

THE RATIFICATION OF THE FEDERAL INCOME TAX AMENDMENT

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The ratification of the federal income tax amendment was the product of two contemporaneous and interrelated movements that swept the United States during the first two decades of the twentieth century. The first was what Clifton K. Yearley has styled the "revolution in taxation"—the drive at all levels of government to create a tax system that was more predictable, productive, and equitable than was the existing complex of property levies, excise taxes, and tariffs.¹ The primary goal of this revolution was to reach the wealth engendered by the rapid and large-scale industrialization of the late nineteenth century. It aimed to create a system of taxation based on two guiding principles: (1) "the ability to pay" and (2) "from whatever source derived." The former meant that taxes should fall heaviest on those best able to bear them; the latter, that income from stocks, bonds, and dividends ought to be taxed at least as heavily as that from salaries and wages. Generally this was translated into progressive income and inheritance taxes, which fell almost exclusively upon those in the upper income brackets. There can be little doubt that the task of ratifying the amendment was greatly eased because of the understanding that any tax levied under its authority would fall only upon the wealthiest 3 percent to 5 percent of the population; the claim that "only the rich will pay" was heard in state legislatures across the land.

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¹Clifton K. Yearley, *The Money Machines* (Albany: State University of New York Press, 1970).

The second movement was the complex series of reform thrusts usually subsumed under the umbrella "the Progressive era." Although scholars disagree widely concerning the origins, nature, motivations, goals, programs, and results of the period's reformist activities, it is certain that many of its manifestations were conducive to the ratification of the amendment. The writings of the muckrakers, the revelations of investigative commissions, and the rhetoric of progressive politicians sensitized the public to anything that smacked of special interest. This, in turn, contributed to a growing conviction that government at all levels ought to intervene in the socioeconomic order to enact antitrust and regulatory legislation, labor and welfare measures, and tax reform. It also spurred a myriad of efforts to end the "corrupt alliance" between big business and government.² It was the good fortune of the income tax amendment to be considered between 1909 and 1913, the years that constituted the high tide of the reformist surge in nearly every one of the forty-eight states. This allowed the amendment to benefit from its association with a variety of other popular measures touted to redress socioeconomic grievances or to curb special privilege. By the same token, in most states the elections of 1910 and 1912 produced political upheavals that either dislodged long-entrenched party organizations or forced them to make significant concessions. This political revolution was most dramatic and significant in the industrial region that stretched from southern New England and the Middle Atlantic states to the Great Lakes area.³ These states contained the bulk of those who would be affected by a federal income tax and were the states to which the opponents of the measure looked for deliverance. In the end only six states—Rhode Island, Connecticut, Pennsylvania, Utah, Virginia, and Florida—failed to ratify. In all cases their dominant political organizations managed to escape the political upheaval of 1910–12 relatively unscathed.

²The literature on the Progressive era is voluminous and complex. For the latest discussions of interpretive disagreements, see Arthur Mann, ed., *The Progressive Era* (Hinsdale, Ill.: Dryden, 1975); John D. Buenker, John C. Burnham, and Robert M. Crunden, *Progressivism* (Boston: Schenkman, 1977); Lewis L. Gould, ed., *The Progressive Era* (Syracuse, N.Y.: Syracuse University Press, 1974); and Michael H. Ebner and Eugene M. Tobin, eds., *The Age of Urban Reform* (Port Washington, N.Y.: Kennikat, 1977).

³John D. Buenker, *Urban Liberalism and Progressive Reform* (New York: Norton, 1977), pp. 34–41; Lewis L. Gould, *Reform Regulation: American Politics, 1900–1916* (New York: Wiley, 1978); David Sarasohn, "The Democratic Surge, 1905–1912: Forging A Progressive Majority" (Ph.D. diss., University of California, Los Angeles, 1976).

The single most important reason for the eventual enactment of the federal income tax was a growing conviction among people from all walks of life that the existing tax system failed to reach the great fortunes that had been amassed as a result of industrialization. Although estimates varied according to the method of calculation, it was generally agreed that the top 4 percent of income receivers took in about one-third of national income, while the highest 1 percent received nearly 15 percent.⁴ Only about 19 percent of the country's lawyers earned sufficient incomes to be required to pay any tax at all in 1913, as did but 11 percent of engineers, 21 percent of bankers, 18 percent of mine owners, 10 percent of manufacturers, and about 5 percent of real estate operators and merchants.⁵ This concentration was due mostly to income received from the intangible wealth created by the expansion of industry since the Civil War. While the most affluent 5 percent received only 17 percent of total wages and salaries paid, they took in 79 percent of all the income from dividends, 53 percent of that from interest, and one-third of that from rent. The 97 percent who failed to earn at least \$3,000 a year made less than 1 percent of the income from those sources.⁶

It was this income, derived primarily from ownership of the nation's financial and manufacturing assets, that the state and federal tax structures largely missed. Between the repeal of the Civil War income taxes and 1913, according to two modern-day fiscal historians, "the Federal tax system was to be heavily regressive resting solely on consumption" through customs duties and excise taxes.⁷ Not until the enactment of the dubious corporate excise tax in 1909, was there any federal tax that did not fall directly upon what economist E. R. A. Seligman referred to as "things men eat and wear."⁸ By

⁴U.S. Bureau of the Census, *Historical Statistics of the United States from Colonial Times to 1957* (1960), p. 194; 64th Cong., 2nd sess., 1916, H. Doc. 5, *Statistics of Income*, pp. 12-21; Willford I. King et al., *Income in the United States: Its Amount and Distribution, 1909-1919* (New York: National Bureau of Economic Research, 1922), pp. 307-81; U.S. Internal Revenue Service, *Statistics of Income: Individual Income Tax Returns, 1913, 1916*; Robert C. Gallman, "Trends in the Size Distribution of Wealth in the United States in the Nineteenth Century," in *Six Papers on the Size Distribution of Wealth and Income*, ed. Lee Soltow (New York: Columbia University Press, 1969), pp. 11-15.

