will add fifty per centum to the amount of the items of such list.

Every person who shall deliver to an assessor any false or fraudulent list or statement, with intent to evade the valuation of his income, is subject to a fine of five hundred dollars; and in such case the list will be made out by the assessor or assistant assessor, and from the valuation so made there can be no appeal.

As it is not impossible that certain changes in the rates of income tax may be adopted by the present Congress, the rate to which any income is liable cannot now be stated. The proposed changes, however, will not affect the principles upon which the return is to be made.

In no case, whatever may be the rate of tax to which an income is liable, is a higher rate than 1½ per cent to be assessed upon that portion of income derived from interest upon notes, bonds, or other securities of the United States. In order to give full effect to this provision, it is directed that when income is derived partly from these and partly from other sources, the $600 and other allowances made by law shall be deducted, as far as possible, from that portion of income derived from other sources.

When a married woman is entitled to an income which is secured to her own use, free from any control of her husband, the return should be made in her own name, and the assessment will be made separate from that made against the husband. Where a husband and wife live together, and their taxable incomes are in excess of $600, they will be entitled to but one deduction of $600—that being the average fixed by law as an estimated commutation for the expense of maintaining a family. Where they live apart, by divorce or under contract of separation, they will be each entitled to a deduction of $600.

Guardians and trustees, whether such trustees are so by virtue of their office as executors, administrators, or other fiduciary capacity, are required to make return of the income belonging to minors or other persons which may be held by them in trust; and the income tax will be assessed upon the amount returned, after deducting such sums as are exempted by law. Provided, That the exemption of six hundred dollars shall not be allowed on account of any minor or other beneficiary of a trust, except upon the statement of the guardian or trustee, made under oath, that the minor or beneficiary has no other income from which the said amount of six hundred dollars may be exempted and deducted. Every fatherless child who is possessed of an income in his own right is entitled to the exemption.

On the following pages will be found detailed statements to assist in making out returns.

DETAILED STATEMENT OF SOURCES OF INCOME AND THE AMOUNT DERIVED FROM EACH, DURING THE YEAR 1863.

Gross Amounts must be stated.	AMOUNTS
1. Income of a resident in the United States from profits on any trade, business, or vocation, or any interest therein, wherever carried on	
2. From rents, or the use of real estate	
3. From interest on notes, bonds, mortgages, or other personal securities, not those of the United States	
4. From interest on notes, bonds, or other securities of the United States	
5. From interest or dividends on any bonds or other evidences of indebtedness of any railroad company or corporation	
6. From interest or dividends on stock, capital, or deposits in any bank, trust company, or savings institution, insurance or railroad company, or corporation	
7. From interest on bonds or dividends on stock, shares or property in gas, bridge, canal, turnpike, express, telegraph, steamboat, ferry-boat, or manufacturing company or corporation, or from the business usually done thereby	
8. From property, securities, or stocks owned in the United States by a citizen thereof residing abroad, not in the employment of the Government of the United States	
9. From salary other than as an officer or employee of the United States	
10. From salary as an officer or employee of the United States	
11. From farms or plantations, including all products and profits	
12. From advertisements	
13. From all sources not herein enumerated	
TOTAL	

From a fiscal point of view, the Civil War taxes were a success. During the 3-year period 1864–1866, Federal revenues amounted to $1,157 million—compared with receipts of $150 million in the 3-year period

3

DETAILED STATEMENT OF DEDUCTIONS AUTHORIZED TO BE MADE.

	AMOUNTS.	
1. Expenses necessarily incurred and paid in carrying on any trade, business, or vocation, such as rent of store, clerk hire, insurance, fuel, freight, &c		
2. Amount actually paid by a property owner for necessary repairs, insurance, and interest on incumbrances upon his property		
3. Amount paid by a farmer or planter for-		
(a) Hired labor, including the subsistence of the laborers		
(b) Necessary repairs upon his farm or plantation		
(c) Insurance, and interest on incumbrances upon his farm or plantation		
4. Other national, state, and local taxes assessed and paid for the year 1863, and not elsewhere included		
5. Amount actually paid for rent of the dwelling-house or estate occupied as a residence		
6. Exempted by law, (except in the case of a citizen of the United States residing abroad,) $600	600	00
7. Income from interest or dividends on stock, capital, or deposits in any bank, trust company, or savings institution, insurance, or railroad company, from which 3 per cent. thereon was withheld by the officers thereof		
8. Income from interest on bonds, or other evidences of indebtedness of any railroad company or corporation, from which 3 per cent. thereon was withheld by the officers thereof		
9. Salaries of officers, or payments to persons in the civil, military, naval, or other service of the United States, in excess of $600		
10. Income from advertisements, on which 3 per cent. was paid		
TOTAL		

I hereby certify *that the following is a true and faithful statement of the gains, profits, or income of* _____ *of the* _____ *of* _____ *in the County of* _____, *and State of* _____, *whether derived from any kind of property, rents, interest, dividends, salary, or from any profession, trade, employment, or vocation, or from any other source whatever, from the 1st day of January to the 31st day of December,* 1863, *both days inclusive, and subject to an Income Tax under the excise laws of the United States:*

	RATE.	AMOUNT.		AMOUNT OF TAX.	
Income subject to	3 per cent.				
Do subject to	per cent.				
Income derived from interest upon notes, bonds, or other securities of the United States, subject to	1½ per cent.				
Income from property in the United States owned by a citizen thereof residing abroad, subject to	per cent.				
Income exceeding upon a portion of which a tax of 3 per cent has already been paid, subject to	per cent.				
TOTAL					

(Signed) _____

Dated at _____ this _____ day of _____, 1864.

Sworn and subscribed before me, this _____ day of _____, 1864.

_____, *Assistant Assessor.*

Financial needs brought about by the Civil War resulted in the enactment of the first income tax in the United States. Shown above is an income tax form for the year 1863

1860–1862. Of the billion-dollar increase, about one-quarter was attributable to manufacturers' excise taxes; another quarter was raised by other excise taxes (alcohol taxes being the largest single source); increased tariff collections accounted for slightly less than another quarter; and income taxes made up about 15 percent of the increase.

Following the conclusion of the Civil War, Federal expenditures dropped sharply, and tax reduction became a major issue of public policy. Manufacturers favored continuation of high tariffs with elimination of excise and income taxes; lower income groups wanted to retain the income tax while lowering tariffs. It was the former group which had its way.

The Struggle for an Income Tax

The Civil War income tax had been repealed in 1872. But following the Panic of 1873 and its ensuing depression, support began to grow in the South and the West for an income tax. Farmers with declining incomes saw themselves as helpless individuals at the mercy of the powerful groups with whom they had to deal. This was the era of the trusts, which seemed to be setting the buying and selling prices of commodities. Tariffs, then the major source of Federal revenue, fell with disproportionate weight on the farmer and laborer. Supporters of an income tax felt that it would represent a fairer sharing of the tax burden.

Many organizations were formed with the goal of righting the Nation's wrongs. The Patrons of Husbandry, the Grange, the Greenback Party, the National Farmers Alliance and Industrial Union, and the Knights of Labor were some of the more influential ones. These political groups demanded a graduated Federal income tax as part of their reform platform. In 1890 and 1892 the populist influence was felt at the polls and in the subsequent endorsement by the Democratic Party of many populist proposals. It was against this background that the Democratically controlled Congress in 1894 added to a tariff bill a section providing a tax of 2 percent on the income of individuals and corporations, with a $4,000 personal exemption.

But the triumph of the income tax proponents was short lived. The validity of the tax was challenged almost immediately, and in 1895 the Supreme Court declared it unconstitutional. The Court ruled that since a tax on land was a direct tax, a tax on income from land was also a direct tax within the meaning of the Constitution, and could thus not be levied unless it was apportioned among the States on the basis of population.

A tax apportioned on the basis of population would fall much more heavily on a low-income State than on a wealthier State, and income tax proponents were bitter at this defeat. With increased prosperity,

however, social pressure for an income tax diminished. Yet the forces which brought

S. J. Res. 40.

Sixty-first Congress of the United States of America;

At the First Session,

Begun and held at the City of Washington on Monday, the fifteenth day of March, one thousand nine hundred and nine.

JOINT RESOLUTION

Proposing an amendment to the Constitution of the United States.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which, when ratified by the legislatures of three-fourths of the several States, shall be valid to all intents and purposes as a part of the Constitution:

"ARTICLE XVI. The Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States, and without regard to any census or enumeration."

Speaker of the House of Representatives.

Vice-President of the United States and President of the Senate.

Attest:

The 16th Amendment to the Constitution, which authorized a Federal income tax, was actually intended to put off legislative action when pressures mounted to establish an income tax in 1909. The strategy backfired when income tax proponents won a majority in both Houses of Congress in the 1912 election. Shown above is the Senate Joint Resolution proposing the 16th Amendment.

about a demand for the tax in the first place were not dead, but merely submerged for a time.

In 1909 the Republicans controlled both Houses of Congress by large majorities. As the Congress met in March of that year, it faced a substantial Federal deficit. Following months of maneuvering in the Senate, during which it became apparent that an income tax might be passed, President Taft devised the stratagem of recommending that the Congress propose an amendment to the Constitution permitting the Federal Government the power to levy an income tax without apportionment among the States based on population.

President Taft's proposal for a constitutional amendment permitting a Federal income tax represented a clever tactical maneuver. With this proposal, he was able to undercut support for individual income tax legislation at a time when it appeared that it might be enacted; at the same time, opponents of an individual income tax were willing to support a resolution to amend the Constitution since they considered it a harmless gesture. They felt it unlikely that the amendment would be ratified by 36 States and, even if it were ratified, there was no assurance that the Congress would ever enact income tax legislation. The resolution for the constitutional amendment passed the Senate and House by the lopsided votes of 77 to 0 and' 318 to 14, respectively.

The joint resolution proposing the 16th amendment to the Constitution was worded as follows:

> The Congress shall have power to lay and collect taxes on incomes from whatever source devised without apportionment among the several States and without regard to any census or enumeration.

Alabama was the first State to ratify the amendment, within a month of its passage by the Congress in 1909. It was finally ratified by Massachusetts, the 36th State, in February 1913. In most States there was little opposition to the amendment.

In the 4 years during which the States were ratifying the amendment, a major upset took place in the national political scene. A serious split in the Republican Party resulted in the election of a Democratic President and Congress in 1912. The Democratic Party in its 1912 campaign had reaffirmed its historic position of supporting lower tariff duties. To make up the resultant revenue loss, an income tax was proposed.

Following ratification of the 16th amendment to the Constitution, the House passed an income tax measure in 1913 as a section of a tariff bill. The House bill provided only one exemption for each tax return. When the bill reached the Senate, the Finance Committee provided additional exemptions for wives and children. The bill signed by President Wilson allowed a $3,000 personal exemption for each taxpayer, with an additional $1,000 for a wife (no exemption was allowed for children). The bill levied a 1-percent tax on the net income of indi-

viduals, with an additional surtax (with graduated rates) levied on taxable income above $20,000.

"It Pays to be Posted" was the name of this 1913 cartoon. Following ratification of the 16th Amendment to the Constitution, the House passed an income tax bill providing only one exemption for each tax return. When the bill reached the Senate, the Finance Committee provided an additional exemption for a wife. This feature of the Senate bill became law, as the young lady in the cartoon has noted. The actual tax savings to the young man if he married could not have exceeded $7.50 in 1913.

Taxation From the First World War to the Present

As the United States became more drawn into the events of Europe, it became clear that American defense would have to be strengthened, involving substantially higher levels of expenditures. In September 1916, income tax rates were increased and an estate tax was imposed.

In March 1917 an 8-percent excess-profits tax was levied on business income.

With war on Germany declared April 6, 1917, however, these sources of revenue became inadequate. Numerous excise taxes were levied in the Revenue Acts of 1917 and 1918, but the bulk of the revenue raised through taxation was attributable to higher income taxes.

For the first time in the history of war financing, tariff rates were not raised. Federal revenues increased from less than $800 million in 1916 to almost $4.2 billion in 1918; $2.7 billion (about four-fifths) of the increase came from income taxes. Yet because of the relatively high exemption levels, only about 5½ million individuals filed income tax returns for 1920 out of a total population of about 106 million.

In the 1920's, as after the Civil War, the basic question was not whether taxes should be reduced, but which groups were to receive the largest reductions. Federal expenditures were settling to a level five to six times higher than before the First World War, and complete elimination of the income tax was now impossible.

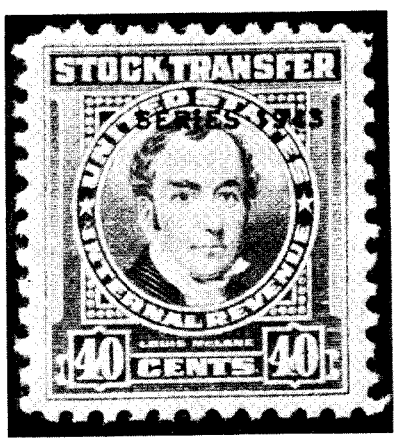
However, the 1920's saw a series of revenue acts which reduced the taxes enacted in wartime. Transportation and certain other excise taxes were reduced or eliminated; revenues from the alcohol tax became nominal during prohibition. The excess profits tax was terminated in 1921; income tax exemptions were increased, and tax rates decreased especially in the upper brackets. The lowest rates were reached in 1928. A family of four with an income of $10,000 now paid only $40 in tax compared with $558 under the World War I taxes. Though the income taxes were reduced, however, they continued to produce almost as great a proportion of Federal revenues as they had during the peak years of World War I.

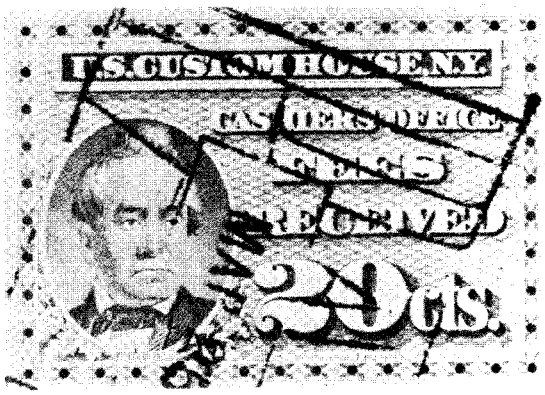
As the country entered the depression, decreased income sharply reduced income tax yields, and Federal deficits grew. Beginning with the Revenue Act of 1932, the Congress again raised tax rates and decreased exemptions in the largest peacetime tax increase in history.

But increasing income tax rates could not produce sufficient revenues, since incomes had fallen off so sharply. Income tax collections dropped from $1,147 million in 1930 to $427 million 2 years later. The Hoover administration recommended, in addition to income tax increases, the reinstatement of certain of the First World War excise taxes. Business groups favored instead the introduction of a manufacturers' sales tax: the sales tax was bitterly opposed by groups that felt it was regressive, falling most severely on the persons who could least afford it.

The Revenue Act of 1932 represents one of the most bitterly fought tax laws ever enacted by the Congress. A proposal for a Federal sales tax was rejected, and what finally emerged from the legislative process was a compromise measure which has set the general pattern of Fed-

eral manufacturers' excise taxes since that time. The most important part of the excise tax statute provides many selective excise taxes on specified manufacturers, with a particular emphasis on products of the automobile industry and on gasoline. In the depression years of the 1930's which followed, the excise taxes provided about 38 percent of Federal tax collections.





Until 1963, a 50% tax was levied on net profits realized from the sale of silver bullion; the silver tax stamp illustrated above shows a portrait of George W. Campbell, first Chairman of the Committee on Finance. Stock transfer stamps were used in payment of taxes due on the transfer of legal title of shares on stock certificates. Shown on the stamp is Louis McLane, a Finance Committee member from 1827 to 1829. The other stamp illustrated was used by customs officials to indicate that certain fees had been paid. Shown on the stamp is Silas Wright, who served on the Finance Committee from 1834 to 1841 and was Chairman for six years.

World War II expenses brought Federal expenditures to the staggering level of $100 billion in 1945; more than two-thirds of the revenues collected during the war came from income taxes. This was done by substantially broadening the base of the income tax. In 1939 only 4 million people, representing 4 percent of the population 14 years

and over, paid income taxes. By dropping the exemption for a single person to $500 and by increasing the initial tax rate to 23 percent, about 40 million people were required to file a return by 1945—a 10-fold increase in 6 years. A tax rate of 50 percent was reached at the $14,000 bracket. The $10,000 family of four was now paying $2,245. The top corporation rate rose to 40 percent, and an excess profits tax of almost 90 percent was enacted.

Excess profits had come under an additional type of scrutiny during the Second World War. When the Congress in 1943 felt that excessive profits were being earned on war contracts to industry, the Renegotiation Act was passed providing for the renegotiation of all contracts and the recapture of all overpayments. This innovation in the handling of war expenditures saved the Federal Government more than $2 billion in 1944 and 1945 alone. The original act, the Korean war version of the act, and its extensions (it remains in effect today) were all handled by the Senate Finance Committee.

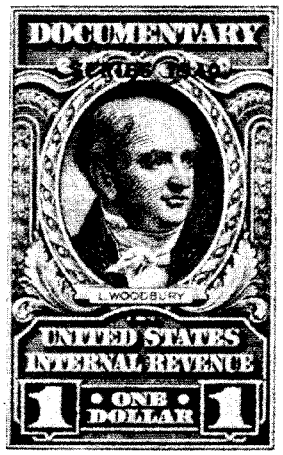
The wartime Revenue Acts also increased excise tax rates and created new tax categories, the most important being transportation of freight and passengers, and retail sales of jewelry, furs, luggage, and cosmetics.

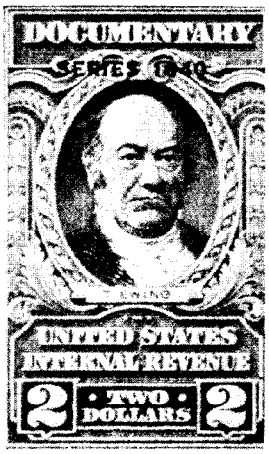
The years following World War II did not follow the pattern of tax reduction established after the Civil War and the First World War. Despite the repeal of the wartime excess profits tax and some reduction in income tax, this was the first postwar period in the Nation's history not characterized by sustained tax reductions.

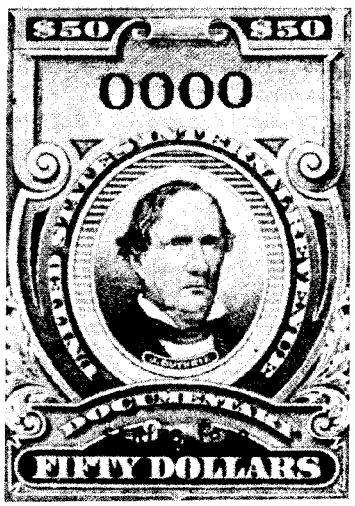
A tax reduction bill passed in 1947 was vetoed by President Truman on the grounds that it would be inflationary and that it reduced taxes in the high-income brackets disproportionately. A 1948 tax reduction bill was vetoed by the President on similar grounds, but Congress overrode the veto.

