

## Why the House Originates Revenue Bills

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Article 1, Section 7 of the U. S. Constitution states:

"All bills for raising revenue shall originate in the House of Representatives; but the Senate may propose or concur with amendments as on other bills."

It is instructive to recount the debate in the Constitutional Convention during which this provision was decided. In early July of 1787, the delegates to the Convention were debating many aspects of how the proposed new government would function. On 5 Jul 1787, a committee led by Mr. Gerry reported out its recommendations, one of which stated in part, "that all bills for raising or appropriating money ... shall originate in the first branch of the legislature." The debate on this provision occurred the next day. It turned out that the sentiments expressed by George Mason and Benjamin Franklin convinced the delegates to adopt this provision. Here are the excerpts from James Madison's notes regarding the arguments made by Mason and Franklin [1]. Keep in mind that the "first branch" referred to is the House of Representatives, the members of which are directly elected by the people, and the "second branch" is the Senate, the members of which were originally chosen by the state legislatures. Hence the House represented the people; the Senate represented the states.

"Mr. Mason. The consideration which weighed with the committee was, that the first branch would be the immediate representatives of the people; the second would not. Should the latter have the power of giving away the people's money, they might soon forget the source from whence they received it. We might soon have an aristocracy. He had been much concerned at the principles which had been advanced by some gentlemen, but had the satisfaction to find they did not generally prevail. He was a friend to proportional representation in both branches; but supposed that some points must be yielded for the sake of accommodation.

Dr. Franklin did not mean to go into a justification of the report; but as it had been asked what would be the use of restraining the second branch from meddling with money bills, he could not but remark, that it was always of importance that the people should know who had disposed of their money, and how it had been disposed of. It was a maxim, that those who feel can best judge. This end would, he thought, be best attained, if money affairs were to be confined to the immediate representatives of the people. This was his inducement to concur in the report. As to the danger or difficulty that might arise from a negative in the second branch, where the people would not be proportionally represented, it might easily be got over by declaring that there should be no negative; or, if that will not do, by declaring that there shall be no such branch at all."

The delegates believed that the subject of revenue and taxation should be decided by those in the government who most directly represent the people, as they can be held to account more readily than those representing the states. (However, the members of the Senate are now also elected by the people per the 17th Amendment, ratified in 1913.) James Madison amplified this concept later in the *Federalist* #58:

"The House of Representatives cannot only refuse, but they alone can propose, the supplies requisite for the support of the government. They, in a word, hold the power of the purse -- that powerful instrument by which we behold, in the history of the British Constitution, an infant and humble representative of the people gradually enlarging the sphere of its activity and importance, and finally reducing, as far as it seems to have wished, all the overgrown prerogatives of the other branches of the government."

It would be novel indeed, if the modern House would refuse to fund something, especially since the national debt is so large. It would be novel if the House only raised revenue that was necessary for the support of the government; taxes, deficits, and the total debt would likely be much smaller. But such a great portion of the money raised now goes to spending that is not related to the function of the government per se. The budgetary power does in fact cause Congress to dominate the government, which is as it should be. Unfortunately, the revenue policies have in modern times caused the government to exert undue influence over industry and the people alike.

[1] Jonathan Elliot, *Debates on the Adoption of the Federal Constitution in the Convention Held at Philadelphia in 1787; With a Diary of the Debates of the Congress of the Confederation; as reported by James Madison*, Philadelphia: J. B. Lippincott & Co., 1881, Vol. 5, pp. 282-284