⁵H. Doc. 5, 1916, *Statistics of Income*, p. 7.

⁶*Historical Statistics* (1960), pp. 150-57, 589, 626, 674; Gallman, "Trends in Size Distribution," pp. 6-7.

⁷Paul Studenski and Herman Krooss, *Financial History of the United States* (New York: McGraw-Hill, 1963), p. 165.

⁸E. R. A. Seligman, *The Income Tax* (New York: Macmillan, 1911), p. 498.

1912, belief in the inequity of the federal tax structure was so widely held that the Democratic platform identified it, and the tariff in particular, as "the principal cause of the unequal distribution of wealth, it is a system of taxation which makes the rich richer and the poor poorer." The following year the Democratically controlled House Ways and Means Committee charged that federal revenue rested "solely on consumption. The amount each citizen contributes is governed, not by his ability to pay taxes but by his consumption of the articles taxed."⁹

This situation was exacerbated by the approximately one-third increase in the cost of living between 1897 and 1913. The rise was so universally felt that the Senate Select Committee on Wages and Prices of Commodities acknowledged that "retail prices in the United States in the spring of 1910 were for many articles at the highest point recorded for many years." By 1913 the House Ways and Means Committee insisted that "probably the most striking economic change since 1897 has been the tremendous increase in the cost of living—a situation which has attracted the anxious attention of the economists the world over."¹⁰ "Rightly or wrongly," Paul Studenski and Herman Krooss have concluded, "the urban population blamed the tariff for the current rise in prices." By 1908 both major parties were pledging lower rates, although the Republicans equivocated by promising "significant revision."¹¹

There were, of course, substantial areas of disagreement among the various critics of the existing tariff system, but they generally agreed that an income tax was needed to remedy the inequities of the tariff. There was widespread support for the argument that the tax would be the ideal method for covering any possible revenue loss from reducing tariff duties and for shifting the burden of federal taxation from consumers, laborers, farmers, and small businessmen onto financiers and capitalists. Tax expert Delos Kinsman attributed rising interest in income taxation to the notion "that

⁹Kirk Porter and Donald Johnson, *National Party Platforms* (Urbana: University of Illinois, 1961), pp. 168-75; 63rd Cong., 1st sess., H. Reports, vol. 2, *Tariff Duties and Revenues*, 1913, pp. xxxvi-xxxix; U.S. Congress, House Committee on Ways and Means, *To Provide Revenue, Equalize Duties and Protect the Industries of the United States*, 61st Cong., 2nd sess., 1909, H. Report 231.

¹⁰Ethel D. Hoover, *Retail Prices after 1850* (New York: National Bureau of Economic Research, 1933), p. 133; *Historical Statistics*, pp. 97-238; George F. Warren and Frank A. Pearson, *Prices* (New York: Wiley, 1933), pp. 13-15, 158, 350-57; 61st Cong., 2nd sess., 1910, Senate Select Committee Report, *Wages and Prices of Commodities*, pp. 37-50.

¹¹Studenski and Krooss, *Financial History*, pp. 270-71; Porter and Johnson, *National Party Platforms*, pp. 146-47, 158.

individuals should contribute to the support of the government according to ability and that income is the most just measure of that ability," adding that the "demand for justice appears to be the dominant force." After surveying public opinion on the income tax, Elmer Ellis concluded that a more just tax system was "the most common argument of those in favor of the tax." The 1906 American Federation of Labor Convention called for "a greater share of the burden of taxation upon those better able to bear it" in endorsing the income tax, while the 1908 Democratic platform favored the levy "to the end that wealth may bear its proportionate share of the burdens of the federal government." The Ways and Means Committee gave the justice-in-taxation argument top ranking in its pro-income tax report, while Yearley has pointed to the ability-to-pay concept as the central creed that animated the "revolution in taxation."¹²

Pro-income tax sentiment was also aided immensely by the spirit of sectionalism rampant in the South and West. By the Progressive years, both regions had come to describe themselves as colonies of the Northeast. Sixty-two percent of southern workers and an even higher percentage of western ones were in the extractive industries, and both regions ranked extremely low in value added by manufacturing. With about one-fifth of the land and population, the South had but 10 percent of the nation's income. In the Midwest, according to Carl Chrislock, one of the most powerful forces at work in the era "was a sense of regional injury, shared to some degree by all classes and clearly articulated during the Payne-Aldrich tariff debate."¹³ The overwhelming support in the South and West for the federal income tax was demonstrated by the sponsorship of bills and by roll call votes. Although most southern and western spokesmen generally denied that they advocated the

¹²Delos R. Kinsman, *The Income Tax in the Commonwealths of the United States* (New York: Macmillan, 1903), pp. 111-16, 306; Elmer Ellis, "Public Opinion and the Income Tax," *Mississippi Valley Historical Review* 27 (1940): 237; Randolph Paul, *Studies in Federal Taxation* (Cambridge, Mass.: Harvard University Press, 1940), pp. 31-35, 93-97, 102; Porter and Johnson, *National Party Platforms*, p. 147; H. Reports, vol. 2, *Tariff Duties and Revenue*, 1913, pp. xxxvi-xxxvii; Yearley, *Money Machines*, p. xvi.