Under peacetime conditions, 1950 started with further tax reductions anticipated. The legislative history of the Revenue Act of 1950 provides a dramatic example of the impact of military events on the tax system. The House had passed a bill providing for a billion-dollar decrease in excise taxes, offset by equivalent increases in income taxes, particularly for corporations. Following House action, the Korean war began. In the Senate the excise tax reductions were deleted, individual and corporation income taxes were hiked by $4.2 billion, and the bill was enacted in virtually that form. An excess profits tax was also enacted for the Korean war. In three revenue bills enacted in 2 years, the Congress raised income taxes, in some cases to the highest they had ever been; revenue collections in 1953 were almost 40 percent higher than the peak reached during the Second World War. As Senator Walter George, chairman of the Senate Finance Committee, pointed out,

never before was so much additional revenue provided by congressional enactment in so short a time.







Revenue stamps are affixed to documents or other items and cancelled to indicate that taxes have been paid, in the same way that postage stamps are affixed to envelopes and cancelled to indicate that postage has been paid. Finance Committee tax legislation beginning with the Civil War placed stamp taxes on certain transactions. Illustrated above are documentary tax stamps of a later period which show former Members of the Finance Committee: Levi Woodbury (Committee member, 1825–1826 and 1841–1845), Thomas Ewing (member, 1833–1835 and 1850–1851), and James Guthrie (member, 1865–1867).

The years after the Korean war were unlike any other postwar period. Through the Marshall plan this Nation was financing the rebuild-

ing of the war-devastated economies of Western Europe and Asia. The cold war made necessary the maintenance of a continual state of military preparedness. For the first time in a postwar period, Federal spending did not decline sharply, deficits were more common than surpluses, and taxes were not reduced year after year. The excess profits tax of the war had lapsed at the end of 1953; it was not until a decade after 1953 that substantial reductions were made in income tax rates.

In 1961 concern about stimulating the economy led President Kennedy to initiate a program calling for a 7 percent investment tax credit as an incentive to businesses to accelerate and expand their capital expenditures. President Lyndon B. Johnson proposed further tax reductions. The Revenue Act of 1964 provided for $11.5 billion in tax reductions for individuals and businesses for 1964 and 1965. This was the largest tax reduction ever approved by the Congress up to that time.

By 1965, the unemployment rate had dropped to a level of 4.5 percent, and in the following year the rate was further reduced to 3.8 percent. To further complete the phase-out of various temporary levies remaining in force since the end of the Korean conflict, the Congress approved the Excise Tax Reduction Act of 1965 calling for elimination or reduction of various excise tax levies totaling nearly $5 billion. These reductions were slated to occur in several annual steps between 1965 and 1969. Many of these proposed reductions were subsequently delayed by later tax acts. The Tax Adjustment Act of 1966 revised the method for individual income tax withholding, shifting to graduated rates reaching a maximum of 30 percent in lieu of the previous 14 percent rate. In this Act the Congress also provided a special deduction for contributions to retirement plans by self-employed individuals. In 1966 the Foreign Investors Tax Act was also approved, revising the rules for taxation of U.S. income of non-resident aliens and foreign corporations.

During this era, the United States was stepping up its involvement in the Vietnam conflict. To meet the escalating costs of this involvement and to combat strong inflationary pressures, President Johnson proposed enactment of a temporary 10 percent surtax on individual and corporate income taxes. In 1968, nearly a year and a half after it was first proposed, Congress enacted a 10 percent surtax scheduled to expire on June 30, 1969. The surtax was continued at the request of President Nixon through December 31, 1969. It was reduced to 5 percent for the first 6 months of 1970, when it finally expired. This tax surcharge increased Federal revenues during the time it was in effect by more than $20 billion.

The most comprehensive tax revision up to that time was achieved in the Tax Reform Act of 1969. That Act contained 41 separate categories of major tax changes. It revised the tax laws applicable to the creation and operation of private tax-exempt foundations, charitable

contributions of property which has appreciated in value, and capital gains, and reduced the oil depletion allowance. The 1969 Act also provided for the imposition of a minimum tax to reduce the opportunities for taxpayers with substantial incomes to avoid paying taxes by overutilizing what were intended to be limited tax incentives. The Congress also provided tax reductions for individuals and corporations in the Tax Reform Act of 1969 which were designed to cut Federal revenues by more than $9 billion when fully effective in 1973.

By 1971 the prospects of a recession rather than the dangers of inflation were once again a principal concern. President Nixon urged adoption of the Revenue Act of 1971 to stimulate the economy. Included in this measure was a repeal of the 7 percent auto excise tax. In this Act the Congress approved tax cuts of $1.7 billion for 1971, $8.0 billion for 1972, and $6.1 billion for 1973.

In 1972, fears of recession and plans to stimulate the economy began to give way to concerns over inflation. Attempts to halt inflation had proved to be ineffective, and by 1975 the U.S. economy had experienced its sharpest decline since the 1930's. The unemployment rate reached 8.2 percent at the beginning of the year. To stimulate the economy and decrease unemployment, the Congress approved the Tax Reduction Act of 1975. This bill provided for the largest decrease in revenues in U.S. history, $24.8 billion. A tax rebate of 1974 individual income taxes was provided, totaling $8.1 billion. In addition, a number of other individual tax changes were approved, reducing revenues by approximately $10 billion. A key feature of the individual income tax changes provided a refund equal to 10 percent of earned income up to a maximum of $400 for low-income families with dependent children. This credit was reduced by one dollar for each ten dollars of income over $4,000. This measure permitted individuals with little or no income tax due to receive a cash payment equal to the amount of this credit.

This measure represented the first time the Congress had taken any steps to lessen the burden of employment taxes for low-income individuals with little or no Federal income tax liability. Business tax reductions totaling $4.8 billion were also approved in this measure, and the percentage depletion allowance for oil and gas wells was repealed except in the case of certain small producers. The repeal of the percentage depletion allowance for oil and gas produced additional revenues for 1975 of approximately $1.7 billion. The temporary tax reductions approved in the Tax Reduction Act of 1975 were subsequently extended by the Revenue Adjustment Act of 1975. The Tax Reform Act of 1976 continued these reductions.

Since 1969 substantial interest had grown in improving the equity of the tax system at all income levels. The Tax Reform Act of 1976 was approved by the Congress to achieve a greater measure of equity within

the tax system without impairing economic efficiency and growth. The 1976 Act also modified certain individual deductions and credits, and increased the standard deduction to encourage taxpayers to switch from itemizing their deductions to using the standard deduction.

The 1976 Act contained important changes involving the administration of the tax laws by making it more efficient and by strengthening taxpayers' rights. Finally, it made the first major revisions in the estate and gift tax area in more than 30 years. Those changes reduced the estate and gift tax for small and medium-sized estates and, at the same time, eliminated various tax avoidance opportunities.

A major program was incorporated in the 1975 and 1976 Acts to encourage broader participation in our economic system by a greater number of individuals. This program is known as Employee Stock Ownership. An increased investment tax credit for those employers establishing Employee Stock Ownership Plans was provided in 1975; the Tax Reform Act of 1976 extended the program with appropriate modifications to encourage its widespread adoption.

In 1978, with the economy still sluggish from the 1974 recession, the Congress provided a major tax cut for both individuals and businesses. The Revenue Act of 1978 grew out of the belief of the Congress that such a tax reduction was needed to stimulate consumer and investment spending, and to offset increases in social security taxes and tax increases resulting from inflation. In addition, the Act was structured to improve the equity of the tax system and to provide additional simplification of the tax laws.

Since 1973, the international price of oil has risen dramatically. In April 1979, the Administration announced its intention to phase out oil price controls between June 1979 and October 1981. The Crude Oil Windfall Profit Tax Act of 1979 was enacted by the Congress because of the Administration's decision to phase out oil price controls, the recent increases in world oil prices, and the Nation's continuing overdependence on imported energy. The Act was intended to tax a share of the additional revenues received by oil producers as a result of oil price decontrol in a way that would not adversely affect incentives to produce domestic oil. The Act also includes tax incentives to encourage energy conservation and production of alternate energy sources, and assistance to lower-income households to help them cope with higher energy prices.

In fiscal year 1980, Federal revenues totaled $520 billion. Of this total, $244 billion (47 percent) came from individual income taxes; $64 billion (12 percent) from corporate income taxes; $160 billion (31 percent) from social security and other employment taxes; $24 billion 5 percent) from excise taxes; and $6.4 billion (1.2 percent) from estate and gift taxes. Customs revenues accounted for approximately $7.2 billion (1.3 percent) in fiscal year 1980.

3. The National Debt

In the years from 1789 to 1980, the U.S. Federal Government spent almost $6 trillion. About five-sixths of this amount was paid out of current Federal revenues from taxes, customs, and other sources. The remainder of the expenditures were made from borrowed funds. The national debt of the United States at any point in time represents the total amount of the borrowings that have not yet been repaid. On November 30, 1980, the national debt stood at $915 billion. The Congress has set a permanent limitation on the debt that prohibits it from rising above $400 billion; but until September 30, 1981, the debt limit is temporarily set at $935 billion.

Though our Nation has had a national debt almost continuously since its beginning, the present magnitude of the debt is less than 40 years old, being principally the result of the Second World War, the subsequent cold war, and the Vietnam war. Over nine-tenths of the present national debt has been incurred since 1940; from the end of World War II through fiscal year 1980 total Federal expenditures have exceeded revenues by more than $450 billion. In fiscal year 1980, the interest alone on the debt totalled about $74.9 billion—an amount greater than the total of Federal expenditures in the first 133 years of the Nation's history.

The history of our national debt is a reflection of our military and economic history. Since the legislative authority for the Treasury to incur debt has always been within the jurisdiction of the Senate Finance Committee, the committee has been closely involved with the national debt (though the size of the debt itself has been determined primarily by military events and appropriations over which the committee has had no control).

Though the national debt seen in absolute terms is immense and has been growing almost steadily since World War II, when looked at in terms of the national income and wealth as measured by the gross national product (the estimate of total goods and services produced and exchanged for money within a specific year), the relative size of the debt has decreased substantially since then. In 1946 our national debt was 129 percent of our gross national product of $208 billion—that is, equal to about 15 months of our total national output of goods and services. By 1980, the gross national product reached $2.6 trillion while the debt had increased to about $915 billion, or about 35 percent, equivalent to approximately 4 months of our total national output of goods and services.

The national debt is essentially like an ordinary bank loan or any other debt. It is owed by the Federal Government to owners of Government securities (chiefly bonds, notes, and bills). There are two broad categories of Government securities. The first of these, marketable securities, amounted to $605 billion in November 1980, representing

about two-thirds of the national debt. These securities are sold to large investors; the Treasury contracts to pay a fixed interest return over a stated period of time and. unlike savings bonds, they may not be redeemed by the Treasury before the date of their maturity. Marketable securities, as the name implies, may be sold in the Government securities market through a bank or dealer in investment securities.

Savings bonds, owned by individuals, make up the largest portion of nonmarketable Government securities. Though they may not be sold on the securities market, they may be redeemed by their owners at any time. On November 30, 1980, savings bonds made up $72.5 billion, or about 8 percent, of the national debt.

By law, social security trust funds and certain other Federal funds must be invested in interest-bearing Treasury securities. In November 1980 about $231 billion (about 25 percent) of the national debt represented these special—issues to Government agencies and trust funds.

4. Social Security Act Program

In 1935, the Committee on Finance acquired jurisdiction over another major area of legislation—the Social Security system. On January 17th of that year, President Franklin D. Roosevelt transmitted the Report of the Committee on Economic Security which he had established on June 8, 1934. The resulting Administration bill, because of its tax features, was referred in the Senate to the Finance Committee. After months of work, the bill was reported to the Senate. According to the Committee's report on the bill, its purpose was:

> to provide for the general welfare by establishing a system of Federal old-age benefits, and by enabling the several States to make more adequate provision for aged persons, dependent and crippled children, maternal and child welfare, public health, and the administration of their unemployment compensation laws.

This was history-making legislation because it accepted Federal responsibility, for the first time on a permanent basis, for functions which had previously been reserved exclusively to the States and localities and the private sector. For more than three centuries of American history poor people had either received meager relief in their homes, or had been placed into almshouses or workhouses by State or local authorities. In the mid-1920's, a growing number of States enacted legislation providing aid to the blind and the aged. But the 1930 depression drained the resources of most State and local governments, crippling or killing their ability to meet their mounting obligations. Funds for private charity were drying up at the same time unemployment was sharply increasing.

The Committee on Finance's report on the new social security legislation in 1935 emphasized that the old-age pension laws which existed in just 33 States were uneven in their application. It emphasized also that pressure for free pensions from public taxes could lead to costs much greater than the bill proposed. In recommending Federal finan-

cial participation with the States for welfare aid to the aged plus a social insurance retirement program paid for by the employee and employer taxes, the Report commented, ''There is serious danger that if only Title I (Old-Age Assistance) is enacted, this country will, before long, adopt the principle of free pensions for all old people, to be paid for from general taxes.''

Today, our basic social insurance programs include old-age, survivors, and disability insurance (OASDI), which provides monthly cash benefits when earnings are cut off by old-age, severe disability, or death; and medicare, which provides hospital and medical insurance for persons 65 and over. This basic contributory program covers about 9 out of 10 persons working for a living.

Protection against the hazard of short-term involuntary unemployment is provided for more than 95 percent of the wage and salary workers in the Nation through unemployment insurance systems operating in all the 50 States, the District of Columbia, and Puerto Rico.

The Social Security Act authorizes substantial Federal assistance for State and local programs providing a wide variety of medical services to mothers, infants, and crippled children in low-income areas.

The Social Security Amendments of 1972 created a new program of supplemental security income for needy aged, blind and disabled persons. This program is administered by' the Social Security Administration.

For needy dependent children and their families, the Social Security Act authorizes Federal financial participation in State and locally administered programs of public assistance (welfare payments). Legislation enacted in 1962, 1967, and 1971 has placed particular emphasis on measures to aid families with dependent children to become economically independent.

Under 1974 legislation, a major Federal-State program was established to aid dependent children in obtaining support from absent parents. This program serves children in welfare families and also is available for families not on welfare.

The Social Security Act also authorizes Federal financial participation in State and locally administered programs of medical assistance (Medicaid) for needy aged, blind, and disabled persons and for dependent children and their families.

Another Social Security Act program provides Federal participation in State programs of social services for welfare recipients and other low-income persons. Through this program, States provide a wide variety of services such as child care, family planning, homemaker services and many others.

The growth of the Social Security Act programs over the years, through committee action, is illustrated by the fact that the original so-

cial security law was just 32 pages long, while today it contains over 500 pages.

Old-Age, Survivors, and Disability Insurance Since 1935

Before the old-age insurance program was actually in full operation, significant changes were adopted. Congress in 1939 made the old-age insurance program a family program rather than a program for retired workers only, by providing monthly benefits for a worker's dependents and survivors. The 1939 amendments also made monthly benefits first payable in 1940 instead of 1942 as originally planned. It is interesting to note that provision was made during the early years of the program for general revenue funding if social security payroll tax revenues proved insufficient. General funds were never needed, and the provision was subsequently deleted.

No major changes were made again in the program until 1950 when it was broadened to cover many new groups of employees. Among the groups covered by the 1950 amendments were regularly employed farm—and household employees and most persons—other than farmers and professional people—who work for themselves. Coverage was made available on a voluntary group basis to employees of State and local governments not under public employee retirement systems, and to employees of nonprofit organizations.

During the 1950's, further extensions of coverage brought farm operators and most self-employed professional people under the program. Members of the Armed Forces were covered on a contributory basis beginning in 1957. Coverage was also made available to State and local employees covered by retirement systems (except for policemen and firemen in some States) on a voluntary group basis. In 1965, self-employed doctors of medicine were covered. With the exception of most Federal employees, who are covered by the Civil Service Retirement System, and some State and local government employees, virtually all gainfully employed workers are now covered by the social security system.

Over the years, changes have been made in the amount of work required to obtain an insured status. Under the 1939 amendments, a worker was generally eligible for benefits if he had worked in covered employment half the time (one out of every two calendar quarters) after 1936 and before age 65 and had a minimum of six quarters of coverage. In 1950, in order to give newly covered workers the same opportunity to qualify for benefits as workers covered under the original act, a ''new start'' provision was enacted which related the amount of work required to the time a worker could have been expected to have worked after 1950. Further liberalization of the work requirements (on a short-term basis) accompanied the extension of coverage under the

1954 and 1956 acts. In 1960, a provision was enacted which changed the insured status requirements to one quarter of coverage for each three calendar quarters elapsing after 1950. The present provision, under which a person is insured if he has credit for covered work roughly equal to one-fourth of the time (one out of four calendar quarters) after 1950, was provided by the 1961 amendments. Amendments in 1965 and 1966 provided special monthly benefits for people who reached age 72 prior to 1968 and who are not eligible for regular social security benefits, usually because their working years ended before coverage under the social security program became nearly universal. These benefits for aged individuals who did not pay taxes for social security coverage are paid for out of the general fund of the Treasury instead of being financed by those paying social security taxes.

The scope of the basic national social insurance system was significantly broadened in 1956 through the addition of disability insurance. Benefits were provided for severely disabled workers of age 50 to 64 and for the disabled children (if disabled before age 18) of deceased and retired workers. In 1958 the act was further amended to provide benefits for dependents of disabled workers similar to those already provided for dependents of workers retired because of old age. In 1960, the age-50 limitation for disability benefits was removed so that disability benefits could be payable at any age before 65. Under the 1967 amendments, disability benefits at a reduced rate were extended to certain disabled widows and widowers age 50 or older. The 1972 amendments extended the protection of this provision to children who became disabled before age 22 (rather than before age 18).

In the 1970's, a trend of program growth apparently unrelated to specific legislative changes developed, requiring several increases in the actuarial estimates of the cost of the disability program. Studies of the disability program indicated both administrative weaknesses and inherent disincentives to rehabilitation as possible causes of this unanticipated program growth. In 1980, the Congress adopted amendments recommended by the Committee on Finance to address these problems. The 1980 amendments strengthened the administrative framework of the program, mandating, for example, an increased level of claims review and introducing several benefit changes aimed at encouraging rehabilitation. Benefit changes included certain reductions in benefit levels in cases where the program previously provided benefits which were unduly large in relation to the individual's prior earnings. Also included in the 1980 amendments were provisions for an extended trial work period and for a temporary continuation of medicare benefits in order to facilitate the transition back into employment.

The original Social Security Act required that the individual reach the age of 65 before any retirement benefits could be paid. Following a Senate amendment, this eligibility age was lowered from 65 to 62 for

women in 1956; it was reduced to 62 for men in 1961, and from 62 to 60 for widows in 1965. The benefits for working men and women, wives, and dependent husbands who claim benefits before age 65, and for widows who claim them before age 62, are actuarially reduced to take account of the longer period over which they will receive their monthly payments.