¹³Maurice Leven et al., *America's Capacity to Consume* (Washington: Brookings Institution, 1934), pp. 38-49; Maurice Leven and Willford I. King, *Income in the Various States* (New York: National Bureau of Economic Research, 1925), pp. 57-74; Richard A. Easterlin, "Interregional Differences in Per Capita Income, Population and Total Income," in National Bureau of Economic Research, *Trends in the American Economy in the Nineteenth Century* (Princeton: Princeton University Press, 1960), pp. 92-95; Gerald B. Nash, *The American West in the Twentieth Century* (Englewood Cliffs, N.J.: Prentice-Hall, 1973), pp. 6, 11, 34; Carl Chrislock, *The Progressive Era in Minnesota* (Minneapolis: University of Minnesota Press, 1971), pp. 26-28.

income tax out of "any sectional spirit or with any spirit of resentment," they often asserted that "wealth has become sectional." Leading western papers, such as the *Kansas City Times*, argued that the South and West paid an excessive share of national tax and got a deficient share of the benefits, while the Kansas Populist Senator William Peffer boasted that "we are going to make you men of the East bear your burden of taxation." By 1910 a Kansas Republican congressman could still argue that the South and West stood as one in favor of the tax.¹⁴

The major opposition to a federal income tax came from spokesmen for the nation's industrial, commercial, and financial leaders. "When they faced a graduated income tax in 1913," Robert Wiebe has concluded, "businessmen everywhere judged it the most destructive legislation in the nation's history." Its enactment was opposed by the *Commercial and Financial Chronicle*, the *Wall Street Journal*, the *Proceedings of the Iron and Steel Institute*, *Financial Age*, the *Proceedings of the N.A.M.*, and a myriad of business groups and individual businessmen. These journals insisted that the tax would promote government spying, put a premium on dishonesty, and promote spurious notions of equality; and they charged that "it arrays ninety-seven per cent of the people against three per cent of the people." One prominent New York City banker, Herbert L. Griggs, wrote to Representative Cordell Hull that he personally favored the tax, but that every single one of his colleagues opposed it. It is not hard to see why businessmen reacted so negatively to the federal income tax. When it finally went into operation, people engaged in some aspect of business filed nearly 80 percent of the returns. Only 3.3 percent of those touched by the long arm of the Internal Revenue Service were in agriculture, but 0.5 percent were laborers, and only 17 percent were in the professions, mostly physicians and lawyers. Most of that 80 percent were bankers, brokers, capitalists, manufacturers, merchants, or corporate officials. Businessmen, as a group, accounted for about 85 percent of the income reported and almost 90 percent of the tax paid.¹⁵

The contest over ratification was complicated by the tergiversa-

¹⁴Samuel P. Hays, *Response to Industrialism, 1885-1914* (Chicago: University of Chicago Press, 1957), pp. 116-36; Ellis, "Public Opinion," pp. 237-38; Yearley, *Money Machines*, p. 234; Roy and Gladys Blakey, *The Federal Income Tax* (New York: Longmans Green, 1940), p. 7; Kossuth Kent Kennan, *Income Taxation: Methods and Result in Various Countries* (Milwaukee: Burdick and Allen, 1910), pp. 266-67.

¹⁵Robert H. Wiebe, *Businessmen and Reform* (Cambridge, Mass.: Harvard University Press, 1963); Griggs to Hull, February 21, 1913, *Cordell Hull Papers*, Library of Congress; H. Doc. 5, 1916, *Statistics of Income*, p. 31.

tions that attended the amendment's proposal by Congress in 1909, and by three constitutional issues that were raised during its consideration. The growing sentiment in favor of a federal income tax motivated the Democrats to insert a plank favoring a constitutional amendment in their 1908 platform in order that wealth might "bear its proportional share of the burdens of the Federal government," although they promised to resort to income taxation only "when the protective system of customs and internal revenue shall not furnish income enough for government needs." Despite the fact that Theodore Roosevelt had made a startling endorsement of a federal income tax in 1906, the Republican platform was silent on the issue. The party's presidential candidate, William Howard Taft, however, referring to the *Pollock* decision, which had invalidated the 1894 federal income tax, stated "it is not free from doubt how the Supreme Court, with changed membership, would view a new income tax law." Nelson W. Aldrich, the GOP Senate majority leader and Finance Committee chairman, on the other hand, pledged that there would be "no income tax, no inheritance tax, no stamp tax, no corporation tax."¹⁶ When a coalition of Republican Insurgents and Democrats mustered a sufficient number of votes to enact a statutory income tax, Aldrich and other Standpat senators asked President Taft for a way to prevent its enactment. Taft proposed the substitution of a 2 percent corporate excise tax and a constitutional amendment. The stratagem forced most of the Insurgents and Democrats to settle for the amendment, although their speeches reflected frustration at not getting an immediate income tax and contained predictions about the measure's chances of ratification that ranged from guarded optimism to skepticism to despair. Aldrich candidly admitted that he only accepted the compromise "as a means to defeat the income tax," while his sympathetic biographer acknowledged that Aldrich's "chief concern was to drive a wedge between the Democrats and Republican Radicals."¹⁷ Aldrich's home state of Rhode Island, whose malapportioned legislature remained

¹⁶Porter and Johnson, *National Party Platforms*, pp. 146-47, 158; H. Reports, vol. 2, *Tariff Duties and Revenue*, 1913, pp. xxx-xxxvii; Paul, "Studies in Taxation," pp. 90-95; *New York Times*, April 13, 1909.

¹⁷Kenneth Hechler, *Insurgency* (New York: Columbia University Press, 1940), pp. 140-58; James L. Holt, *Congressional Insurgents and the Party System, 1909-1916* (Cambridge, Mass.: Harvard University Press, 1967); Sidney Ratner, *A Political and Social History of Federal Taxation* (New York: Norton, 1942), pp. 265-315; Archie Butt, *Taft and Roosevelt* (Garden City, N.Y.: Doubleday, 1930), pp. 1-31; William Howard Taft to Horace Taft, June 27, 1909, and William Howard Taft to Theresa McCagg, July 29, 1909, in *Taft Papers*, Library of Congress; Robert M. La Follette, "How Aldrich Killed the Income Tax," *La Follette's Magazine* 1 (1909): 1-5; Nathaniel

firmly in the control of his ally General Charles R. Brayton, was among those that refused ratification. The state's leading newspaper charged that Aldrich had proposed the amendment "only as a means of staving off the immediate enactment of an income tax law."¹⁸ Four of the other five rejecting states—the Utah of Reed Smoot, the Pennsylvania of Boise Penrose, the Connecticut of J. Henry Roraback, the Virginia of Thomas Martin and his ally Richard E. Byrd—were similarly controlled by the political organizations whose Washington representatives had engineered the proposal of the amendment.

One of the three constitutional questions that disrupted the debate over ratification dealt with the substance of the measure itself, while the other two involved the amendment process. The substantive issue was raised by progressive Republican governor Charles Evans Hughes of New York in his 1910 message of submission to the legislature. Although insisting that he was in favor of conferring the power to levy an income tax upon the federal government, Hughes nevertheless objected to the phrase "from whatever source derived," as a grant of power to tax the income from state and municipal bonds. "To place the borrowing capacities of the state and its government agencies at the mercy of the Federal taxing power," he warned, "would be an impairment of the essential right of State, which, as its officers, we are bound to defend."¹⁹

The threat to the amendment's future by a constitutional authority of Hughes's stature galvanized many of its supporters to reject the New Yorker's interpretation. The major challenges to Hughes came from Republican Senators Elihu Root, William Borah, and Norris Brown, from Democratic Representative Cordell Hull, and from economist E. R. A. Seligman. All of these insisted that the sole purpose of the amendment was to remove the necessity of apportioning the tax among the states on the basis of population. They contended that it did not in any way enhance the power of Congress to tax the revenue from state and municipal bonds, since Congress had had such power for over a century and had not exercised it. Seligman, Brown, and Hull further argued that, since the income from all securities would be taxed equally, it would not be unconstitutional to tax that from state and municipal bonds.²⁰

Stephenson, *Nelson Aldrich: A Leader in American Politics* (New York: Scribners, 1930), p. 355.

¹⁸*Providence Evening Bulletin*, April 29, 1910.

¹⁹*New York Times*, January 6, 1910.

²⁰Elihu Root, *The Proposed Income Tax Amendment*, 61st Cong., 2nd sess., 1910, S.

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Despite these challenges, Hughes's objection received much currency in several states. The governor of Connecticut based his opposition to the measure upon it, and the legislative Committee on Federal Relations in Massachusetts cited it as the reason for its unfavorable report. Lawmakers in Louisiana, South Carolina, and Utah cited it in their speeches. Governors who favored ratification, such as Democrat Judson Harmon of Ohio and Republican John Franklin Fort of New Jersey, found it necessary to dispute the view in messages urging ratification. Fort was particularly critical of Hughes's reasoning, opining that "if our patriotism is so low that the possibility of one per cent tax will affect the value and sale of bonds, then we are in a sorry state."²¹ In 1916, while Hughes was an associate justice of the U.S. Supreme Court, he assented to the unanimous decision in the case of *Brushaber v. Union Pacific*, which upheld the constitutionality of the 1913 income tax law. The decision stated that the Sixteenth Amendment "does not purport to confer power to levy taxes in a generic sense — *an authority already possessed and never questioned* [emphasis mine] — or to limit and distinguish between one kind of income tax and another, but that the whole purpose of the amendment was to relieve all income taxes, when imposed, from apportionment."²² In effect, his biographer notes, this decision was a refutation of Hughes's 1910 position.