The benefit structure has been modified several times since 1950, when the Congress increased the benefits of those on the rolls and raised future benefit levels through the use of a new benefit formula applicable to persons claiming benefits after August 1950. Since 1950, benefits have been increased periodically by legislative action, reflecting not only the depreciated value of the dollar but also the rising level of living for the population as a whole. Benefits were increased for all groups of beneficiaries in 1952, 1954, 1958, and 1965. The 1967 amendments contained a benefit increase which, though lower than the amount recommended by the Senate Finance Committee, represented the largest single increase in social security benefits from the inception of the program up until that time. Social security benefit increases enacted in 1969, 1971, 1972, and 1973 cumulatively amounted to 68 percent. In addition, 1972 legislation provided for automatic increases in social security benefits in the future as the cost of living rises. Under this provision, benefits have been increased in each year since 1974. Total yearly benefit payments have risen from $29 billion in fiscal year 1970 to $119 billion in fiscal year 1980.

Since the beginning of the program, the Congress has placed great emphasis on assuring the fiscal soundness of the trust funds. As a general principle, Congress has attempted to provide in the law for the necessary present and future taxes to produce revenues adequate to meet benefit obligations. The Finance Committee and the Congress, in considering benefit improvements, have taken great care to provide the financing for such improvements according to the best available actuarial estimates.

A variety of unanticipated developments required a reexamination in the mid-1970's of the actuarial estimates of the financial balance of the social security program. These developments included, among other things, an unexpected growth in disability claims, improved mortality and declining birthrates, and significantly increased levels of inflation. As a result of these developments, the Committee on Finance commissioned a panel of actuaries and economists to provide an expert independent analysis of the status of the program. This panel confirmed the need for major revisions to strengthen the financing of the program.

In 1977, the Finance Committee recommended and the Congress enacted amendments which represented an important step towards the restoration of actuarial soundness to the social security program. In ad-

dition to providing necessary increased financing, the 1977 amendments significantly reduced the cost of the program by eliminating certain low-priority benefit features and by restructuring the formula for determining initial benefits in such a way as to moderate the future growth of benefit levels. Additional improvements in the financial status of the program were achieved as a result of the 1980 disability amendments. While the 1977 and 1980 amendments have greatly strengthened the stability of the program, continuing inflation and the severity of the impact of demographic and economic changes will necessitate further consideration by the Finance Committee and the Congress of the program's financial adequacy.

At the end of 1950, 2.3 million retired persons and their dependents and 1.2 million survivors were receiving social security benefits of $127 million monthly. In September 1980, more than 23.0 million retired persons and their dependents, 4.7 million disabled persons and their families, and 7.6 million survivors received cash benefits totaling $127 billion on an annual basis. The average retired worker's monthly benefit grew from $23 in 1940 to $44 in 1950, $74 in 1960, $118 in 1970, and $340 in 1980.

Medicare

One of the most important steps in social legislation taken in the past two decades was the establishment of a comprehensive health insurance program for persons aged 65 and over (medicare). The 1965 Social Security Amendments set up a basic hospital insurance program financed through a separate earnings tax and trust fund that provides protection against the costs of hospital and related care for social security and railroad retirement beneficiaries. Disabled people were covered under Medicare as a result of legislation enacted in 1972.

Medicare is actually two separate, complementary programs. One is a hospital insurance program financed through a separate earnings tax and trust fund that provides protection against the cost of hospital and related care for Social Security and railroad retirement beneficiaries. The other is a voluntary supplementary medical insurance plan, financed through monthly premiums and a matching Federal Government contribution, that covers part of the cost of physicians' services and other related medical and health services not covered by the hospital plan.

The Committee has been actively and continually involved in the review of the Medicare program since its inception. These oversight activities covered virtually every aspect of the programs and led to major legislation affecting Medicare in 1972 and in 1980, as well as other legislation in the intervening years. Underlying these changes has been a growing awareness of the need to curb the spiraling cost of the pro-

gram, which more than quadrupled during the 1970's. Legislation enacted in 1980 is expected to reduce Medicare spending by $2.1 billion over the next 5 years through a number of administrative and reimbursement modifications.

In 1980, 27.2 million persons were covered by the hospital insurance program, with 6.6 million receiving benefits; 27.2 million persons were covered by supplementary medical insurance, with 16.8 million receiving benefits.

Unemployment Insurance

The first unemployment insurance law in the United States was passed by Wisconsin in 1932, but benefit payments did not begin until July 1936, a year after the Social Security Act had become law. The Federal act provided an inducement to the States to enact unemployment insurance laws by levying a uniform national tax of 3 percent (since raised to 3.4 percent) on the payrolls of industrial and commercial employers of eight or more workers in at least 20 weeks of the year (reduced in 1954 to four or more workers, and in 1970 to one or more workers, still in 20 weeks). Employers in a State with an approved unemployment insurance law could claim a tax credit equal to 90 percent of the Federal levy. Thus, employers in States without an unemployment insurance law would not have an advantage in competing with similar businesses in States with such a law, since they would still be subject to the Federal payroll tax. Furthermore, their employees would not be eligible for benefits.

In addition, Congress authorized grants to States to meet the full costs of administering the State systems. By July 1937, all 48 States, the then territories of Alaska and Hawaii, and the District of Columbia had passed unemployment insurance laws.

Aside from certain broad Federal standards regarding the financing and administration of the law, each State has responsibility for the content and development of its unemployment insurance law. The State itself decides what the coverage and contribution rates shall be, what the eligibility requirements and disqualification provisions shall be (except for certain Federal limits designed to protect labor standards), and what amount and duration of benefits shall be paid. The States also directly administer the laws—collecting contributions, maintaining wage records, taking claims, determining eligibility, and paying benefits to unemployed workers.

Unemployment benefits are available without a means test to unemployed workers who have demonstrated their attachment to the labor force by a specified amount of work or earnings in covered employment or a combination of work and earnings. To be eligible for benefits, the worker must be ready, able, and willing to work, must be un-

employed and not disqualified, and must be registered for work at a public employment office.

The Employment Security Amendments of 1970 represented the most significant revisions in Federal unemployment compensation law since the enactment of the original Social Security Act. The amendments extended coverage under the Federal law to an estimated 4 million additional jobs, and established for the first time in permanent legislation a program of extended unemployment compensation benefits (in addition to regular unemployment benefits) in times of high unemployment either in a State or on a nationwide basis.

The Unemployment Compensation Amendments of 1976 provided protection under the program to more than 8 million additional jobs by covering State and local government employees and many farm and domestic workers.

In 1979 and 1980, the Committee on Finance undertook a review of the unemployment compensation programs with a view towards identifying low-priority or inappropriate features which might be contributing to excessive benefit costs. On the basis of this review, the Committee recommended a number of changes in the law, many of which were adopted by the Congress as a part of the Omnibus Budget Reconciliation Act of 1980.

At the end of fiscal year 1980, 3.8 million unemployed persons (4.4 percent of the employees in covered employment) received unemployment compensation payments; as of May 1980, weekly payments for total unemployment averaged $100.

In the Trade Act of 1974, the Congress has provided a special kind of assistance to firms and workers who are injured by increased imports. In the case of workers such assistance takes the form of unemployment compensation equal to 70 percent of the employee's weekly wage for up to 52 weeks. Up to 26 additional weeks of benefits are payable to older workers and workers in training. There are also provisions for training and for job search and relocation allowances.

In the case of firms, the assistance may take the form of guarantees, loans, agreements for deferred participations in loans, and certain kinds of tax assistance.

These adjustment assistance provisions of the Trade Act of 1974 were generally similar to provisions previously in force under the Trade Expansion Act of 1962.

Public Assistance Legislation

The original Social Security Act established three categories of federally aided assistance recipients: the aged, dependent children, and (thanks to a Finance Committee amendment) the blind. Until the 1972 Social Security Amendments were enacted, all the public assistance pro-

grams were State administered, with Federal participation in the cost of welfare payments and in administrative costs. Federal law has required that a person must be needy to receive assistance and that the State must consider all of a person's income and resources in determining his need; but the States have considerable latitude in deciding who will be eligible and the amount of the welfare payment. This is reflected in the wide range of assistance levels in aid to families with dependent children, from $120 monthly for a family of four in the lowest State to $546 per month in the highest State in July 1979.

In 1950, a new category of federally assisted needy persons was established with the creation of aid to the permanently and totally disabled.

In 1972 the Congress enacted legislation creating effective January 1, 1974, a new program of supplemental security income for needy aged, blind, and disabled persons. This program is wholly federally administered and funded; under it 4.1 million aged, blind, and disabled persons with no other income are guaranteed a monthly income of at least $238 for an individual or $357 for a couple. In addition, the law provides that the first $20 of social security or any other earned or unearned income (other than income which is based on need) will not cause any reduction in supplemental security income payments. As a result, aged, blind, and disabled persons who also have monthly income of at least $20 from social security or other sources (which are not need related) are assured a total monthly income of at least $258 for an individual or $377 for a couple.

Aid to families with dependent children (AFDC) is the most controversial of the assistance programs. The purpose of the program as stated in the original Social Security Act was to enable ''each State to furnish financial assistance, as far as practicable under the conditions in such State, to needy dependent children''—defined as children ''deprived of parental support or care by reason of the death, continued absence from the home, or physical or mental incapacity of a parent.''

The AFDC program was originally thought of as a widows' and orphans' program, designed to make it possible for children whose fathers had died to live at home with their mothers rather than in institutions or foster homes. But when survivors' benefits were added to the social security program, there began a decline in the proportion of AFDC children who were orphans. In 1940, about 42 percent of the children receiving AFDC were orphans; about 5 percent are orphans today. Despite continued growth in the AFDC rolls, the number of orphans today is only about half of the number in 1940.

In 1945, 1½ percent of the Nation's child population was receiving AFDC. Ten years later, the proportion had doubled, to 3 percent. The bulk of the increase was in the group of children dependent because of the absence of their father from the home. Concerned at this development, the Finance Committee in 1956 rewrote the language of the

AFDC provisions to make it clear that the purpose of the AFDC program included not only financial assistance, but also services to maintain and strengthen family life and to help the relatives caring for dependent children to attain maximum self-support and personal independence consistent with the maintenance of continuing parental care and protection.

Another amendment originating in the Finance Committee in 1956 provided Federal funds for research and demonstration projects relating to such matters as the prevention or reduction of dependency.

Between December 1956 and December 1961, the number of AFDC recipients increased by 58 percent. Beginning in 1957, for the first time there were more AFDC recipients than needy aged persons receiving welfare. A study of AFDC in 1961 showed that earlier trends had continued. The large increase came mainly in the group of children dependent because of the absence of a parent from the home. These children by 1961 constituted about two-thirds of the children receiving AFDC; two-fifths of the children receiving AFDC were either illegitimate or their father had deserted the family.

In 1962, a major new attempt was made to reverse the trend to increased public dependency. The Public Welfare Amendments of 1962 were designed to improve the rehabilitative aspects of the public assistance programs in order to help families and individuals attain self-sufficiency. Federal matching for administrative costs had been set at 50 percent; it was raised to 75 percent for social services aimed at preventing or reducing dependency. Community work and training programs were authorized for AFDC recipients, and States were required in determining the recipient's need to take into account added expenses due to employment. Funds for child welfare services were increased, with specific amounts earmarked for day care.

The 1962 amendments were not able to dampen the increase in the AFDC rolls. By June 1967, more than 5 percent of the Nation's children were receiving AFDC; together with the adults in their households, they constituted a total AFDC caseload of almost 5 million persons, about ½ times the size of the caseload in 1961. A study of the 1967 caseload showed that 71 percent of the families lived in metropolitan areas (compared with 58 percent in 1961); 40 percent lived in central cities with a population of at least one-quarter million (compared with 31 percent in 1961). Forty percent had been on welfare before. In 1961, two-thirds of the children receiving AFDC had been dependent because of the absence of a parent; by 1967, the proportion had climbed to three-quarters. The percentage of illegitimate children and children whose fathers had deserted their families increased from 40 percent in 1961 to 45 percent in 1967. Twenty-one percent of the mothers for whom this information was known had received AFDC as

children. In only two-thirds of the AFDC cases did all the children in the case have the same mother and father.

These statistics demonstrated the need for a new approach in aiding families to economic independence while guarding the welfare of the children. This new approach, incorporated in the 1967 Social Security Amendments, in large part represents the concern of the Senate Finance Committee.

The heart of the approach is the committee-designed work incentive program. Under this program, the welfare agency prepares a comprehensive plan for each appropriate AFDC family aimed at leading them to independence through employment. All necessary social services are provided, and each appropriate individual is referred to the Labor Department for training or placement. Persons with sufficient skills will be placed in employment immediately; others will be provided training and then placed. Individuals who are not likely to profit from training or who, after training, cannot be placed in the regular labor market can be placed in special work projects. Amendments in 1965 had provided a work incentive for AFDC children through earnings exemptions; in 1967, financial incentives were provided for adults—the first $30 of monthly earnings plus one-third of additional earnings must be disregarded by States in determining need for assistance. No mother may be considered appropriate for referral for employment or training unless adequate child care is provided; the Federal Government will pay three-quarters of the cost of child care. Unemployed fathers receiving AFDC must be referred for training within 30 days of entering the welfare rolls.

Disappointed in the failure of the work incentive program to achieve its purpose during the first 3 years of operation, the Committee on Finance initiated legislation (signed into law in 1971) designed to make the program more effective by orienting it more toward employment and less toward classroom training. Important provisions in the 1971 modifications increased Federal matching for the cost of training and services, emphasize job-based training, strengthened provisions relating to public service employment, and made a number of modifications designed to improve the administration of the program.

Further modifications of the WIN program were adopted as a part of the 1980 disability amendments with a view towards strengthening the sanctions for refusal to participate and to enable the program more widely to utilize the job-search technique which has proven particularly effective in placing welfare recipients in employment. The 1980 amendments also included changes designed to improve the administration of the WIN program.

Also in 1971, the Committee on Finance initiated tax legislation to support the work incentive program's objectives by providing a tax credit to employers who hire persons participating in that program.

The credit was equal to 20 percent of the first-year wages paid to WIN participants. Subsequent legislation adopted in 1975 and 1976 broadened the tax credit provision, making it applicable to the employment of any recipients of aid to families with dependent children whether or not they participate in the work incentive program. The Revenue Act of 1978 significantly strengthened these provisions by increasing the amount of the credit of 50 percent of the first $6,000 in wages for the first year of employment and 25 percent for the second year.

As the aid to families with dependent children became increasingly a program for families in which the cause of dependency was a parent's absence from the home rather than his death or disability, the Committee on Finance repeatedly attempted to strengthen the ability of the States to assure that absent parents were located and required to make appropriate contributions to the support of their families. Legislation enacted in 1950 provided for the prompt notice to law enforcement officials of the furnishing of assistance with respect to a child that had been deserted or abandoned. A 1965 amendment authorized the use of information in the files of the Social Security Administration for the purpose of locating absent parents of welfare recipients. Legislation enacted in 1967 allowed similar use of information available to the Internal Revenue Service and required each State welfare agency to establish a unit to identify and locate absent parents of children receiving aid and to secure support from those parents. The legislation mandated the use of reciprocal interstate agreements and cooperative arrangements with courts and law enforcement officials.

With the direction and assistance provided by these several amendments related to child support, some State welfare agencies established effective programs to assure that appropriate contributions would be made by absent parents. For the most part, however, the Committee on Finance found that the level of effort and degree of success in this area were highly disappointing. For this reason, the Committee undertook the development of a major new child support program which would mandate adequate Federal leadership of child support activities and would give the States the necessary tools and incentives to assure a successful program. This new child support program was enacted as a part of the Social Services Amendments of 1974. Its features include the establishment of separate, identifiable child support enforcement units at both the Federal and State levels, establishment of Federal and State parent locator facilities with access to information in the possession of other agencies, financial penalties for States which fail to establish effective programs and financial rewards for localities which cooperate in enforcing support collections, and, when other collection mechanisms prove fruitless, access to the Federal courts and/or the Internal Revenue Service for assistance in making collection. While the child support program established by the 1974 amendments is de-

signed particularly to obtain support for families on welfare, its assistance is also available to non-welfare families.

The Committee on Finance has closely monitored the implementation and operation of the Child Support program since its enactment in 1974. The program has proven successful in achieving its intended objectives. For example, in fiscal year 1979 State reported collecting a total of $1.3 billion in child support payments with $600 million being collected in support of AFDC families and $700 million for non-AFDC families. The cost of collecting these payments was $366 million, 75 percent of which was paid by the Federal Government. In view of the success of the program, the Committee has continued to seek legislative improvements in it, including broadening and making permanent Federal assistance to States in seeking support payments for non-welfare families.

Foster Care and Child Welfare Services

The fundamental purpose of the program of Aid to Families with Dependent Children was to encourage the care of dependent children in their own homes or in the homes of relatives. In 1961, however, the program was broadened to permit federally matched assistance payments also for children who had been removed from their homes and placed in foster care. In its report on the 1962 legislation which made this provision permanent, the Finance Committee indicated that the change was made in ''order to give the States an alternative to leaving children in unsuitable homes or caring for them elsewhere without Federal participation in the cost.'' As of March 1980, about 100,000 children were benefiting from this provision.

The foster care element of the AFDC program was applicable only to children who would have been AFDC recipients if they remained in their own homes, and who had been removed from those homes by court order. Apart from this provision, financial responsibility for foster care and for other services directed at children not in their own homes remained primarily with State and local governments. Although the original Social Security Act of 1935 provided for some assistance to the States in this area through the program of grants for child welfare services, the level of funding for that program has always been quite small relative to total State and local costs. In fiscal year 1979, for example, States reported total child welfare service costs of approximately $800 million (of which nearly $600 million was for non-AFDC foster care); the Federal funding provided for that year was $56.5 million.

In the late 1970's, the Finance Committee reexamined these programs. While the Committee found that they continued to serve an important purpose, the Committee also determined that they were structured in a manner which provided certain undesirable financial incen-

tives. Under the law as it had existed since the 1960's States were entitled on an open-ended basis to Federal matching assistance for any children who could be placed and maintained in AFDC foster care. By contrast, State efforts to provide services to prevent the need for foster care or to place children in adoptive homes would have to be met with State or local funds in view of the size and relationship of Federal and non-Federal funding for these purposes through the child welfare services program.

The Finance Committee recommended legislation enacted in 1980 to modify these incentives in such a way as to encourage, wherever possible, the permanent placement of children either by keeping them in their own families or by adoption. The 1980 amendments authorized open-ended Federal matching for adoption assistance payments where States were able, by providing such assistance, to find adoptive homes for hard-to-place children who would otherwise have remained in AFDC foster care. At the same time, the amendments ended the open-ended nature of Federal funding for AFDC foster care, establishing an overall limit for Federal funding of this program in fiscal years 1981–1984. The amendments also reorganized the child welfare services program with a view towards increased funding of that program; States were encouraged to review the appropriateness of foster care placements, and to facilitate either the return of children to their own home or their adoption.

Social Services

Social services funded through the Social Security Act were originally encompassed within the general administrative costs of the public assistance programs and consisted primarily of services provided by the State welfare agencies with a view towards helping individuals and families regain self-sufficiency. While the 1962 public welfare amendments placed greater emphasis on social services and provided a more favorable matching rate than for other administrative costs, the provision of services continued to be viewed as an integral part of the public assistance programs until the late 1960's. At that time, States began to make increasing use of this funding authority to provide services to individuals not on welfare, to underwrite activities previously carried out solely with non-Federal funding, and to purchase services from public and non-public organizations apart from the welfare agency. These changes led to a rapid growth of Federal costs for social services to such an extent that legislation was enacted in 1972 ending the previously open-ended nature of funding for services.