The second constitutional controversy involved the question of whether a legislature could rescind ratification. The Kentucky legislature ratified the amendment by an overwhelming margin in both houses early in 1910. Republican Governor Augustus O. Willson, however, sent a strongly worded message to the legislature insisting that the ratification resolution had been improperly worded. He further denounced the measure as an inordinate grant of power to the federal government and called for the substitution of a state income tax. At Willson's urging, the legislature reconsidered ratification, with the lower house reaffirming its earlier position by an even bigger margin. The senate, however, complete-

Doc. No. 398, p. 4; 61st Cong., 2nd sess., 1910, *Congressional Record*, pp. 1698-99, 2254-57; Seligman, *Income Tax*, pp. 595-610; *Providence Evening Bulletin*, January 28, 1910.

²¹ Earl Ketcham, *The Sixteenth Amendment* (Urbana, Ill.: University of Illinois Press, 1926), p. 10; *Hartford Courant*, February 17, 1910; *Boston Daily Globe*, March 10, 1910; *Charleston News and Courier*, January 18, 1910; Louisiana, *Senate Journal*, 1910, pp. 147-49; *Congressional Record* 1910, pp. 1957-58.

²² *Brushaber v. Union Pacific Railroad*, 240 U.S. 1 (1924); *New York Times*, January 25, 1916; Merlo J. Pusey, *Charles Evans Hughes* (New York: Macmillan Co., 1951), p. 254.

ly reversed itself, rejecting 18 to 17 a measure that it had approved by a 22-9 margin less than two months earlier. Whatever the reason for this dramatic volte-face, the U.S. secretary of state ruled that both houses had legally ratified the measure, and that a state could not rescind its ratification.²³

The third constitutional problem surfaced in Arkansas and involved the role played by state executives in the amendment process. Governor George Donaghey, a wealthy railroad contractor and conservative Democrat, used his influence to prevent ratification, basing his objections largely on states' rights appeals. His arguments were so telling that the measure received only three positive votes in the senate and led to forty-four abstentions in the assembly, although the measure received a bare majority there. To counteract Donaghey's influence, William Jennings Bryan, Champ Clark, and several other prominent Democrats intervened directly on behalf of the amendment, stressing that it would not destroy state sovereignty and that the inhabitants of the Northeast would pay most of the tax. Under this prestigious barrage, the state's Democratic legislators ratified the amendment by top-heavy margins in both houses. Undaunted, Donaghey vetoed the ratification resolution. Arkansas Democratic Representative Joseph Robinson introduced a resolution in the House that would have overruled the governor's veto, but the Republican leadership buried it in committee. The secretary of state ruled that governors had no role to play in the amendment process, certifying Arkansas's concurrence.²⁴

Whether Governors Hughes, Willson, and Donaghey were sincere in raising these constitutional issues is difficult to determine. Many supporters of the amendment charged that these were merely diversionary arguments to obscure the real issues. It is certain that many who opposed the federal income tax on its merits seized upon these arguments as a means of disguising what would have been an unpopular position. In New York and elsewhere, Hughes's objection concerning state and municipal bonds was largely utilized by people who opposed the measure on economic grounds also. The *New York Times*, *New York Tribune*, and the

²³Kentucky, *House Journal*, 1910, pp. 228, 568; *Senate Journal*, 1910, pp. 315, 1704; *Louisville Courier-Journal*, January 27, 28, February 24, 25, March 16, 1910; *Data on the Ratification of the Constitution and Amendment by States*, 71st Cong., 3rd sess., 1930, S. Doc. 240, pp. 10-11.

²⁴*Arkansas Gazette* (Little Rock), April 12-25, 1911; *Arkansas, House Journal*, 1911, pp. 346-94; *Senate Journal*, 1911, pp. 217-44; *Congressional Record*, 62nd Cong., 1st sess., 1911, vol. 45, p. 1726.

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Albany Evening Journal, all longtime opponents of a federal income tax, applauded Hughes's action. The *New York World*, advocate of the tax, charged that "Governor Hughes has furnished the opponents of the income tax amendment the one thing they have been seeking—a plausible argument from a highly respected source." Kentucky Democratic Senator Ollie James insisted that "the owners of the mighty fortunes of the country may endorse the course of Governor Willson in this matter, but the plain citizens of Kentucky will resent it." Similar charges were levied against Donaghey and his attempt to veto the Arkansas resolution. Whatever the merits of those charges or of the constitutional issues themselves, the controversies were all finally resolved to the benefit of the amendment's advocates.²⁵

The contest over ratification consumed just short of four years. Prior to the elections of 1910 only nine states, mostly in the southern and border regions, ratified the measure. Even that early, however, Illinois and Maryland confounded predictions by ratifying, while New York, supposed keystone of northeastern opposition, defeated the amendment. The reformist surge engendered by the elections of 1910 led to twenty-one ratifications in 1911. These were mostly southern and western states, but they were joined by Maine, Indiana, Michigan, Ohio, and Wisconsin. Most surprisingly of all, New York, where the Democrats had ridden to power on a reformist platform, also ratified the measure. The following year only four additional states—Arizona, Minnesota, South Dakota, and Louisiana—followed suit. The 1912 elections gave the amendment its final impetus by defeating or disrupting Standpat Republican control of Delaware, Massachusetts, New Hampshire, New Jersey, Vermont, West Virginia, and Wyoming. These seven, along with New Mexico, which had just entered the union, gave the measure six more ratifications than were necessary.²⁶

Given the origins of the amendment and the geographical distribution of wealth, predictions of the amendment's fate were in substantial agreement that it would experience the greatest difficulties in the Northeast. Noting the "deservedly popular" reputation of the tax, the *Birmingham Age-Herald* doubted that a majority of the people of twelve states could be found to oppose it, but warned that those with large incomes and a stake in the protective tariff domi-

²⁵*New York Times*, January 25, 1916; *New York World*, January 6, March 8, 1910; *New York Tribune*, February 3, 1910; *Albany Evening Journal*, February 18, 1910; *Louisville Courier-Journal*, February 25, 1910; *Arkansas Gazette*, April 25, 1911.

²⁶*Data on Ratification of the Constitution*, pp. 10-11.

nated the politics of the New England and Middle Atlantic states.²⁷

The liberal magazine *World's Work* was equally pessimistic, counting New York, Pennsylvania, West Virginia, New Jersey, and the New England states as sure stumbling blocks. *Current Literature* found the majority of influential eastern newspapers opposed to the amendment. The *New York Times* heaved an editorial sigh of relief that twelve eastern legislatures could foil the plot of the Populists to despoil them. The noted tax expert K. K. Kennan of Wisconsin expressed fear that considerations outside of the desirability of the tax itself, such as states' rights and eastern hostility to federal expenditures in the West, would carry the day.²⁸ Professor James Woodburn of Cornell, writing in the *Independent*, charged the amendment would face "violent opposition in the eastern states, not by the masses of the people in these states—but by a few rich individuals and corporate interests" manipulating malapportioned legislatures. Flatly predicting defeat, Woodburn admonished supporters to elect congressmen who would support a statutory income tax.²⁹

As predicted, the amendment experienced significantly different results in the three major sections of the United States. West of the Mississippi it fared as well as or better than its advocates had hoped, with only Utah dissenting. In the South, it experienced much more difficulty than anticipated, failing to gain ratification in Florida and Virginia, and encountering sizable opposition in Georgia and South Carolina. By contrast, it achieved considerably more success in the Northeast than anyone predicted, ultimately failing in only Pennsylvania, Rhode Island, and Connecticut.

The trans-Mississippi West was hardly a section in any geographic sense, and the economic interests of its inhabitants were far from identical. Yet most westerners, whatever their location or occupation, shared a similar economic condition and professed a common regional outlook that united them in support of a federal income tax. With about 20 percent of the nation's people and income, the West had by far the most even distribution of income in the nation. The great bulk of that income was received by people who would not be reached by a federal income tax. The West contained only 12 people with incomes in excess of \$1 million and

²⁷*Birmingham Age-Herald*, July 6, 1909.

²⁸"The Small Chance for the Income Tax," *World's Work* 2 (1910): 2; *Current Literature* 47 (1909): 131; *New York Times*, July 8, 1909; Kennan, *Income Taxation*, p. 306.

²⁹James Woodburn, "Amending the Constitution," *The Independent* 47 (1909): 1437-1501.

only 666 people over \$100,000. Only two western states exceeded the national average for inhabitants with incomes over \$10,000, and only two Pacific Coast states exceeded the norm for those over \$5,000. The West received only about 20 percent of the income from dividends and interest, a figure that New York, by itself, exceeded.³⁰

This regional disparity in the nation's income contributed to a growing feeling among westerners that their section was an economic colony of the Northeast. The region had been largely developed by eastern capital and technology. The West added but 15 percent to the value of the nation's products, and only a handful of the region's states exceeded 1 percent. Efforts to develop its own manufacturing centers faced severe handicaps because of the lack of skill and capital, relatively small local markets, and tremendous transportation costs. "The West," according to one of its most knowledgeable interpreters, "became prey to the more highly industrial East, which had the capital, the markets, and the skills to utilize many of the region's natural riches. Thus, there was much justice in the complaint of many westerners that they were in effect a colony of Wall Street, a dependency of the industrial Northeast, which extracted most of the wealth to be had in the West but offered little in return."³¹

Everywhere during the Populist-Progressive years, westerners railed against "the company," whether it was a railroad, a mining company, or the Stock Growers Association. Western spokesmen agreed that eastern industrialists and financiers were the chief cause of the region's unhappy state, and that they should be the major targets of remedial efforts. It is significant that while westerners had sought a federal income tax since the Civil War, almost no western state had enacted its own income tax. The target was clearly eastern wealth. What they were after, as Colorado agriculture professor and political reformer Edwin F. Ladd put it, was "the two per cent of the people with their sixty-five per cent of the wealth of the country."³² Prior to the Populist revolt, most western states were controlled by tightly knit political organizations run by the dominant economic interests. Most often they were Republican

³⁰King, et al., *Income in the United States*, pp. 56-61, 287-94; Leven and King, *Income in the Various States*, pp. 290-94; H. Report 5, 1916, *Statistics of Income*, pp. 26-7, 223, 276, 295.

³¹Nash, *American West*, pp. 3-42; Hays, *Response to Industrialism*, pp. 116-38; U.S. Bureau of the Census, *Abstract of the Thirteenth Census*, pp. 445-60.