After the 1972 legislation established an annual $2.5 billion limit on Federal funding for social services, the committee undertook an examination of the nature and purposes of Federal matching for social serv-

ices. In 1974, a specific statutory base for this type of activity was enacted in a new title (title XX) of the Social Security Act. Given the closed-end nature of the program, title XX was written in such a way as to maximize State flexibility in determining the use of the funds available within the $2.5 billion ceiling. Subsequent legislation increased the ceiling level to $2.7 billion with a view towards providing more adequately for child care services under this program and 1980 legislation provided for staged additional increases in the ceiling up to a level of $3.3 billion by fiscal year 1985.

Medical Assistance (Medicaid)

Under the original Social Security Act, assistance payments for all purposes could be made only to welfare recipients. In 1950, however, the act was amended to authorize Federal financial participation in the costs of medical care paid directly to doctors, hospitals, and other suppliers of medical services on behalf of recipients (vendor payments) was also provided at that time. In 1960, a new program was established providing grants to participating States for medical assistance for aged persons needing help in meeting their medical expenses. The 1965 Social Security Amendments set up a single, separate medical care program (medicaid) to replace the vendor medical programs provided under the five different federally aided public assistance programs. The unanticipated expansion of this program led the Congress to place limitations on Federal financial participation in the 1967 amendments, and additional limitations and controls were placed on the program by the 1972 amendments. The combination of sharply increasing health costs, State fiscal difficulties and the mounting Federal deficit during the 1970's has led to increased emphasis at both the Federal and State levels—on efforts to contain costs, monitor utilization and establish fraud and abuse controls. Legislation along these lines was enacted in 1980, and further efforts may be expected in the coming years.

Maternal and Child Welfare

The original Social Security Act established three programs of grants to States to be administered on the Federal level by the Children's Bureau, authorizing $3.8 million for maternal and child health services, $2.85 million for crippled children's services, and $1.5 million for child welfare—services.

These programs have been expanded many times since the 1935 act; the Senate Finance Committee has repeatedly initiated legislative action to raise the authorizations. Appropriations for maternal and child welfare totaled $400 million in fiscal year 1980.

5. Revenue Sharing

A new era in the relationship between the Federal Government and State and local governments was initiated with the enactment of the State and Local Fiscal Assistance Act of 1972. This legislation, more commonly known as General Revenue Sharing, was hailed as the first step in the overhaul of intergovernmental fiscal relations.

In the past, Federal grants-in-aid to State and local governments were made for specific programs. General revenue sharing was conceived as a method of making available to State and local governments generally unrestricted revenues. Under the 1972 Act more than $30 billion was distributed to some 39,000 State and local governments for the years 1972 to 1976. The Act has been twice amended and extended.

An additional $25 billion was distributed to these same units of government through 1980 under the State and Local Fiscal Assistance Amendments of 1976. The 1976 amendments also provided for greater public participation in the decisionmaking process over the expenditure of these monies, simplified the reporting requirements regarding the expenditure of these funds, and mandated procedures for administratively determining whether these funds have been used in any way which is discriminatory. In private citizen actions to enforce compliance with the Act, courts in their discretion may allow reasonable attorneys' fees to the prevailing party (other than the United States).

The State and Local Fiscal Assistance Amendments of 1980 extended the local entitlement portion of the program for 3 years at a level of $4.6 billion per year. In addition, the amendments authorized an appropriation of $2.3 billion per year for fiscal years 1982 and 1983 for the State share of revenue sharing (though no State share was authorized for fiscal year 1981). As a further limitation, in fiscal years 1982 and 1983 a State will be eligible to receive a dollar of revenue sharing funds only to the extent that it returns to the Treasury a dollar it would otherwise receive in categorical grant-in-aid funds.

MEMBERSHIP

SELECT COMMITTEE ON FINANCE AND AN UNIFORM NATIONAL CURRENCY

14th Congress

1st Session, December 4, 1815, to April 30, 1816

Democrats	*Federalists*
GEORGE W. CAMPBELL, Tenn., *Chairman*	RUFUS KING, N.Y.
DUDLEY CHACE, Vt.	JEREMIAH MASON, N.H.
WILLIAM W. BIBB, Ga.	

COMMITTEE ON FINANCE

14th Congress

2nd Session, December 2, 1816, to March 3, 1817

Democrats	*Federalists*
GEORGE W. CAMPBELL, Tenn., *Chairman*	THOMAS W. THOMPSON, N.H.
GEORGE M. TROUP, Ga.	RUFUS KING, N.Y.
	JEREMIAH MASON, N.H.

15th Congress

1st Session, December 1, 1817, to April 20, 1818

Democrats	*Federalists*
GEORGE W. CAMPBELL, Tenn., *Chairman*	RUFUS KING, N.Y.
JOHN W. EPPES, Va.	
ISHAM TALBOT, Ky.	
NATHANIEL MACON, N.C.	

2nd Session, November 16, 1818, to March 3, 1819

Democrats	*Federalists*
JOHN W. EPPES, Va., *Chairman*	RUFUS KING, N.Y.
ISHAM TALBOT, Ky.	
NATHANIEL MACON, N.C.	
JOHN HENRY EATON, Tenn.	

16th Congress

1st Session, December 6, 1819, to May 15, 1820

Democrats	*Federalists*
NATHAN SANFORD, N.Y., *Chairman*	SAMUEL W. DANA, Conn.
NATHANIEL MACON, N.C.	
JOHN HENRY EATON, Tenn.	
WILLIAM LOGAN, Ky.	

2nd Session, November 13, 1820, to March 3, 1821

Democrats	*Federalists*
NATHAN SANFORD, N.Y., *Chairman*	SAMUEL W. DANA, Conn.
NATHANIEL MACON, N.C.	
JOHN HENRY EATON, Tenn.	
JOHN HOLMES, Maine	

17th Congress

1st Session, December 3, 1821, to May 8, 1822

Democrats

JOHN HOLMES, MAINE, *Chairman*
JOHN HENRY EATON, Tenn.
NATHANIEL MACON, N.C.
MARTIN VAN BUREN, N.Y.
WALTER LOWRIE, Pa.

2nd Session, December 2, 1822, to March 3, 1823

Democrats

WALTER LOWRIE, Pa., *Chairman*
JOHN HOLMES, Maine
MARTIN VAN BUREN, N.Y.
JOHN HENRY EATON, Tenn.
NATHANIEL MACON, N.C.

18th Congress

1st Session, December 1, 1823, to May 27, 1824

2nd Session, December 6, 1824, to March 3, 1825

Democrats	*Federalists*
SAMUEL SMITH, Md., *Chairman*	RUFUS KING, N.Y.
NATHANIEL MACON, N.C.	
JOHN HOLMES, Maine	
WALTER LOWRIE, Pa.	

19th Congress

1st Session, December 5, 1825, to May 22, 1826

Democrats	*Federalists*
SAMUEL SMITH, Md., *Chairman*	JOHN HOLMES, Maine
JOHN M. BERRIEN, Ga.	
ROBERT Y. HAYNE, S.C.	
LEVI WOODBURY, N.H.	

19th Congress—Continued

2nd Session, December 4, 1826, to March 3, 1827

Democrats	*Federalists*
SAMUEL SMITH, Md., *Chairman*	JOHN HOLMES, Maine
HUGH LAWSON WHITE, Tenn.	DUDLEY CHACE, Vt.
WILLIAM SMITH, S.C.	

20th Congress

1st Session, December 3, 1827, to May 26, 1828

2nd Session, December 1, 1828, to March 3, 1829

Democrats	*Federalists*
SAMUEL SMITH, Md., *Chairman*	NATHANIEL SILSBEE, Mass.
LOUIS MCLANE, Del.	
WILLIAM SMITH, S.C.	
JOHN BRANCH, N.C.	
ALBION K. PARRIS, Maine	

21st Congress

1st Session, December 7, 1829, to May 31, 1830

2nd Session, December 6, 1830, to March 3, 1831

Democrats

SAMUEL SMITH, Md., *Chairman*
WILLIAM SMITH, S.C.
NATHANIEL SILSBEE, Mass.
WILLIAM R. KING, Ala.
JOSIAH S. JOHNSTON, La.

22nd Congress

1st Session, December 5, 1831, to July 16, 1832

Democrats	*National Republicans*
SAMUEL SMITH, Md., *Chairman*	JOHN TYLER, Va.
WILLIAM L. MARCY, N.Y.	
NATHANIEL SILSBEE, Mass.	
JOSIAH S. JOHNSTON, La.	

2nd Session, December 3, 1832, to March 2, 1833

Democrats	*National Republicans*
SAMUEL SMITH, Md., *Chairman*	JOHN TYLER, Va.
NATHANIEL SILSBEE, Mass.	
JOSIAH S. JOHNSTON, La.	
JOHN FORSYTH, Ga.	

23rd Congress

1st Session, December 2, 1833, to June 30, 1834

Democrats	*National Republicans*
WILLIAM WILKINS, Pa.	DANIEL WEBSTER, Mass., *Chairman*
	JOHN TYLER, Va.
	THOMAS EWING, Ohio
	WILLIE P. MANGUM, N.C.

2nd Session, December 1, 1834, to March 3, 1835

Democrats	*National Republicans*
SILAS WRIGHT, JR., N.Y.	DANIEL WEBSTER, Mass., *Chairman*
	JOHN TYLER, Va.
	WILLIE P. MANGUM, N.C.
	THOMAS EWING, Ohio

24th Congress

1st Session, December 7, 1835, to July 4, 1836

Democrats	*Whigs*
ALFRED CUTHBERT, Ga.	DANIEL WEBSTER, Mass., *Chairman*
SILAS WRIGHT, JR., N.Y.	JOHN TYLER, Va.[1]
ROBERT C. NICHOLAS, La.[1]	WILLIE P. MANGUM, N.C.

[1] Tyler resigned March 4, 1836: Nicholas appointed March 4, 1836.

2nd Session, December 5, 1836, to March 3, 1837

Democrats	*Whigs*
SILAS WRIGHT, JR., N.Y., *Chairman*	DANIEL WEBSTER, Mass.
ALFRED CUTHBERT, Ga.	
ROBERT C. NICHOLAS, La.	
THOMAS H. BENTON, Mo.	

25th Congress

1st Session, September 4, 1837, to October 16, 1837

2nd Session, December 4, 1837, to July 9, 1838

3rd Session, December 3, 1838, to March 3, 1839

Democrats	*Whigs*
SILAS WRIGHT, JR., N.Y., *Chairman*	DANIEL WEBSTER, Mass.
ROBERT C. NICHOLAS, La.	
THOMAS H. BENTON, Mo.	
HENRY HUBBARD, N.H.	

26th Congress

1st Session, December 2, 1839, to July 21, 1840

2nd Session, December 7, 1840, to March 3, 1841

Democrats	*Whigs*
SILAS WRIGHT, JR., N.Y., *Chairman*	DANIEL WEBSTER, Mass.
ROBERT C. NICHOLAS, La.	
THOMAS H. BENTON, Mo.	
HENRY HUBBARD, N.H.	

27th Congress

1st Session, May 31, 1841, to September 13, 1841

Democrats	*Whigs*
LEVI WOODBURY, N.H.	HENRY CLAY, Ky., *Chairman*
	GEORGE EVANS, Maine
	WILLIE P. MANGUM, N.C.
	RICHARD H. BAYARD, Del.

2nd Session, December 6, 1841, to August 31, 1842

Democrats	*Whigs*
LEVI WOODBURY, N.H.	GEORGE EVANS, Maine, *Chairman*
	WILLIE P. MANGUM. N.C.[1]
	RICHARD H. BAYARD, Del.
	JOHN M. BERRIEN, Ga.
	WILLIAM A. GRAHAM, N.C.[1]

[1] Graham replaced Mangum June 7, 1842.

3rd Session, December 5, 1842, to March 3, 1843

Democrats	*Whigs*
LEVI WOODBURY, N.H.	GEORGE EVANS, Maine, *Chairman*
	WILLIAM A. GRAHAM, N.C.
	JOHN M. BERRIEN, Ga.
	JOHN J. CRITTENDEN, Ky.

28th Congress

1st Session, December 4, 1843, to June 17, 1844

2nd Session, December 2, 1844, to March 3, 1845

Democrats	*Whigs*
GEORGE MCDUFFIE, S.C.	GEORGE EVANS, Maine, *Chairman*
LEVI WOODBURY, N.H.	JABEZ HUNTINGTON, Conn.
	JOHN J. CRITTENDEN, Ky.

29th Congress

1st Session, December 1, 1845, to August 10, 1846

Democrats	*Whigs*
JOHN C. CALHOUN, S.C., *Chairman*[1]	GEORGE EVANS, Maine
DIXON H. LEWIS, Ala., *Chairman*[1]	
THOMAS H. BENTON, Mo.	
BENNINGTON W. JENNESS, N.H.	
JESSE SPEIGHT, Miss.[1]	

[1] Calhoun resigned January 7, 1846; Lewis appointed Chairman and Speight appointed to Committee same date.

2nd Session, December 7, 1846, to March 3, 1847

Democrats	*Whigs*
DIXON H. LEWIS, Ala., *Chairman*	GEORGE EVANS, Maine
THOMAS H. BENTON, Mo.	JABEZ HUNTINGTON, Conn.
JESSE SPEIGHT, Miss.	

30th Congress

1st Session, December 6, 1847, to August 14, 1848

2nd Session, December 4, 1848, to March 3, 1849

Democrats	*Whigs*
CHARLES G. ATHERTON, N.H., *Chairman*	JOHN M. CLAYTON, Del.[1]
DANIEL S. DICKINSON, N.Y.	SAMUEL S. PHELPS, Vt.
ROBERT M. T. HUNTER, Va.	DANIEL WEBSTER, Mass.[1]

[1] Clayton resigned February 23, 1849; Webster appointed same date.

Special Session, March 7, 1849, to March 23, 1849

Democrats	*Whigs*
DANIEL S. DICKINSON, N.Y., *Chairman*	SAMUEL S. PHELPS, Vt.
ROBERT M. T. HUNTER, Va.	DANIEL WEBSTER, Mass.
STEPHEN A. DOUGLAS, Ill.	

31st Congress

1st Session, December 3, 1849, to September 30, 1850

Democrats	*Whigs*
DANIEL S. DICKINSON, N.Y., *Chairman*	SAMUEL S. PHELPS, Vt.
ROBERT M. T. HUNTER, Va.	JAMES A. PEARCE, Md.
STEPHEN A. DOUGLAS, Ill.	

2nd Session, December 2, 1850, to March 3, 1851

Democrats	*Whigs*
ROBERT M. T. HUNTER, Va., *Chairman*	JAMES A. PEARCE, Md.
JESSE D. BRIGHT, Ind.	THOMAS EWING, Ohio
THOMAS H. BENTON, Mo.	

32nd Congress

1st Session, December 1, 1851, to August 31, 1852

2nd Session, December 6, 1852, to March 3, 1853

Democrats	*Whigs*
ROBERT M. T. HUNTER, Va., *Chairman*	JAMES A. PEARCE, Md.
JESSE D. BRIGHT, Ind.	JACOB W. MILLER, N.J.
WILLIAM M. GWIN, Calif.	

33rd Congress

1st Session, December 5, 1853, to August 7, 1854

Democrats	*Whigs*
ROBERT M. T. HUNTER, Va., *Chairman*	JAMES A. PEARCE, Md.
JESSE D. BRIGHT, Ind.	GEORGE E. BADGER, N.C.
WILLIAM M. GWIN, Calif.	
MOSES NORRIS, JR., N.H.	

2nd Session, December 4, 1854, to March 3, 1855

Democrats	*Whigs*
ROBERT M. T. HUNTER, Va., *Chairman*	JAMES A. PEARCE, Md.
JESSE D. BRIGHT, Ind.	
ISAAC TOUCEY, Conn.	
CHARLES E. STUART, Mich.	
GEORGE W. JONES, Iowa	

34th Congress

1st Session, December 3, 1855, to August 18, 1856

2nd Session, August 21, 1856, to August 30, 1856

3rd Session, December 1, 1856, to March 3, 1857

Democrats	*Republicans*
ROBERT M. T. HUNTER, Va., *Chairman*	JAMES A. PEARCE, Md.
ISAAC TOUCEY, Conn.[1]	JOHN J. CRITTENDEN, Ky.
CHARLES E. STUART, Mich.	
RICHARD BRODHEAD, Pa.	
WILLIAM M. GWIN, Calif.[1]	

[1] Toucey resigned February 26. 1857; Gwin appointed February 26, 1857.

35th Congress

1st Session, December 7, 1857, to June 14, 1858

2nd Session, December 6, 1858, to March 3, 1859

Democrats	*Republicans*
ROBERT M. T. HUNTER, Va., *Chairman*	JAMES A. PEARCE, Md.
WILLIAM M. GWIN, Calif.	WILLIAM P. FESSENDEN, Maine
JESSE D. BRIGHT, Ind.	SIMON CAMERON, Pa.
ASA BIGGS, N.C.[1]	
JAMES HAMMOND, S.C.[1]	

[1] Biggs resigned May 5, 1858; Hammond appointed same date.

36th Congress

1st Session, December 5, 1859, to June 25, 1860

2nd Session, December 3, 1860, to March 3, 1861

Democrats	*Republicans*
ROBERT M. T. HUNTER, Va., *Chairman* [1]	JAMES A. PEARCE, Md.
WILLIAM M. GWIN, Calif.	WILLIAM P. FESSENDEN, Maine
JESSE D. BRIGHT, Ind.	SIMON CAMERON, Pa.
JAMES HAMMOND, S.C.[2]	JAMES F. SIMMONS, R.I.[3]
ROBERT TOOMBS, Ga.[2]	
JOHN HEMPHILL, Tex.[1]	

[1] Hunter resigned January 21, 1861; Hemphill appointed January 24, 1861.

[2] Hammond resigned January 5, 1860; Toombs appointed same date.

[3] Appointed January 24, 1861.

37th Congress

Special Session, March 4, 1861, to March 28, 1861

Democrats	*Republicans*
ROBERT M. T. HUNTER, Va.	WILLIAM P. FESSENDEN, Maine, *Chairman*
JAMES A. PEARCE, Md.	JAMES F. SIMMONS, R.I.
JESSE D. BRIGHT, Ind.	BENJAMIN F. WADE, Ohio
	TIMOTHY HOWE, Wis.

1st Session, July 4, 1861, to August 6, 1861

2nd Session, December 2, 1861, to July 17, 1862

Democrats	*Republicans*
JAMES A. PEARCE, Md.	WILLIAM P. FESSENDEN, Maine, *Chairman*
JESSE D. BRIGHT, Ind.[1]	JAMES F. SIMMONS, R.I.
JAMES A. MCDOUGALL, Calif.	JOHN SHERMAN, Ohio
	TIMOTHY HOWE, Wis.
	EDGAR COWAN, Pa.[1]

[1] Bright expelled from Senate February 5, 1862; Cowan appointed February 11, 1862.