³²Chrislock, *Progressive Era in Minnesota*, pp. 33-36; Kinsman, *Income Tax in the States*, p. 99; Nash, *American West*, pp. 44-45.

and run by the state's senior U.S. senator or his closest allies. The relative success of the Populists, however, made western politicians leery of being connected too closely with the forces of eastern finance, and aware that the key to political success lay in projecting the image of being against "the company."³³

John Johnson, the progressive Democratic governor of Minnesota, probably best expressed the political mood of the West in a 1906 speech to a group of midwestern businessmen:

New York, with its vice, and New England with its virtue to balance the ledger, today control the economic policy of the nation. The time has come to transfer the seat of the empire across the Adirondacks, to Illinois, to Indiana, Michigan, Ohio, Kentucky, Iowa, Minnesota, Wisconsin, Kansas, Nebraska, Missouri, and the Dakotas. The best brain and surest brawn of the nation is found here and it should be organized into one mighty moral material and patriotic force to overthrow paternalism and plunder and regenerate politics and the Republic.³⁴

William Borah voiced a similar sentiment on the floor of the U.S. Senate, when he proposed to save the nation from the clutches of the urban industrial colossus by "the supply of brain and brawn and muscle and manhood and citizenship" from "the great rural precincts of the country." It was this rescue of the nation from eastern mammon by the virtuous West that led westerners to support such remedial measures as tariff revision, antitrust legislation, the Federal Reserve, and tax reform.³⁵

Western sympathy for a federal income tax was fortified considerably because it was the one region in the nation that openly sought federal aid for its development. The only feasible way to develop its resources without becoming more beholden to eastern finance was to tap the federal treasury. Washington was the "only source capable of meeting its financial needs for the full utilization of its efforts." Western spokesmen frequently asserted that the most pressing need was for federal expenditures to finance "internal improvements under expert direction," while working also for increased spending on education and conservation. Most western states have received considerably more federal money than they have paid in the form of taxes since 1913, the reverse of the situation in the eastern states. Indeed, eastern opponents of the amend-

³³Earl Pomeroy, *The Western Slope* (New York: Knopf, 1966), pp. 191-215; Russell B. Nye, *Midwestern Progressive Politics* (East Lansing: Michigan State University Press, 1959), pp. 11-23.

³⁴Quoted in Chrislock, *Progressive Era in Minnesota*, p. 36.

³⁵Quoted in Holt, *Congressional Insurgents*, pp. 9-10.

ment frequently charged that the revenue would be spent in the West.³⁶

The West's relatively even distribution of income, coupled with a widespread reaction against colonialism and special interests, along with anticipation of burgeoning federal expenditures, led to overwhelming support for the ratification of the Sixteenth Amendment. What opposition there was in the state legislatures was scattered, formed no discernible geographic, economic, or partisan pattern, and generally has to be charged to the personal views of lawmakers. If any organized opposition to ratification existed west of the Mississippi, it almost never surfaced, and it enjoyed real political effectiveness only in Utah, and to a much lesser extent, in Kansas and Wyoming.

So all-pervasive was support for the Sixteenth Amendment in the West that six states—Nebraska, South Dakota, Idaho, Montana, Nevada, and Arizona—ratified it by unanimous votes in both houses of the legislature. In terms of income, these states were among the least concentrated of any in the nation, having a total of only thirty-five residents with income in excess of \$100,000. The six states had originally been dominated economically and politically by outside business interests, but had mounted a successful revolt against that domination, which left their constituents highly sensitized to questions of economic privilege.³⁷

The other states of the Rocky Mountains and Great Plains were only slightly less unanimous in their support. New Mexico's first legislature, dominated by a Democrat-Progressive coalition, ratified the measure with but one dissenting vote in the upper house.³⁸ The Iowa lower house ratified unanimously, while only three negative votes were cast in the senate.³⁹ Only one dissenting vote was cast in each house of both the North Dakota and the Oklahoma

³⁶Nash, *American West*, pp. 22-23, 41-44; Hays, *Response to Industrialism*, p. 129; Holt, *Congressional Insurgents*, pp. 10-11; Frank Jonas, ed., *Politics in the American West* (Salt Lake City: University of Utah, 1969), pp. 6-10, 42, 69, 229, 233, 259, 285.

³⁷H. Report 5, 1916, *Statistics of Income*, pp. 49, 59, 73, 74, 75, 88; Nye, *Midwestern Politics*, pp. 217-19; Jonas, *Politics in the American West*, pp. 43-70, 181-95, 203-29, 233; Pomeroy, *Western Slope*, p. 206; *Idaho Statesman* (Boise), January 20, 1911; Nebraska General Assembly, *House Journal*, 1911, p. 170; *Senate Journal*, 1911, p. 227; South Dakota, General Assembly, *House Journal*, 1911, pp. 347-48; *Senate Journal*, 1911, p. 196; Nevada, General Assembly, *Assembly Journal*, 1911, p. 33; *Senate Journal*, 1911, p. 39; Montana, Legislature, *House Journal*, 1911, p. 285; *Senate Journal*, 1911, p. 74; Arizona, General Assembly, *House Journal*, 1912, p. 134; *Senate Journal*, 1912, p. 127.

³⁸New Mexico, *House Journal*, 1913, p. 64; *Senate Journal*, 1913, p. 59.