3rd Session, December 1, 1862, to March 3, 1863

Democrats	*Republicans*
JAMES A. PEARCE, Md.[1]	WILLIAM P. FESSENDEN, Maine, *Chairman*
JAMES A. MCDOUGALL, Calif.	JACOB COLLAMER, Vt.
HENRY MOWER RICE, Minn.[1]	JOHN SHERMAN, Ohio
	TIMOTHY HOWE, Wis.
	EDGAR COWAN, Pa.

[1] Pearce excused December 15, 1862; Rice appointed same day.

38th Congress

Special Session, March 4, 1863, to March 14, 1863

Democrats	*Republicans*
JAMES A. MCDOUGALL, Calif.	WILLIAM P. FESSENDEN, Maine, *Chairman*
	JACOB COLLAMER, Vt.
	JOHN SHERMAN, Ohio
	TIMOTHY HOWE, Wis.
	EDGAR COWAN, Pa.
	THOMAS H. HICKS, Md.

1st Session, December 7, 1863, to July 4, 1864

Democrats	*Republicans*
JOHN CONNESS, Calif.	WILLIAM P. FESSENDEN, Maine, *Chairman*
	JOHN SHERMAN, Ohio
	TIMOTHY HOWE, Wis.
	EDGAR COWAN, Pa.
	DANIEL CLARK, N.H.
	PETER G. VAN WINKLE, W. Va.

2nd Session, December 5, 1864, to March 3, 1865

Democrats	*Republicans*
JOHN CONNESS, Calif.	JOHN SHERMAN, Ohio, *Chairman*
	TIMOTHY HOWE, Wis.
	EDGAR COWAN, Pa.
	DANIEL CLARK, N.H.
	PETER G. VAN WINKLE, W. Va.
	JOHN B. HENDERSON, Mo.

39th Congress

Special Session, March 4, 1865, to March 11, 1865

Democrats	*Republicans/Unionists*
JOHN B. HENDERSON, Mo.	WILLIAM P. FESSENDEN, Maine, *Chairman*
JAMES GUTHRIE, Ky.	JOHN SHERMAN, Ohio
	TIMOTHY HOWE, Wis.
	EDGAR COWAN, Pa.
	PETER G. VAN WINKLE, W. Va.

1st Session, December 4, 1865, to July 28, 1866

Democrats	*Republicans/Unionists*
JAMES GUTHRIE, Ky.	WILLIAM P. FESSENDEN, Maine, *Chairman*
	JOHN SHERMAN, Ohio
	EDGAR COWAN, Pa.
	PETER G. VAN WINKLE, W. Va.
	EDWIN D. MORGAN, N.Y.
	GEORGE H. WILLIAMS, Oreg.

2nd Session, December 3, 1866, to March 3, 1867

Democrats	*Republicans/Unionists*
JAMES GUTHRIE, Ky.	WILLIAM P. FESSENDEN, Maine, *Chairman*
	JOHN SHERMAN, Ohio
	EDGAR COWAN. Pa.
	GEORGE H. WILLIAMS, Oreg.
	ALEXANDER CATTELL, N.J.
	PETER G. VAN WINKLE, W. Va.
	EDWIN D. MORGAN, N.Y.

40th Congress

1st Session, March 4, 1867, to December 2, 1867

2nd Session, December 2, 1867, to November 10, 1868

Democrats	*Republicans*
JOHN B. HENDERSON, Mo.	JOHN SHERMAN, Ohio, *Chairman*
	EDWIN D. MORGAN, N.Y.
	GEORGE H. WILLIAMS, Oreg.
	PETER G. VAN WINKLE, W. Va.
	ALEXANDER CATTELL, N.J.
	JUSTIN S. MORRILL, Vt.

3rd Session, December 7, 1868, to March 3, 1869

Democrats	*Republicans*
JOHN B. HENDERSON, Mo.	JOHN SHERMAN, Ohio, *Chairman*
	EDWIN D. MORGAN, N.Y.
	GEORGE H. WILLIAMS, Oreg.
	ALEXANDER CATTELL, N.J.
	JUSTIN S. MORRILL, Vt.
	WILLARD WARNER, Ala.

41st Congress

1st Session, March 4, 1869, to April 10, 1869

2nd Session, December 6, 1869, to July 15, 1870

3rd Session, December 5, 1870, to March 3, 1871

Democrats	*Republicans*
THOMAS F. BAYARD, SR., Del.	JOHN SHERMAN, Ohio, *Chairman*
	GEORGE H. WILLIAMS, Oreg.
	ALEXANDER CATTELL, N.J.
	JUSTIN S. MORRILL, Vt.
	WILLARD WARNER, Ala.
	REUBEN E. FENTON, N.Y.

42nd Congress

1st Session, March 4, 1871, to April 20, 1871

2nd Session, December 4, 1871, to June 10, 1872

Democrats	*Republicans*
THOMAS F. BAYARD, SR., Del.	JOHN SHERMAN, Ohio, *Chairman*
	JUSTIN S. MORRILL, Vt.
	REUBEN E. FENTON, N.Y.
	JOHN SCOTT, Pa.
	ADELBERT AMES, Miss.
	GEORGE G. WRIGHT, Iowa

3rd Session, December 2, 1872, to March 3, 1873

Democrats	*Republicans*
THOMAS F. BAYARD, SR., Del.	JOHN SHERMAN, Ohio, *Chairman*
	JUSTIN S. MORRILL, Vt.
	JOHN SCOTT, Pa.
	ADELBERT AMES, Miss.
	GEORGE G. WRIGHT, Iowa
	THOMAS W. FERRY, Mich.

43rd Congress

1st Session, December 1, 1873, to June 23, 1874

2nd Session, December 7, 1874, to March 3, 1875

Democrats	*Republicans*
THOMAS F. BAYARD, SR., Del.	JOHN SHERMAN, Ohio, *Chairman*
	JUSTIN S. MORRILL, Vt.
	JOHN SCOTT, Pa.
	GEORGE G. WRIGHT, Iowa
	THOMAS W. FERRY, Mich.
	REUBEN E. FENTON, N.Y.

44th Congress

1st Session, December 6, 1875, to August 15, 1876

2nd Session, December 4, 1876, to March 3, 1877

Democrats	*Republicans*
THOMAS F. BAYARD, SR., Del.	JOHN SHERMAN, Ohio, *Chairman*
FRANCIS KERNAN, N.Y.	JUSTIN S. MORRILL, Vt.
HENRY COOPER, Tenn.[1]	THOMAS W. FERRY, Mich.[1]
	FREDERICK R. FRELINGHUYSEN, N.J.
	JOHN A. LOGAN, Ill.
	GEORGE S. BOUTWELL, Mass.
	JOHN P. JONES, Nev.

[1] Ferry resigned February 8, 1876; Cooper appointed same date.

45th Congress

1st Session, October 15, 1877, to December 3, 1877

Democrats	*Republicans*
THOMAS F. BAYARD, SR., Del.	JUSTIN S. MORRILL, Vt., *Chairman*
FRANCIS KERNAN, N.Y.	HENRY L. DAWES, Mass.
WILLIAM A. WALLACE, Pa.	THOMAS W. FERRY, Mich.
	JOHN P. JONES, Nev.
	WILLIAM B. ALLISON, Iowa
	TIMOTHY O. HOWE, Wis.

2nd Session, December 3, 1877, to June 20, 1878

3rd Session, December 2, 1878, to March 3, 1879

Democrats	*Republicans*
THOMAS F. BAYARD, SR., Del.	JUSTIN S. MORRILL, Vt., *Chairman*
FRANCIS KERNAN, N.Y.	HENRY L. DAWES, Mass.
WILLIAM A. WALLACE, Pa.	THOMAS W. FERRY, Mich.
DANIEL W. VOORHEES, Ind.	JOHN P. JONES, Nev.
	WILLIAM B. ALLISON, Iowa

46th Congress

1st Session, March 18, 1879, to July 1, 1879

2nd Session, December 1, 1879, to June 16, 1880

3rd Session, December 6, 1880, to March 3, 1881

Democrats	*Republicans*
THOMAS F. BAYARD, SR., Del., *Chairman*	JUSTIN S. MORRILL, Vt.
FRANCIS KERNAN, N.Y.	THOMAS W. FERRY, Mich.
WILLIAM A. WALLACE, Pa.	JOHN P. JONES, Nev.
DANIEL W. VOORHEES, Ind.	WILLIAM B. ALLISON, Iowa
JAMES B. BECK, Ky.	

47th Congress

Special Session, March 4, 1881, to May 20, 1881

Democrats	*Republicans*
THOMAS F. BAYARD, SR., Del.	JUSTIN S. MORRILL, Vt., *Chairman*
DANIEL W. VOORHEES, Ind.	JOHN SHERMAN, Ohio
JAMES B. BECK, Ky.	THOMAS W. FERRY, Mich.
JOHN R. MCPHERSON, N.J.	JOHN P. JONES, Nev.
ISHAM G. HARRIS, Tenn.	WILLIAM B. ALLISON, Iowa
	ORVILLE H. PLATT, Conn.

Special Session, October 10, 1881, to October 29, 1881

Democrats	*Republicans*
THOMAS F. BAYARD, SR., Del.	JUSTIN S. MORRILL, Vt., *Chairman*
DANIEL W. VOORHEES, Ind.	JOHN SHERMAN, Ohio
JAMES B. BECK, Ky.	THOMAS W. FERRY, Mich.
JOHN R. MCPHERSON, N.J.	JOHN P. JONES, Nev.
ISHAM G. HARRIS, Tenn.	WILLIAM B. ALLISON, Iowa

47th Congress—Continued

1st Session, December 5, 1881, to August 8, 1882

2nd Session, December 4, 1882, to March 3, 1883

Democrats	*Republicans*
THOMAS F. BAYARD, SR., Del.	JUSTIN S. MORRILL, Vt., *Chairman*
DANIEL W. VOORHEES, Ind.	JOHN SHERMAN, Ohio
JAMES B. BECK, Ky.	THOMAS W. FERRY, Mich.
JOHN R. MCPHERSON, N.J.	JOHN P. JONES, Nev.
ISHAM G. HARRIS, Tenn.	WILLIAM B. ALLISON, Iowa
	NELSON W. ALDRICH, R.I.

48th Congress

1st Session, December 3, 1883, to July 7, 1884

2nd Session, December 1, 1884, to March 3, 1885

Democrats	*Republicans*
THOMAS F. BAYARD, SR., Del.	JUSTIN S. MORRILL, Vt., *Chairman*
DANIEL W. VOORHEES, Ind.	JOHN SHERMAN, Ohio
JAMES B. BECK, Ky.	JOHN P. JONES, Nev.
JOHN R. MCPHERSON, N.J.	WILLIAM B. ALLISON, Iowa
ISHAM G. HARRIS, Tenn.	NELSON W. ALDRICH, R.I.
	WARNER MILLER, N.Y.

49th Congress

1st Session, December 7, 1885, to August 5, 1886

2nd Session, December 6, 1886, to March 3, 1887

Democrats	*Republicans*
DANIEL W. VOORHEES, Ind.	JUSTIN S. MORRILL, Vt., *Chairman*
JAMES B. BECK, Ky.	JOHN SHERMAN, Ohio
JOHN R. MCPHERSON, N.J.	JOHN P. JONES, Nev.
ISHAM G. HARRIS, Tenn.	WILLIAM B. ALLISON, Iowa
ZEBULON B. VANCE, N.C.	NELSON W. ALDRICH, R.I.
	WARNER MILLER, N.Y.

50th Congress

1st Session, December 5, 1887, to October 20, 1888

2nd Session, December 3, 1888, to March 2, 1889

51st Congress

1st Session, December 2, 1889, to October 1, 1890

2nd Session, December 1, 1890, to March 2, 1891

Democrats	*Republicans*
DANIEL W. VOORHEES, Ind.	JUSTIN S. MORRILL, Vt., *Chairman*
JAMES B. BECK, Ky.[1]	JOHN SHERMAN, Ohio
JOHN R. MCPHERSON, N.J.	JOHN P. JONES, Nev.
ISHAM G. HARRIS, Tenn.	WILLIAM B. ALLISON, Iowa
ZEBULON B. VANCE, N.C.	NELSON W. ALDRICH, R.I.
	FRANK HISCOCK, N.Y.

[1] Died May 3, 1890.

52nd Congress

1st Session, December 7, 1891, to August 5, 1892

2nd Session, December 5, 1892, to March 3, 1893

Democrats	*Republicans*
DANIEL W. VOORHEES, Ind.	JUSTIN S. MORRILL, Vt., *Chairman*
JOHN R. MCPHERSON, N.J.	JOHN SHERMAN, Ohio
ISHAM G. HARRIS, Tenn.	JOHN P. JONES, Nev.
MATT W. RANSOM, N.C.	WILLIAM B. ALLISON, Iowa
JOHN G. CARLISLE, Ky.[1]	NELSON W. ALDRICH, R.I.
	FRANK HISCOCK, N.Y.

[1] Resigned February 4, 1893.

53rd Congress

1st Session, August 7, 1893, to November 3, 1893

2nd Session, December 4, 1893, to August 28, 1894

3rd Session, December 3, 1894, to March 3, 1895

Democrats	*Republicans*
DANIEL W. VOORHEES, Ind., *Chairman*	JUSTIN S. MORRILL, Vt.
JOHN R. MCPHERSON, N.J.[1]	JOHN SHERMAN, Ohio
ISHAM G. HARRIS, Tenn.	JOHN P. JONES, Nev.
ZEBULON B. VANCE, N.C.[2]	WILLIAM B. ALLISON, Iowa
GEORGE G. VEST, Mo.	NELSON W. ALDRICH, R.I.
JAMES K. JONES, Ark.	
STEPHEN M. WHITE, Calif.[2]	

[1] Roger Q. Mills, Tex., appointed January 25, 1894, during absence of John R. McPherson.

[2] Vance died April 14, 1894; White appointed August 18, 1894.

54th Congress

1st Session, December 2, 1895, to June 11, 1896

2nd Session, December 7, 1896, to March 3, 1897

Democrats	*Republicans*
DANIEL W. VOORHEES, Ind.	JUSTIN S. MORRILL, Vt., *Chairman*
ISHAM G. HARRIS, Tenn.	JOHN SHERMAN, Ohio
GEORGE G. VEST, Mo.	JOHN P. JONES, Nev.
JAMES K. JONES, Ark.	WILLIAM B. ALLISON, Iowa
STEPHEN M. WHITE, Calif.	NELSON W. ALDRICH, R.I.
EDWARD C. WALTHALL, Miss.	ORVILLE H. PLATT, Conn.
	EDWARD O. WOLCOTT, Colo.

55th Congress

1st Session, March 15, 1897, to July 24, 1897

2nd Session, December 6, 1897, to July 8, 1898

Democrats	*Republicans*
ISHAM G. HARRIS, Tenn.[1]	JUSTIN S. MORRILL, Vt., *Chairman*
GEORGE G. VEST, Mo.	WILLIAM B. ALLISON, Iowa
JAMES K. JONES, Ark.	NELSON W. ALDRICH, R.I.
STEPHEN M. WHITE, Calif.	ORVILLE H. PLATT, Conn.
EDWARD C. WALTHALL, Miss.[2]	EDWARD O. WOLCOTT, Colo.
DAVID TURPIE, Ind.	JULIUS C. BURROWS, Mich.
JOHN W. DANIEL, Va.[1]	JOHN P. JONES, Nev.
HORACE CHILTON, Tex.[2]	

[1] Harris died July 8, 1897; Daniel appointed December 14, 1897.

[2] Walthall died April 21, 1898; Chilton appointed May 2, 1898.

3rd Session, December 5, 1898, to March 3, 1899

Democrats	*Republicans*
GEORGE G. VEST, Mo.	NELSON W. ALDRICH, R.I., *Chairman*
JAMES K. JONES, Ark.	WILLIAM B. ALLISON, Iowa
STEPHEN M. WHITE, Calif.	ORVILLE H. PLATT, Conn.
DAVID TURPIE, Ind.	EDWARD O. WOLCOTT, Colo.
JOHN W. DANIEL, Va.	JULIUS C. BURROWS, Mich.
HORACE CHILTON, Tex.	THOMAS C. PLATT, N.Y.
	JOHN P. JONES, Nev.

56th Congress

1st Session, December 4, 1899, to June 7, 1900

2nd Session, December 3, 1900, to March 1, 1901

Democrats	*Republicans*
JOHN P. JONES, Nev.	NELSON W. ALDRICH, R.I., *Chairman*
GEORGE G. VEST, Mo.	WILLIAM B. ALLISON, Iowa
JAMES K. JONES, Ark.	ORVILLE H. PLATT, Conn.
JOHN W. DANIEL, Va.	EDWARD O. WOLCOTT, Colo.
HORACE CHILTON, Tex.	JULIUS C. BURROWS, Mich.
	THOMAS C. PLATT, N.Y.
	HENRY C. HANSBROUGH, N. Dak.
	JOHN C. SPOONER, Wis.

57th Congress

1st Session, December 2, 1901, to July 1, 1902

2nd Session, December 1, 1902, to March 3, 1903

Democrats	*Republicans*
JOHN P. JONES, Nev.	NELSON W. ALDRICH, R.I., *Chairman*
GEORGE G. VEST, Mo.	WILLIAM B. ALLISON, Iowa
JAMES K. JONES, Ark.	ORVILLE H. PLATT, Conn.
JOHN W. DANIEL, Va.	JULIUS C. BURROWS, Mich.
HENRY M. TELLER, Colo.	THOMAS C. PLATT, N.Y.
HERNANDO D. MONEY, Miss.	HENRY C. HANSBROUGH, N. Dak.
	JOHN C. SPOONER, Wis.

58th Congress

1st Session, November 9, 1903, to December 7, 1903

2nd Session, December 7, 1903, to April 28, 1904

3rd Session, December 5, 1904, to March 3, 1905

Democrats	*Republicans*
JOHN W. DANIEL, Va.	NELSON W. ALDRICH, R.I., *Chairman*
HENRY M. TELLER, Colo.	WILLIAM B. ALLISON, Iowa
HERNANDO D. MONEY, Miss.	ORVILLE H. PLATT, Conn.
JOSEPH W. BAILEY, Tex.	JULIUS C. BURROWS, Mich.
ARTHUR P. GORMAN, Md.	THOMAS C. PLATT, N.Y.
	HENRY C. HANSBROUGH, N. Dak.
	JOHN C. SPOONER, Wis.
	BOIES PENROSE, Pa.

59th Congress

1st Session, December 4, 1905, to June 30, 1906

2nd Session, December 3, 1906, to March 3, 1907

Democrats	*Republicans*
JOHN W. DANIEL, Va.	NELSON W. ALDRICH, R.I., *Chairman*
HENRY M. TELLER, Colo.	WILLIAM B. ALLISON, Iowa
HERNANDO D. MONEY, Miss.	JULIUS C. BURROWS, Mich.
JOSEPH W. BAILEY, Tex.	THOMAS C. PLATT, N.Y.
ARTHUR P. GORMAN, Md.[1]	HENRY C. HANSBROUGH, N. Dak.
JAMES P. TALIAFERRO, Fla.[2]	JOHN C. SPOONER, Wis.
	BOIES PENROSE, Pa.
	EUGENE HALE, Maine

[1] Died June 4, 1906.

[2] Appointed June 21, 1906.

60th Congress

1st Session, December 2, 1907, to March 30, 1908

2nd Session, December 7, 1908, to March 3, 1909

Democrats	*Republicans*
JOHN W. DANIEL, Va.	NELSON W. ALDRICH, R.I., *Chairman*
HENRY M. TELLER, Colo.	WILLIAM B. ALLISON, Iowa [1]
HERNANDO D. MONEY, Miss.	JULIUS C. BURROWS, Mich.
JOSEPH W. BAILEY, Tex.	THOMAS C. PLATT, N.Y.
JAMES P. TALIAFERRO, Fla.	HENRY C. HANSBROUGH, N. Dak.
	BOIES PENROSE, Pa.
	EUGENE HALE, Maine
	ALBERT J. HOPKINS, Ill.

[1] Died August 4, 1908.

61st Congress

1st Session, March 15, 1909, to August 5, 1909

2nd Session, December 6, 1909, to June 25, 1910

3rd Session, December 5, 1910, to March 3, 1911

Democrats	*Republicans*
JOHN W. DANIEL, Va.[1]	NELSON W. ALDRICH, R.I., *Chairman*
HERNANDO D. MONEY, Miss.	JULIUS C. BURROWS, Mich.
JOSEPH W. BAILEY, Tex.	BOIES PENROSE, Pa.
JAMES P. TALIAFERRO, Fla.	EUGENE HALE, Maine
FURNIFOLD M. SIMMONS, N.C.	SHELBY M. CULLOM, Ill.
WILLIAM J. STONE, Mo.[2]	HENRY CABOT LODGE, Mass.
	PORTER J. MCCUMBER, N. Dak.
	REED SMOOT, Utah
	FRANK P. FLINT, Calif.

[1] Died June 29, 1910.

[2] Appointed December 8, 1910 to fill vacancy occasioned by death of Daniel.

62nd Congress

1st Session, April 4, 1911, to August 22, 1911

2nd Session, December 4, 1911, to August 26, 1912

3rd Session, December 2, 1912, to March 3, 1913

Democrats	*Republicans*
JOSEPH W. BAILEY, Tex.[1]	BOIES PENROSE, Pa., *Chairman*
FURNIFOLD M. SIMMONS, N.C.	SHELBY M. CULLOM, Ill.
WILLIAM J. STONE, Mo.	HENRY CABOT LODGE, Mass.
JOHN SHARP WILLIAMS, Miss.	PORTER J. MCCUMBER, N. Dak.
JOHN W. KERN, Ind.	REED SMOOT, Utah
CHARLES F. JOHNSON, Maine	JACOB H. GALLINGER, N.H.
	CLARENCE D. CLARK, Wyo.
	WELDON B. HEYBURN, Idaho[2]
	ROBERT M. LA FOLLETTE, Wis.

[1] Resigned January 3, 1913.

[2] Died October 17, 1912.

63rd Congress

1st Session, April 7, 1913, to November 29, 1913

2nd Session, December 1, 1913, to October 24, 1914

3rd Session, December 7, 1914, to March 4, 1915

Democrats	*Republicans*
FURNIFOLD M. SIMMONS, N.C., *Chairman*	BOIES PENROSE, Pa.
WILLIAM J. STONE, Mo.	HENRY CABOT LODGE, Mass.
JOHN SHARP WILLIAMS, Miss.	PORTER J. MCCUMBER, N. Dak.
CHARLES F. JOHNSON, Maine	REED SMOOT, Utah
BENJAMIN F. SHIVELY, Ind.	JACOB H. GALLINGER, N.H.
HOKE SMITH, Ga.	CLARENCE D. CLARK, Wyo.
CHARLES S. THOMAS, Colo.	ROBERT M. LA FOLLETTE, Wis.
OLLIE M. JAMES, Ky.	
WILLIAM HUGHES, N.J.	
THOMAS P. GORE, Okla.	

64th Congress

1st Session, December 6, 1915, to September 7, 1916

2nd Session, December 4, 1916, to March 2, 1917

Democrats

FURNIFOLD M. SIMMONS, N.C., *Chairman*
WILLIAM J. STONE, Mo.
JOHN SHARP WILLIAMS, Miss.
CHARLES F. JOHNSON, Maine
BENJAMIN F. SHIVELY, Ind.[1]
HOKE SMITH, Ga.
CHARLES S. THOMAS, Colo.
OLLIE M. JAMES, Ky.
WILLIAM HUGHES, N.J.
THOMAS P. GORE, Okla.
JOHN W. KERN, Ind.[2]

Republicans

BOIES PENROSE, Pa.
HENRY CABOT LODGE, Mass.
PORTER J. MCCUMBER, N. Dak.
REED SMOOT, Utah
JACOB H. GALLINGER, N.H.
CLARENCE D. CLARK, Wyo.
ROBERT M. LA FOLLETTE, Wis.

[1] Died March 14, 1916.
[2] Appointed March 21, 1916.

65th Congress

1st Session, April 2, 1917, to October 6, 1917

2nd Session, December 3, 1917, to November 21, 1918

3rd Session, December 2, 1918, to March 3, 1919

Democrats

FURNIFOLD M. SIMMONS, N.C., *Chairman*
JOHN SHARP WILLIAMS, Miss.
HOKE SMITH, Ga.
CHARLES S. THOMAS, Colo.
THOMAS P. GORE, Okla.
ANDRIEUS A. JONES, N. Mex.
PETER G. GERRY, R.I.
WILLIAM HUGHES, N.J.[1]
WILLIAM J. STONE, Mo.[2]
OLLIE M. JAMES, Ky.[3]
J. HAMILTON LEWIS, Ill.[1]
JOHN F. NUGENT, Idaho[2]
JOE T. ROBINSON, Ark.[3]

Republicans

BOIES PENROSE, Pa.
HENRY CABOT LODGE, Mass.
PORTER J. MCCUMBER, N. Dak.
REED SMOOT, Utah
ROBERT M. LA FOLLETTE, Wis.
CHARLES E. TOWNSEND, Mich.
JACOB H. GALLINGER, N.H.[4]
WILLIAM P. DILLINGHAM, Vt.[4]

[1] Hughes died January 30, 1918; replaced by Lewis May 10, 1918.
[2] Stone died April 14, 1918; replaced by Nugent May 21, 1918.
[3] James died August 28, 1918; replaced by Robinson September 9, 1918.
[4] Gallinger died August 17, 1918; replaced by Dillingham September 3, 1918.

66th Congress

1st Session, May 19, 1919, to November 19, 1919

2nd Session, December 1, 1919, to June 5, 1920

3rd Session, December 6, 1920, to March 3, 1921

Democrats	*Republicans*
FURNIFOLD M. SIMMONS, N.C.	BOIES PENROSE, Pa., *Chairman*
JOHN SHARP WILLIAMS, Miss.	PORTER J. MCCUMBER, N. Dak.
CHARLES S. THOMAS, Colo.	REED SMOOT, Utah
THOMAS P. GORE, Okla.	ROBERT M. LA FOLLETTE, Wis.
ANDRIEUS A. JONES, N. Mex.	WILLIAM P. DILLINGHAM, Vt.
PETER G. GERRY, R.I.	GEORGE P. MCLEAN, Conn.
JOHN F. NUGENT, Idaho	CHARLES CURTIS, Kans.
	JAMES E. WATSON, Ind.
	WILLIAM M. CALDER, N.Y.
	HOWARD SUTHERLAND, W. Va.

67th Congress

1st Session, April 11, 1921, to November 23, 1921

2nd Session, December 5, 1921, to September 22, 1922

3rd Session, November 20, 1922, to December 4, 1922

4th Session, December 4, 1922, to March 3, 1923

Democrats	*Republicans*
FURNIFOLD M. SIMMONS, N.C.	BOIES PENROSE, Pa., *Chairman* [1]
JOHN SHARP WILLIAMS, Miss.	PORTER J. MCCUMBER, N. Dak., *Chairman* [2]
ANDRIEUS A. JONES, N. Mex.	REED SMOOT, Utah
PETER G. GERRY, R.I.	ROBERT M. LA FOLLETTE, Wis.
JAMES A. REED, Mo.	WILLIAM P. DILLINGHAM, Vt.
DAVID I. WALSH, Mass.	GEORGE P. MCLEAN, Conn.
	CHARLES CURTIS, Kans.
	JAMES E. WATSON, Ind.
	HOWARD SUTHERLAND, W. Va.
	JOSEPH S. FRELINGHUYSEN, N.J.[3]
	WILLIAM M. CALDER, N.Y.[3 4]
	DAVID A. REED, Pa.[4]

[1] Died December 31, 1921.

[2] Appointed Chairman January 19, 1922.

[3] Appointed January 19, 1922.

[4] Calder excused February 20, 1923; replaced by Reed.

68th Congress

1st Session, December 3, 1923, to June 7, 1924

2nd Session, December 1, 1924, to March 3, 1925

Democrats	*Republicans*
FURNIFOLD M. SIMMONS, N.C.	REED SMOOT, Utah, *Chairman*
ANDRIEUS A. JONES, N. Mex.	ROBERT M. LA FOLLETTE, Wis.
PETER G. GERRY, R.I.	GEORGE P. MCLEAN, Conn.
JAMES A. REED, Mo.	CHARLES CURTIS, Kans.
DAVID I. WALSH, Mass.	JAMES E. WATSON, Ind.
PAT HARRISON, Miss.	DAVID A. REED, Pa.
WILLIAM H. KING, Utah	DAVIS ELKINS, W. Va.
	MEDILL MCCORMICK, Ill.
	RICHARD P. ERNST, Ky.
	ROBERT NELSON STANFIELD, Oreg.

69th Congress

1st Session, December 7, 1925, to November 10, 1926

2nd Session, December 6, 1926, to March 3, 1927

Democrats	*Republicans*
FURNIFOLD M. SIMMONS, N.C.	REED SMOOT, Utah, *Chairman*
ANDRIEUS A. JONES, N. Mex.	GEORGE P. MCLEAN, Conn.
PETER G. GERRY, R.I.	CHARLES CURTIS, Kans.
PAT HARRISON, Miss.	JAMES E. WATSON, Ind.
WILLIAM H. KING, Utah	DAVID A. REED, Pa.
THOMAS F. BAYARD, JR., Del.	RICHARD P. ERNST, Ky.
WALTER F. GEORGE, Ga.	ROBERT NELSON STANFIELD, Oreg.
DAVID I. WALSH, Mass.	JAMES W. WADSWORTH, JR., N.Y.
	SAMUEL M. SHORTRIDGE, Calif.
	WILLIAM B. MCKINLEY, Ill.[1]
	WALTER E. EDGE, N.Y.[1]

[1] McKinley died December 7, 1926; replaced by Edge on December 14, 1926.

70th Congress

1st Session, December 5, 1927, to May 29, 1928

2nd Session, December 3, 1928, to March 3, 1929

Democrats	*Republicans*
FURNIFOLD M. SIMMONS, N.C.	REED SMOOT, Utah, *Chairman*
ANDRIEUS A. JONES, N. Mex.[1]	GEORGE P. MCLEAN, Conn.
PAT HARRISON, Miss.	CHARLES CURTIS, Kans.
WILLIAM H. KING, Utah	JAMES E. WATSON, Ind.
THOMAS F. BAYARD, JR., Del.	DAVID A. REED, Pa.
WALTER F. GEORGE, Ga.	SAMUEL M. SHORTRIDGE, Calif.
DAVID I. WALSH, Mass.	WALTER E. EDGE, N.J.
ALBEN W. BARKLEY, Ky.	JAMES COUZENS, Mich.
ELMER THOMAS, Okla.[1]	FRANK L. GREENE, Vt.
SIMEON D. FESS, Ohio[3]	CHARLES S. DENEEN, Ill.
	HENRY W. KEYES, N.H.[2]

[1] Jones died December 20, 1927; replaced by Thomas February 5, 1928.

[2] Fess excused May 10, 1928; replaced by Keyes May 10, 1928.

71st Congress

1st Session, April 15, 1929, to November 22, 1929

2nd Session, December 2, 1929, to July 3, 1930

Special Sessions, July 7, 1930, to July 21, 1930

3rd Session, December 1, 1930, to March 3, 1931

Democrats	*Republicans*
FURNIFOLD M. SIMMONS, N.C.	REED SMOOT, Utah, *Chairman*
PAT HARRISON, Miss.	JAMES E. WATSON, Ind.
WILLIAM H. KING, Utah	DAVID A. REED, Pa.
WALTER F. GEORGE, Ga.	SAMUEL M. SHORTRIDGE, Calif.
DAVID I. WALSH, Mass.	JAMES COUZENS, Mich.
ALBEN W. BARKLEY, Ky.	CHARLES S. DENEEN, Ill.
ELMER THOMAS, Okla.	HENRY W. KEYES, N.H.
TOM CONNALLY, Tex.	HIRAM BINGHAM, Conn.
	ROBERT M. LA FOLLETTE, JR., Wis.[1]
	FREDERIC M. SACKETT, Ky.[2]
	WALTER E. EDGE, N.J.[3]
	FRANK L. GREENE, Vt.[4]
	JOHN THOMAS, Idaho[2]

[1] Appointed January 6, 1930.

[2] Sackett resigned January 9, 1930; replaced by Thomas January 11, 1930.

[3] Resigned November 21, 1929.

[4] Died December 17, 1930.

72nd Congress

1st Session, December 7, 1931, to July 16, 1932

2nd Session, December 5, 1932, to March 3, 1933

Democrats	*Republicans*
PAT HARRISON, Miss.	REED SMOOT, Utah, *Chairman*
WILLIAM H. KING, Utah	JAMES E. WATSON, Ind.
WALTER F. GEORGE, Ga.	DAVID A. REED, Pa.
DAVID I. WALSH, Mass.	SAMUEL M. SHORTRIDGE, Calif.
ALBEN W. BARKLEY, Ky.	JAMES COUZENS, Mich.
TOM CONNALLY, Tex.	HENRY W. KEYES, N.H.
THOMAS P. GORE, Okla.	HIRAM BINGHAM, Conn.
EDWARD P. COSTIGAN, Colo.	ROBERT M. LA FOLLETTE, JR., Wis.
CORDELL HULL, Tenn.	JOHN THOMAS, Idaho
	JESSE H. METCALF, R.I.
	WESLEY L. JONES, Wash.[1]
	DANIEL O. HASTINGS, Del.[1]

[1] Jones died November 19, 1932; Hastings appointed December, 8, 1932.

73rd Congress

1st Session, March 9, 1933, to June 15, 1933

2nd Session, January 3, 1934, to June 18, 1934

Democrats	*Republicans*
PAT HARRISON, Miss., *Chairman*	DAVID A. REED, Pa.
WILLIAM H. KING, Utah	JAMES COUZENS, Mich.
WALTER F. GEORGE, Ga.	HENRY W. KEYES, N.H.
DAVID I. WALSH, Mass.	ROBERT M. LA FOLLETTE, JR., Wis.
ALBEN W. BARKLEY, Ky.	JESSE H. METCALF, R.I.
TOM CONNALLY, Tex.	DANIEL O. HASTINGS, Del.
THOMAS P. GORE, Okla.	FREDERIC C. WALCOTT, Conn.
EDWARD P. COSTIGAN, Colo.	
JOSIAH W. BAILEY, N.C.	
BENNETT (CHAMP) CLARK, Mo.	
WILLIAM GIBBS MCADOO, Calif.	
HARRY FLOOD BYRD, Va.	
AUGUSTINE LONERGAN, Conn.	

74th Congress

1st Session, January 3, 1935, to August 26, 1935

2nd Session, January 3, 1936, to June 20, 1936

Democrats	*Republicans*
PAT HARRISON, Miss., *Chairman*	JAMES COUZENS, Mich.
WILLIAM H. KING, Utah	HENRY W. KEYES, N.H.
WALTER F. GEORGE, Ga.	ROBERT M. LA FOLLETTE, JR., Wis.
DAVID I. WALSH, Mass.	JESSE H. METCALF, R.I.
ALBEN W. BARKLEY, Ky.	DANIEL O. HASTINGS, Del.
TOM CONNALLY, Tex.	ARTHUR CAPPER, Kans.
THOMAS P. GORE, Okla.	
EDWARD P. COSTIGAN, Colo.	
JOSIAH W. BAILEY, N.C.	
BENNETT (CHAMP) CLARK, Mo.	
HARRY FLOOD BYRD, Va.	
AUGUSTINE LONERGAN, Conn.	
HUGO L. BLACK, Ala.	
PETER G. GERRY, R.I.	
JOSEPH F. GUFFEY, Pa.	

75th Congress

1st Session, January 5, 1937, to August 21, 1937

2nd Session, November 15, 1937, to December 21, 1937

3rd Session, January 3, 1938, to June 16, 1938

Democrats	*Republicans*
PAT HARRISON, Miss., *Chairman*	ROBERT M. LA FOLLETTE, JR., Wis.
WILLIAM H. KING, Utah	ARTHUR CAPPER, Kans.
WALTER F. GEORGE, Ga.	JOHN G. TOWNSEND, JR., Del.
DAVID I. WALSH, Mass.	JAMES J. DAVIS, Pa.
ALBEN W. BARKLEY, Ky.	ARTHUR H. VANDENBERG, Mich.
TOM CONNALLY, Tex.	
JOSIAH W. BAILEY, N.C.	
BENNETT (CHAMP) CLARK, Mo.	
HARRY FLOOD BYRD, Va.	
AUGUSTINE LONERGAN, Conn.	
PETER G. GERRY, R.I.	
JOSEPH F. GUFFEY, Pa.	
ROBERT J. BULKLEY, Ohio	
PRENTISS M. BROWN, Mich.	
CLYDE L. HERRING, Iowa [1]	
HUGO L. BLACK, Ala.[2]	
EDWIN C. JOHNSON, Colo.[2]	

[1] Appointed January 19, 1937, vacancy remained open upon reorganization.

[2] Black resigned August 19. 1937; replaced by Johnson November 30, 1937.

76th Congress

1st Session, January 3, 1939, to August 5, 1939

2nd Session, September 21, 1939, to November 3, 1939

3rd Session, January 3, 1940, to January 3, 1941

Democrats	*Republicans*
PAT HARRISON, Miss., *Chairman*	ROBERT M. LA FOLLETTE, JR., Wis.
WILLIAM H. KING, Utah	ARTHUR CAPPER, Kans.
WALTER F. GEORGE, Ga.	ARTHUR H. VANDENBERG, Mich.
DAVID I. WALSH, Mass.	JOHN G. TOWNSEND, JR., Del.
ALBEN W. BARKLEY, Ky.	JAMES J. DAVIS, Pa.
TOM CONNALLY, Tex.	HENRY CABOT LODGE, JR., Mass.
JOSIAH W. BAILEY, N.C.	
BENNETT (CHAMP) CLARK, Mo.	
HARRY FLOOD BYRD, Va.	
PETER G. GERRY, R.I.	
JOSEPH F. GUFFEY, Pa.	
PRENTISS M. BROWN, Mich.	
CLYDE L. HERRING, Iowa	
EDWIN C. JOHNSON, Colo.	
GEORGE L. RADCLIFFE, Md.	

77th Congress

1st Session, January 3, 1941, to January 2, 1942

2nd Session, January 5, 1942, to December 16, 1942

Democrats

PAT HARRISON, Miss., *Chairman* [1]
WALTER F. GEORGE, Ga., *Chairman* [2]
DAVID I. WALSH, Mass.
ALBEN W. BARKLEY, Ky.
TOM CONNALLY, Tex.
JOSIAH W. BAILEY, N.C.
BENNETT (CHAMP) CLARK, Mo.
HARRY FLOOD BYRD, Va.
PETER G. GERRY, R.I.
JOSEPH F. GUFFEY, Pa.
PRENTISS M. BROWN, Mich.
CLYDE L. HERRING, Iowa
EDWIN C. JOHNSON, Colo.
GEORGE L. RADCLIFFE, Md.
WILLIAM H. SMATHERS, N.J.[3]

Republicans

ROBERT M. LA FOLLETTE, JR., Wis.
ARTHUR CAPPER, Kans.
ARTHUR H. VANDENBERG, Mich.
JAMES J. DAVIS, Pa.
HENRY CABOT LODGE, JR., Mass.
JOHN A. DANAHER, Conn.
ROBERT A. TAFT, Ohio

[1] Died June 22, 1941.
[2] George appointed Chairman July 31, 1941.
[3] Smathers appointed July 31, 1941.

78th Congress

1st Session, January 6, 1943, to December 21, 1943

2nd Session, January 10, 1944, to December 19, 1944

Democrats	*Republicans*
WALTER F. GEORGE, Ga., *Chairman*	ROBERT M. LA FOLLETTE, JR., Wis.
DAVID I. WALSH, Mass.	ARTHUR H. VANDENBERG, Mich.
ALBEN W. BARKLEY, Ky.	JAMES J. DAVIS, Pa.
TOM CONNALLY, Tex.	JOHN A. DANAHER, Conn.
JOSIAH W. BAILEY, N.C.	ROBERT A. TAFT, Ohio
BENNETT (CHAMP) CLARK, Mo.	JOHN THOMAS, Idaho
HARRY FLOOD BYRD, Va.	HUGH BUTLER, Nebr.
PETER G. GERRY, R.I.	EUGENE D. MILLIKIN, Colo.
JOSEPH F. GUFFEY, Pa.	HENRY CABOT LODGE, JR., Mass.[1]
EDWIN C. JOHNSON, Colo.	RALPH OWEN BREWSTER, Maine[1]
GEORGE L. RADCLIFFE, Md.	
SCOTT W. LUCAS, Ill.	

[1] Lodge resigned February 3, 1944; Brewster appointed February 21, 1944.

79th Congress

1st Session, January 3, 1945, to December 21, 1945

2nd Session, January 14, 1946, to August 2, 1946

Democrats	*Republicans*
WALTER F. GEORGE, Ga., *Chairman*	ROBERT M. LA FOLLETTE, JR., Wis.
DAVID I. WALSH, Mass.	ARTHUR H. VANDENBERG, Mich.
ALBEN W. BARKLEY, Ky.	ROBERT A. TAFT, Ohio
TOM CONNALLY, Tex.	JOHN THOMAS, Idaho[1]
JOSIAH W. BAILEY, N.C.	HUGH BUTLER, Nebr.
HARRY FLOOD BYRD, Va.	EUGENE D. MILLIKIN, Colo.
PETER G. GERRY, R.I.	RALPH OWEN BREWSTER, Maine
JOSEPH F. GUFFEY, Pa.	HARLAN J. BUSHFIELD, S. Dak.
EDWIN C. JOHNSON, Colo.	ALBERT W. HAWKES, N.J.
GEORGE L. RADCLIFFE, Md.	LEVERETT SALTONSTALL, Mass.[1]
SCOTT W. LUCAS, Ill.	
BRIEN MCMAHON, Conn.	

[1] Thomas died November 10, 1945; Saltonstall appointed December 18, 1945.

80th Congress

1st Session, January 3, 1947, to December 19, 1947

2nd Session, January 6, 1948, to December 31, 1948

Democrats	*Republicans*
WALTER F. GEORGE, Ga.	EUGENE D. MILLIKIN, Colo., *Chairman*
ALBEN W. BARKLEY, Ky.	ROBERT A. TAFT, Ohio
TOM CONNALLY, Tex.	HUGH BUTLER, Nebr.
HARRY FLOOD BYRD, Va.	RALPH OWEN BREWSTER, Maine
EDWIN C. JOHNSON, Colo.	HARLAN J. BUSHFIELD, S. Dak.[1]
SCOTT W. LUCAS, Ill.	ALBERT W. HAWKES, N.J.
	EDWARD MARTIN, Pa.

[1] Died September 27, 1948.

81st Congress

1st Session, January 3, 1949, to October 19, 1949

2nd Session, January 3, 1950, to January 2, 1951

Democrats	*Republicans*
WALTER F. GEORGE, Ga., *Chairman*	EUGENE D. MILLIKIN, Colo.
TOM CONNALLY, Tex.	ROBERT A. TAFT, Ohio
HARRY FLOOD BYRD, Va.	HUGH BUTLER, Nebr.
EDWIN C. JOHNSON, Colo.	RALPH OWEN BREWSTER, Maine
SCOTT W. LUCAS, Ill.	EDWARD MARTIN, Pa.
CLYDE R. HOEY, N.C.	JOHN J. WILLIAMS, Del.[2]
J. HOWARD MCGRATH, R.I.[1]	
ROBERT S. KERR, Okla.[1]	
FRANCIS J. MYERS, Pa.[2]	

[1] McGrath resigned August 23, 1949; Kerr appointed August 30, 1949.

[2] Williams excused January 12, 1950 due to parry ratio change; Myers appointed January 12, 1950.

82nd Congress

1st Session, January 3, 1951, to October 20, 1951

2nd Session, January 8, 1952, to July 7, 1952

Democrats	*Republicans*
WALTER F. GEORGE, Ga., *Chairman*	EUGENE D. MILLIKIN, Colo.
TOM CONNALLY, Tex.	ROBERT A. TAFT, Ohio
HARRY FLOOD BYRD, Va.	HUGH BUTLER, Nebr.
EDWIN S. JOHNSON, Colo.	RALPH OWEN BREWSTER, Maine
CLYDE R. HOEY, N.C.	EDWARD MARTIN, Pa.
ROBERT S. KERR, Okla.	JOHN J. WILLIAMS, Del.
J. ALLEN FREAR, JR., Del.	RALPH E. FLANDERS, Vt.[1]

[1] Brewster excused May 9, 1951; replaced by Flanders June 22, 1951.

83rd Congress

1st Session, January 3, 1953, to August 3, 1953

2nd Session, January 6, 1954, to December 2, 1954

Democrats	*Republicans*
WALTER F. GEORGE, Ga.	EUGENE D. MILLIKIN, Colo., *Chairman*
HARRY FLOOD BYRD, Va.	HUGH BUTLER, Nebr.[2]
EDWIN C. JOHNSON, Colo.	EDWARD MARTIN, Pa.
CLYDE R. HOEY, N.C.[1]	JOHN J. WILLIAMS, Del.
ROBERT S. KERR, Okla.	RALPH E. FLANDERS, Vt.
J. ALLEN FREAR, JR., Del.	GEORGE W. MALONE, Nev.
RUSSELL B. LONG, La.	FRANK CARLSON, Kans.
GEORGE A. SMATHERS, Fla.[1]	WALLACE F. BENNETT, Utah
	SAM W. REYNOLDS, Nebr.[2]
	HAZEL H. ABEL, Nebr.[2]

[1] Hoey died May 12, 1954; replaced by Smathers May 18, 1954.

[2] Butler died July 1, 1954; replaced by Reynolds July 9, 1954; Reynolds replaced by Mrs. Abel, November 30, 1954.

84th Congress

1st Session, January 5, 1955, to August 2, 1955

2nd Session, January 3, 1956, to July 27, 1956

Democrats	*Republicans*
HARRY FLOOD BYRD, Va., *Chairman*	EUGENE D. MILLIKIN, Colo.
WALTER F. GEORGE, Ga.	EDWARD MARTIN, Pa.
ROBERT S. KERR, Okla.	JOHN J. WILLIAMS, Del.
J. ALLEN FREAR, JR., Del.	RALPH E. FLANDERS, Vt.
RUSSELL B. LONG, La.	GEORGE W. MALONE, Nev.
GEORGE A. SMATHERS, Fla.	FRANK CARLSON, Kans.
LYNDON B. JOHNSON, Tex.[1]	WALLACE F. BENNETT, Utah
ALBEN W. BARKLEY, Ky.[2]	
CLINTON P. ANDERSON, N. Mex.[1]	
PAUL H. DOUGLAS, Ill.[2]	

[1] Johnson excused March 22, 1956; Anderson appointed March 22, 1956.

[2] Barkley died April 30, 1956; replaced by Douglas May 18, 1956.

85th Congress

1st Session, January 3, 1957, to August 30, 1957

2nd Session, January 7, 1958, to August 24, 1958

Democrats	*Republicans*
HARRY FLOOD BYRD, Va., *Chairman*	EDWARD MARTIN, Pa.
ROBERT S. KERR, Okla.	JOHN J. WILLIAMS, Del.
J. ALLEN FREAR, JR., Del.	RALPH E. FLANDERS, Vt.
RUSSELL B. LONG, La.	GEORGE W. MALONE, Nev.
GEORGE A. SMATHERS, Fla.	FRANK CARLSON, Kans.
CLINTON P. ANDERSON, N. Mex.	WALLACE F. BENNETT, Utah
PAUL H. DOUGLAS, Ill.	WILLIAM E. JENNER, Ind.
ALBERT GORE, Tenn.	

86th Congress

1st Session, January 7, 1959, to September 15, 1959

2nd Session, January 6, 1960, to September 1, 1960

Democrats	*Republicans*
HARRY FLOOD BYRD, Va., *Chairman*	JOHN J. WILLIAMS, Del.
ROBERT S. KERR, Okla.	FRANK CARLSON, Kans.
J. ALLEN FREAR, JR., Del.	WALLACE F. BENNETT, Utah
RUSSELL B. LONG, La.	JOHN MARSHALL BUTLER, Md.
GEORGE A. SMATHERS, Fla.	NORRIS COTTON, N.H.[1]
CLINTON P. ANDERSON, N. Mex.	CARL T. CURTIS, Nebr.
PAUL H. DOUGLAS, Ill.	THRUSTON B. MORTON, Ky.[1]
ALBERT GORE, Tenn.	
HERMAN E. TALMADGE, Ga.	
EUGENE J. MCCARTHY, Minn.	
VANCE HARTKE, Ind.	

[1] Cotton excused January 18, 1960; replaced by Morton same date.

87th Congress

1st Session, January 3, 1961, to September 27, 1961

2nd Session, January 10, 1962, to October 13, 1962

Democrats	*Republicans*
HARRY FLOOD BYRD, Va., *Chairman*	JOHN J. WILLIAMS, Del.
ROBERT S. KERR, Okla.	FRANK CARLSON, Kans.
RUSSELL B. LONG, La.	WALLACE F. BENNETT, Utah
GEORGE A. SMATHERS, Fla.	JOHN MARSHALL BUTLER, Md.
CLINTON P. ANDERSON, N. Mex.	CARL T. CURTIS, Nebr.
PAUL H. DOUGLAS, Ill.	THRUSTON B. MORTON, Ky.
ALBERT GORE, Tenn.	
HERMAN E. TALMADGE, Ga.	
EUGENE J. MCCARTHY, Minn.	
VANCE HARTKE, Ind.	
J. W. FULBRIGHT, Ark.	

88th Congress

1st Session, January 9, 1963, to December 30, 1963

2nd Session, January 7, 1964, to October 3, 1964

Democrats	*Republicans*
HARRY FLOOD BYRD, Va., *Chairman*	JOHN J. WILLIAMS, Del.
RUSSELL B. LONG, La.	FRANK CARLSON, Kans.
GEORGE A. SMATHERS, Fla.	WALLACE F. BENNETT, Utah
CLINTON P. ANDERSON, N. Mex.	CARL T. CURTIS, Nebr.
PAUL H. DOUGLAS, Ill.	THRUSTON B. MORTON, Ky.
ALBERT GORE, Tenn.	EVERETT MCKINLEY DIRKSEN, Ill.
HERMAN E. TALMADGE, Ga.	
EUGENE J. MCCARTHY, Minn.	
VANCE HARTKE, Ind.	
J. W. FULBRIGHT, Ark.	
ABRAHAM RIBICOFF, Conn.	

89th Congress

1st Session, January 4, 1965, to October 23, 1965

2nd Session, January 10, 1966, to October 22, 1966

Democrats	*Republicans*
HARRY FLOOD BYRD, Va., *Chairman* [1]	JOHN J. WILLIAMS, Del.
RUSSELL B. LONG, La., *Chairman* [2]	FRANK CARLSON, Kans.
GEORGE A. SMATHERS, Fla.	WALLACE F. BENNETT, Utah
CLINTON P. ANDERSON, N. Mex.	CARL T. CURTIS, Nebr.
PAUL H. DOUGLAS, Ill.	THRUSTON B. MORTON, Ky.
ALBERT GORE, Tenn.	EVERETT MCKINLEY DIRKSEN, Ill.
HERMAN E. TALMADGE, Ga.	
EUGENE J. MCCARTHY, Minn.	
VANCE HARTKE, Ind.	
J. W. FULBRIGHT, Ark.	
ABRAHAM RIBICOFF, Conn.	
LEE METCALF, Mont.[1]	

[1] Byrd resigned November 10, 1965; Metcalf appointed January 14, 1966.

[2] Appointed Chairman January 14, 1966.

90th Congress

1st Session, January 10, 1967, to December 15, 1967

2nd Session, January 15, 1968, to October 14, 1968

Democrats	*Republicans*
RUSSELL B. LONG, La., *Chairman*	JOHN J. WILLIAMS, Del.
GEORGE A. SMATHERS, Fla.	FRANK CARLSON, Kans.
CLINTON P. ANDERSON, N. Mex.	WALLACE F. BENNETT, Utah
ALBERT GORE, Tenn.	CARL T. CURTIS, Nebr.
HERMAN E. TALMADGE, Ga.	THRUSTON B. MORTON, Ky.
EUGENE J. MCCARTHY, Minn.	EVERETT MCKINLEY DIRKSEN, Ill.
VANCE HARTKE, Ind.	
J. W. FULBRIGHT, Ark.	
ABRAHAM RIBICOFF, Conn.	
LEE METCALF, Mont.	
FRED R. HARRIS, Okla.	

91st Congress

1st Session, January 3, 1969, to December 23, 1969

2nd Session, January 19, 1970, to January 2, 1971

Democrats	*Republicans*
RUSSELL B. LONG, La., *Chairman*	JOHN J. WILLIAMS, Del.
CLINTON P. ANDERSON, N. Mex.	WALLACE F. BENNETT, Utah
ALBERT GORE, Tenn.	CARL T. CURTIS, Nebr.
HERMAN E. TALMADGE, Ga.	EVERETT MCKINLEY DIRKSEN, Ill.[1]
EUGENE J. MCCARTHY, Minn.	JACK MILLER, Iowa
VANCE HARTKE, Ind.	LEN B. JORDAN, Idaho
J. W. FULBRIGHT, Ark.	PAUL J. FANNIN, Ariz.
ABRAHAM RIBICOFF, Conn.	CLIFFORD P. HANSEN, Wyo.[1]
FRED R. HARRIS, Okla.	
HARRY F. BYRD, JR., Va.	

[1] Dirksen died September 7, 1969; Hansen appointed September 10, 1969.

92nd Congress

1st Session, January 21, 1971, to December 17, 1971

2nd Session, January 18, 1972, to October 18, 1972

Democrats	*Republicans*
RUSSELL B. LONG, La., *Chairman*	WALLACE F. BENNETT, Utah
CLINTON P. ANDERSON, N. Mex.	CARL T. CURTIS, Nebr.
HERMAN E. TALMADGE, Ga.	JACK MILLER, Iowa
VANCE HARTKE, Ind.	LEN B. JORDAN, Idaho
J. W. FULBRIGHT, Ark.	PAUL J. FANNIN, Ariz.
ABRAHAM RIBICOFF, Conn.	CLIFFORD P. HANSEN, Wyo.
FRED R. HARRIS, Okla.	ROBERT P. GRIFFIN, Mich.
HARRY F. BYRD, JR., Va.	
GAYLORD NELSON, Wis.	

93rd Congress

1st Session, January 3, 1973, to December 22, 1973

2nd Session, January 21, 1974, to December 20, 1974

Democrats	*Republicans*
RUSSELL B. LONG, La., *Chairman*	WALLACE F. BENNETT, Utah
HERMAN E. TALMADGE, Ga.	CARL T. CURTIS, Nebr.
VANCE HARTKE, Ind.	PAUL J. FANNIN, Ariz.
J. W. FULBRIGHT, Ark.	CLIFFORD P. HANSEN, Wyo.
ABRAHAM RIBICOFF, Conn.	ROBERT J. DOLE, Kans.
HARRY F. BYRD, JR., Va.	BOB PACKWOOD, Oreg.
GAYLORD NELSON, Wis.	WILLIAM V. ROTH, JR., Del.
WALTER F. MONDALE, Minn.	
MIKE GRAVEL, Alaska	
LLOYD BENTSEN, Tex.	

94th Congress

1st Session, January 14, 1975, to December 19, 1975

2nd Session, January 19, 1976, to October 1, 1976

Democrats	*Republicans*
RUSSELL B. LONG, La., *Chairman*	CARL T. CURTIS, Nebr.
HERMAN E. TALMADGE, Ga.	PAUL J. FANNIN, Ariz.
VANCE HARTKE, Ind.	CLIFFORD P. HANSEN, Wyo.
ABRAHAM RIBICOFF, Conn.	ROBERT J. DOLE, Kans.
HARRY F. BYRD, JR., Va.	BOB PACKWOOD, Oreg.
GAYLORD NELSON, Wis.	WILLIAM V. ROTH, JR., Del.
WALTER F. MONDALE, Minn.	BILL BROCK, Tenn.
MIKE GRAVEL, Alaska	
LLOYD BENTSEN, Tex.	
WILLIAM D. HATHAWAY, Maine	
FLOYD K. HASKELL, Colo.	

95th Congress

1st Session, January 4, 1977, to December 15, 1977

2nd Session, January 19, 1978, to October 15, 1978

Democrats	*Republicans*
RUSSELL B. LONG, La., *Chairman*	CARL T. CURTIS, Nebr.
HERMAN E. TALMADGE, Ga.	CLIFFORD P. HANSEN, Wyo.
ABRAHAM RIBICOFF, Conn.	ROBERT J. DOLE, Kans.
HARRY F. BYRD, JR., Va.	BOB PACKWOOD, Oreg.
GAYLORD NELSON, Wis.	WILLIAM V. ROTH, JR., Del.
MIKE GRAVEL, Alaska	HARRISON H. SCHMITT, N. Mex.[1]
LLOYD BENTSEN, Tex.	PAUL LAXALT, Nev.[2]
WILLIAM D. HATHAWAY, Maine	JOHN C. DANFORTH, Mo.[2]
FLOYD K. HASKELL, Colo.	
EDWARD ZORINSKY, Nebr.[1]	
SPARK M. MATSUNAGA, Hawaii[2]	
DANIEL P. MOYNIHAN, N.Y.[2]	

[1] Zorinsky and Schmitt appointed temporary members until February 10, 1977.

[2] Appointed February 10, 1977.

96th Congress

1st Session, January 15, 1979, to December 20, 1979

2nd Session, January 3, 1980, to December 16, 1980

Democrats	*Republicans*
RUSSELL B. LONG, La., *Chairman*	ROBERT J. DOLE, Kans.
HERMAN E. TALMADGE, Ga.	BOB PACKWOOD, Oreg.
ABRAHAM RIBICOFF, Conn.	WILLIAM V. ROTH, JR., Del.
HARRY F. BYRD, JR., Va.	JOHN C. DANFORTH, Mo.
GAYLORD NELSON, Wis.	JOHN H. CHAFEE, R.I.
MIKE GRAVEL, Alaska	H. JOHN HEINZ III, Pa.
LLOYD BENTSEN, Tex.	MALCOLM WALLOP, Wyo.
SPARK M. MATSUNAGA, Hawaii	DAVID DURENBERGER, Minn.
DANIEL PATRICK MOYNIHAN, N.Y.	
MAX BAUCUS, Mont.	
DAVID L. BOREN, Okla.	
BILL BRADLEY, N.J.	

97th Congress

1st Session, January 5, 1981, to December 16, 1981

2nd Session, January 25, 1982, to December 23, 1982

Democrats	*Republicans*
RUSSELL B. LONG, La.	ROBERT J. DOLE, Kans., *Chairman*
HARRY F. BYRD, JR., Va.	BOB PACKWOOD, Oreg.
LLOYD BENTSEN, Tex.	WILLIAM V. ROTH, JR., Del.
SPARK M. MATSUNAGA, Hawaii	JOHN C. DANFORTH, Mo.
DANIEL PATRICK MOYNIHAN, N.Y.	JOHN H. CHAFEE, R.I.
MAX BAUCUS, Mont.	JOHN H. HEINZ III, Pa.
DAVID L. BOREN, Okla.	MALCOLM WALLOP, Wyo.
BILL BRADLEY, N.J.	DAVID DURENBERGER, Minn.
GEORGE J. MITCHELL, Maine	WILLIAM L. ARMSTRONG, Colo.
	STEVEN D. SYMMS, Idaho
	CHARLES E. GRASSLEY, Iowa

SENATORS WHO SERVED ON THE COMMITTEE ON FINANCE

(Numbers following the names indicate the Congresses during which the Senators served on the Committee)

A

Abel, Hazel H. (Neb.) 83d
Aldrich, Nelson W. (R.I.) 47th to 61st
Allison, William B. (Iowa) 45th to 60th
Ames, Adelbert (Miss.) 42d
Anderson, Clinton P. (N. Mex.) 84th to 92d
Armstrong, William L. (Colo.) 97th to
Atherton, Charles G. (N.H.) 30th

B

Badger, George E. (N.C.) 33d
Bailey, Joseph W. (Tex.) 58th to 62d
Bailey, Josiah (N.C.) 73d to 79th
Barkley, Alben W. (Ky.) 70th to 80th
Baucus, Max (Mont.) 96th to —
Bayard, Thomas F., Jr. (Del.) 69th to 70th
Bayard, Thomas F., Sr. (Del.) 41st to 48th
Bayard, Richard H. (Del.) 27th
Beck, James B. (Ky.) 46th to 51st
Bennett, Wallace F. (Utah) 83d to 93d
Benton, Thomas H. (Mo.) 24th to 26th, 29th, 31st
Bentsen, Lloyd (Tex.) 93d to —
Berrien, John M. (Ga.) 19th, 27th
Bibb, William W. (Ga.) 14th
Biggs, Asa (N.C.) 35th
Bingham, Hiram (Conn.) 71st to 72d
Black, Hugo L. (Ala.) 74th to 75th
Boren, David L. (Okla.) 96th to —
Boutwell, George S. (Mass.) 44th
Bradley, Bill (N.J.) 96th to —
Branch, John (N.C.) 20th
Brewster, Owen (Maine) 78th to 82d
Bright, Jesse D. (Ind.) 31st to 33d, 35th to 37th
Brock, Bill (Tenn.) 94th
Brodhead, Richard (Pa.) 34th
Brown, Prentiss M. (Mich.) 75th to 77th
Bulkley, Robert J. (Ohio) 75th
Burrows, Julius C. (Mich.) 55th to 61st
Bushfield, Harlan J. (S. Dak.) 79th to 80th
Butler, Hugh (Nebr.) 78th to 83d
Butler, John Marshall (Md.) 86th to 87th
Byrd, Harry Flood (Va.) 73d to 89th
Byrd, Harry F., Jr. (Va.) 91st to —

C

Calder, William M. (N.Y.) 66th to 67th
Calhoun, John C. (S.C.) 29th
Cameron, Simon (Pa.) 35th to 36th
Campbell, George W. (Tenn.) 14th to 15th
Capper, Arthur (Kans.) 74th to 77th
Carlisle, John G. (Ky.) 52d
Carlson, Frank (Kans.) 83d to 90th
Cattell, Alexander (N.J.) 39th to 41st
Chace, Dudley (Vt.) 14th, 19th
Chafee, John H. (R.I.) 96th to
Chilton, Horace (Tex.) 55th to 56th
Clark, Bennett (Mo.) 73d to 78th
Clark, Clarence D. (Wyo.) 62d to 64th
Clark, Daniel (N.H.) 38th

Clay, Henry (Ky.) 27th
Clayton, John M. (Del.) 30th
Collamer, Jacob (Vt.) 37th to 38th
Connally, Tom (Tex.) 71st to 82d
Conness, John (Calif.) 38th
Cooper, Henry (Tenn.) 44th
Costigan, Edward P. (Colo.) 72d to 74th
Cotton, Norris (N.H.) 86th
Couzens, James (Mich.) 70th to 74th
Cowan, Edgar (Pa.) 37th to 39th
Crittenden, John J. (Ky.) 27th, 28th, 34th
Cullom, Shelby M. (Ill.) 61st to 62d
Curtis, Carl T. (Nebr.) 86th to 95th
Curtis, Charles (Kans.) 66th to 70th
Cuthbert, Alfred (Ga.) 24th

D

Dana, Samuel W. (Conn.) 16th
Danaher, John A. (Conn.) 77th to 78th
Danforth, John C. (Mo.) 95th to—
Daniel, John W. (Va.) 55th to 61st
Davis, James J. (Pa.) 75th to 78th
Dawes, Henry L. (Mass.) 45th
Deneen, Charles S. (Ill.) 70th to 71st
Dickinson, Daniel S. (N.Y.) 30th to 31st
Dillingham, William P. (Vt.) 65th to 67th
Dirksen, Everett McKinley (Ill.) 88th to 91st
Dole, Robert J. (Kans.) 93d to—
Douglas, Paul H. (Ill.) 84th to 89th
Douglas, Stephen A. (Ill.) 30th to 31st
Durenberger, David (Minn.) 96th to—

E

Eaton, John Henry (Tenn.) 15th to 17th
Edge, Walter E. (N.J.) 69th to 71st
Eppes, John W. (Va.) 15th
Elkins, Davis (W. Va.) 68th
Ernst, Richard P. (Ky.) 68th to 69th
Evans, George (Maine) 27th to 29th
Ewing, Thomas (Ohio) 23d, 31st

F

Fannin, Paul J. (Ariz.) 91st to 94th
Fenton, Reuben E. (N.Y.) 41st to 43d
Ferry, Thomas W. (Mich.) 42d to 47th
Fess, Simeon D. (Ohio) 70th
Fessenden, William P. (Maine) 35th to 39th
Flanders, Ralph E. (Vt.) 82d to 85th
Flint, Frank P. (Calif.) 61st
Forsyth, John (Ga.) 22d
Frear, J. Allen, Jr. (Del.) 82d to 86th
Frelinghuysen, Frederick T. (N.J.) 44th
Frelinghuysen, Joseph S. (N.J.) 67th
Fulbright, J. W. (Ark.) 87th to 93d

G

Gallinger, Jacob H. (N.H.) 62d to 65th
George, Walter F. (Ga.) 69th to 84th
Gerry, Peter G. (R.I.) 65th to 69th, 74th to 79th
Gore, Albert (Tenn.) 85th to 91st
Gore, Thomas P. (Okla.) 63d to 66th, 72d to 74th
Gorman, Arthur P. (Md.) 58th to 59th
Graham, William A. (N.C.) 27th
Grassley, Charles E. (Iowa) 97 to—
Gravel, Mike (Alaska) 93d to 96th
Greene, Frank L. (Vt.) 70th to 71st
Griffin, Robert P. (Mich.) 92d
Guffey, Joseph F. (Penn.) 74th to 79th
Guthrie, James (Ky.) 39th
Gwin, William M. (Calif.) 32d to 36th

H

Hale, Eugene (Maine) 59th to 61st
Hammond, James (S.C.) 35th to 36th
Hansbrough, Henry C. (N. Dak.) 56th to 60th
Hansen, Clifford P. (Wyo.) 91st to 95th
Harris, Fred R. (Okla.) 90th to 92d
Harris, Isham G. (Tenn.) 47th to 55th
Harrison, Pat (Miss.) 68th to 77th
Hartke, Vance (Ind.) 86th to 94th

Haskell, Floyd K. (Colo.) 94th to 95th
Hastings, Daniel O. (Del.) 72d to 74th
Hathaway, William D. (Maine) 94th to 95th
Hawkes, Albert W. (N.J.) 79th to 80th
Hayne, Robert Y. (S.C.) 19th
Heinz, H. John III (Pa.) 96th to —
Hemphill, John (Tex.) 36th
Henderson, John B. (Mo.) 38th to 40th
Herring, Clyde L. (Iowa) 75th to 77th
Heyburn, Weldon B. (Idaho) 62d
Hicks, Thomas H. (Md.) 38th
Hiscock, Frank (N.Y.) 50th to 52d
Hoey, Clyde R. (N.C.) 81st to 83d
Holmes, John (Maine) 16th to 19th
Hopkins. Albert J: (Ill.) 60th
Howe, Timothy (Wis.) 37th to 39th, 45th
Hubbard, Henry (N.H.) 25th to 26th
Hughes, William (N.J.) 63d to 65th
Hull, Cordell (Tenn.) 72d
Hunter, Robert M. T. (Va.) 30th to 37th
Huntington, Jabez (Conn.) 28th to 29th

J

James, Ollie M. (Ky.) 63d to 65th
Jenner, William E. (Ind.) 85th
Jenness, Bennington W. (N.H.) 29th
Johnson, Charles F. (Maine) 62d to 64th
Johnson, Edwin C. (Colo.) 75th to 83d
Johnson, Lyndon B. (Tex.) 84th
Johnston, Josiah S. (La.) 21st to 22d
Jones, Andrieus A. (N. Mex.) 65th to 70th
Jones, George W. (Iowa) 33d
Jones, James K. (Ark.) 53d to 57th
Jones, John P. (Nev.) 44th to 57th
Jones, Wesley L. (Wash.) 72d
Jordan, Len B. (Idaho) 91st to 92d

K

Kern, John W. (Ind.) 62d, 64th
Kernan, Francis (N.Y.) 44th to 46th
Kerr, Robert S. (Okla.) 81st to 87th
Keyes, Henry W. (N.H.) 70th to 74th
King, Rufus (N.Y.) 14th to 15th, 18th
King, William H. (Utah) 68th to 76th
King, William R. (Ala.) 21st

L

La Follette, Robert M. (Wis.) 62d to 68th
La Follette, Robert M., Jr. (Wis.) 71st to 79th
Laxalt, Paul (Nev.) 95th
Lewis, Dixon H. (Ala.) 29th
Lewis, J. Hamilton (Ill.) 65th
Lodge, Henry Cabot (Mass.) 61st to 65th
Lodge, Henry Cabot, Jr. (Mass.) 76th to 78th
Logan, John A. (Ill.) 44th
Logan, William (Ky.) 16th
Lonergan, Augustine (Conn.) 73d to 75th
Long, Russell B. (La.) 83d to —
Lowrie, Walter (Pa.) 17th to 18th
Lucas, Scott W. (Ill.) 78th to 81st

Mc

McAdoo, William Gibbs (Calif.) 73d
McCarthy, Eugene J. (Minn.) 86th to 91st
McCormick, Medill (Ill.) 68th
McCumber, Porter J. (N. Dak.) 61st to 67th
McDougall, James A. (Calif.) 37th to 38th
McDuffie, George (S.C.) 28th
McGrath, J. Howard (R.I.) 81st
McKinley, William B. (Ill.) 69th
McLane, Louis (Del.) 20th
McLean, George P. (Conn.) 66th to 70th
McMahon, Brien (Conn.) 79th
McPherson, John R. (N.J.) 47th to 53d

M

Macon, Nathaniel (N.C.) 15th to 18th

Malone, George W. (Nev.) 83d to 85th
Mangum, Willie P. (N.C.) 23d to 24th, 27th
Marcy, William L. (N.Y.) 22d
Martin, Edward (Pa.) 80th to 85th
Mason, Jeremiah (N.H.) 14th
Matsunaga, Spark M. (Hawaii) 95th to—
Metcalf, Jesse H. (R.I.) 72d to 74th
Metcalf, Lee (Mont.) 89th to 90th
Miller, Jack (Iowa) 91st to 92d
Miller, Jacob W. (N.J.) 32d
Miller, Warner (N.Y.) 48th to 49th
Millikin, Eugene D. (Colo.) 78th to 84th
Mills, Roger Q. (Tex.) 53d
Mitchell, George J. (Maine) 97th to—
Mondale, Walter F. (Minn.) 93d to 94th
Money, Hernando D. (Miss.) 57th to 61st
Morgan, Edwin D. (N.Y.) 39th to 40th
Morrill, Justin S. (Vt.) 40th to 55th
Morton, Thruston B. (Ky.) 86th to 90th
Moynihan, Daniel P. (N.Y.) 95th to—
Myers, Francis J. (Pa.) 81st

N

Nelson, Gaylord (Wis.) 92d to 96th
Nicholas, Robert C. (La.) 24th to 26th
Norris, Moses, Jr. (N.H.) 33d
Nugent, John F. (Idaho) 65th to 66th

P

Packwood, Bob (Oreg.) 93d to—
Parris,, Albion K. (Maine) 20th
Pearce, James A. (Md.) 31st to 37th
Penrose, Boies (Pa.) 58th to 67th
Phelps, Samuel S. (Vt.) 30th to 31st
Platt, Orville H. (Conn.) 47th, 54th to 58th
Platt, Thomas C. (N.Y.) 55th to 60th

R

Radcliffe, George L. (Md.) 76th to 79th
Ransom, Matt W. (N.C.) 52d
Reed, David A. (Penn.) 67th to 73d
Reed, James A. (Mo.) 67th to 68th
Reynolds, Sam W. (Nebr.) 83d
Ribicoff, Abraham (Conn.) 88th to 96th
Rice, Henry Mower (Minn.) 37th
Robinson, Joe T. (Ark.) 65th
Roth, William V., Jr. (Del.) 93d to—

S

Sackett, Frederick M. (Ky.) 71st
Saltonstall, Leverett (Mass.) 79th
Sanford, Nathan D. (N.Y.) 16th
Schmitt, Harrison H. (N. Mex.) 95th
Scott, John (Pa.) 42d to 43d
Sherman, John (Ohio) 37th to 44th, 47th to 54th
Shively, Benjamin F. (Ind.) 63d to 64th
Shortridge, Samuel M. (Calif.) 69th to 72d
Silsbee, Nathaniel (Mass.) 20th to 22d
Simmons, Furnifold M. (N.C.) 61st to 71st
Simmons, James F. (R.I.) 36th to 37th
Smathers, George A. (Fla.) 83d to 90th
Smathers, William H. (N.J.) 77th
Smith, Hoke (Ga.) 63d to 65th
Smith, Samuel (Md.) 18th to 22d
Smith, William (S.C.) 19th to 21st
Smoot, Reed (Utah) 61st to 72d
Speight, Jesse (Miss.) 29th
Spooner, John C. (Wis.) 56th to 59th
Stanfield, Robert Nelson (Oreg.) 68th to 69th
Stone, William J. (Mo.) 6Ist to 65th
Stuart, Charles E. (Mich.) 33d to 34th
Sutherland, Howard (W. Va.) 66th to 67th
Symms, Steven D. (Idaho) 97th to—

T

Taft, Robert A. (Ohio) 77th to 82d
Talbot, Isham (Ky.) 15th
Taliaferro, James P. (Fla.) 59th to 61st
Talmadge, Herman E. (Ga.) 86th to 96th

Teller, Henry M. (Colo.) 57th to 60th
Thomas, Charles S. (Colo.) 63d to 66th
Thomas, Elmer (Okla.) 70th to 71st
Thomas, John (Idaho) 71st to 72d, 78th, 79th
Thompson, Thomas W. (N.H.) 14th
Toombs, Robert (Ga.) 36th
Toucey, Isaac (Conn.) 33d to 34th
Townsend, Charles E. (Mich.) 65th
Townsend, John G., Jr. (Del.) 75th to 76th
Troup, George M. (Ga.) 14th
Turpie, David (Ind.) 55th
Tyler, John (Va.) 22d to 24th

V

Van Buren, Martin (N.Y.) 17th
Van Winkle, Peter G. (W. Va.) 38th to 40th
Vance, Zebulon B. (N.C.) 49th to 51st, 53d
Vandenberg, Arthur H. (Mich.) 75th to 79th
Vest, George G. (Mo.) 53d to 57th
Voorhees, Daniel W. (Ind.) 45th to 54th

W

Wade, Benjamin F. (Ohio) 37th
Wadsworth, James W., Jr. (N.Y.) 69th
Walcott, Frederic C. (Conn.) 73d
Wallace, William A. (Pa.). 45th to 46th
Wallop, Malcolm (Wyo.) 96th to —
Walsh, David I. (Mass.) 67th to 79th
Walthall, Edward C. (Miss.) 54th to 55th
Warner, Willard (Ala.) 40th to 41st
Watson, James E. (Ind.) 66th to 72d
Webster, Daniel (Mass.) 23d to 26th, 30th
White Hugh Lawson (Tenn.) 19th
White, Stephen M. (Calif.) 53d to 55th
Wilkins, William (Pa.) 23d
Williams, George H. (Oreg.) 39th to 41st
Williams, John J. (Del.) 81st to 91st
Williams, John Sharp (Miss.) 62d to 67th
Wolcott, Edward O. (Colo.) 54th to 56th
Woodbury, Levi (N.H.) 19th, 27th to 28th
Wright, George G. (Iowa) 42d to 43d
Wright, Silas, Jr. (N.Y.) 23d to 26th

Z

Zorinsky, Edward (Nebr.) 95th

○