³⁹Iowa, *House Journal*, 1911, p. 690; *Senate Journal*, 1911, pp. 566-67.

legislatures.⁴⁰ But five Republican senators from the Twin Cities area refused to give their assent in Minnesota, as did only eight members of the assembly in Missouri.⁴¹ In Colorado there was unanimous support in the lower house and but three dissenters in the upper house.⁴² Thirteen out of thirty-nine senators in California abstained, but the vote in the assembly was unanimous.⁴³ Oregon's two houses approved by votes of 45-8 and 25-2, while Washington supported ratification by counts of 80-1 and 32-5.⁴⁴ In Oregon, the state's capital city newspaper noted that the debate over ratification "consumed less than one tenth of the time used in selecting an assistant sergeant-at-arms."⁴⁵ The only objection raised to a federal income tax in Colorado was that it would take money out of the state "where it belongs," while an Oregon opponent of ratification pleaded for tax exemptions for the rich because they "pour out money like water in time of war." The mood of the measure's supporters was expressed by a Portland Republican who answered that he did not "believe in exempting the rich because they had the ability to make money and the dishonesty to avoid taxation," and by a rural Democrat who insisted that ratification would "take away from Payne and Aldrich their chief argument for passing such an iniquitous tariff."⁴⁶ In nearly every case, ratification came at the height of the reformist surge and while the state government was dominated by office holders who had campaigned against special interests and "foreign" influence.

Aside from Utah, the only hint of organized opposition came in Kansas and Wyoming. In Kansas the amendment became enmeshed in the factional struggle between the regular Republicans and reform Governor Walter Stubbs. The amendment was part of Stubbs's program of regulatory and welfare legislation, which the regular Republicans opposed. The major lobbying effort against ratification was led by the chief attorney for the Missouri Pacific Railroad. In the senate a coalition of Stubbs's Republicans and

⁴⁰North Dakota, *House Journal*, 1916, p. 177; *Senate Journal*, 1911, p. 685; Oklahoma, *House Journal*, 1911, p. 466; *Senate Journal*, 1911, p. 465.

⁴¹Minnesota, *House Journal*, 1912, p. 24; *Senate Journal*, 1912, p. 53; Missouri, *House Journal*, 1911, p. 1117; *Senate Journal*, 1911, p. 606.

⁴²Colorado, *House Journal*, 1911, p. 483; *Senate Journal*, 1911, p. 331.

⁴³California, *Assembly Journal*, 1911, p. 313; *Senate Journal*, 1911, p. 323.

⁴⁴Oregon, *House Journal*, 1911, pp. 126-27; *Senate Journal*, 1911, p. 53; Washington, *House Journal*, 1911, p. 160; *Senate Journal*, 1911, p. 229.

⁴⁵*Portland Oregonian*, January 18, 1911.

⁴⁶*Daily Oregon Statesman* (Salem), January 19, 24, 1911; *Denver Post*, February 8, 1911.

Democrats finally overcame the regular Republicans by a 25-14 vote. As the *Topeka Daily Capital* concluded, "most of the progressive Republicans voted for it, as did two or three of the anti-administration crowd and the five Democratic senators. The bulk of the standpatters and one or two of the progressives voted against it."⁴⁷ In Wyoming the opposition was also generated by the regular Republicans, led by U.S. Senators Francis Warren and Clarence Clark. Despite demonstration of the amendment's popularity in the state, the Republicans were able to postpone its consideration until the 1913 session. At that point an Insurgent-Democratic coalition managed to secure ratification. So great was the pressure for Wyoming to become the decisive thirty-sixth state to ratify that only three regular Republicans in the upper house and seven in the lower persisted in their opposition.⁴⁸

In Utah the opposition was organized around the "Federal Bunch" of Republican Senator Reed Smoot and the Mormon Church. The church had extensive holdings and a strong aversion to granting power to a federal government that had sent troops into the state in the 1890s to eliminate polygamy. Smoot, one of the church's "twelve apostles," was a long-time defender of its interests and those of the state's other businesses. The major challenge to Smoot and the church was the Gentile-dominated American party, led by former U.S. Senator Thomas Kearns, publisher of the *Salt Lake Tribune*. The *Tribune* endorsed ratification as did the Republican state convention. Despite that, Governor William Spry, the "Federal Bunch's" leader, urged the legislature to reject the amendment. In the senate, where the American party forces predominated, the amendment passed by a 12-2 vote. In the house, the top-heavy Republican majority buried the measure on a 31-10 split, with only three Republicans joining the body's American party representatives in favor of ratification. The bulk of the the anti-income tax votes came from the Salt Lake City, Ogden, Provo, and Logan delegations, all strongholds of the L.D.S. Church. The *Tribune* charged the amendment's defeat to the Republican party, which had been "faithless to its pledge to the people." Utah was the only western state to reject either the Sixteenth or Seventeenth Amendment, or to vote for Taft in 1912.⁴⁹

⁴⁷Kansas, *House Journal*, 1911, p. 493; *Senate Journal*, 1911, pp. 11, 12, 33, 69, 84, 105, 117, 172, 220, 261, 275, 309, 313, 318, 485, 506; *Emporia Gazette*, January 20, 1911; *Topeka Daily Capitol*, January 1, 11, 12, 20; February 10, 13, 18, 19, 1911.

⁴⁸Wyoming, *House Journal*, 1913, p. 145; *Senate Journal*, 1913, p. 117; *The State Leader* (Cheyenne), February 4, 1913.

⁴⁹J. Leonard Arrington, *Great Basin Kingdom* (Cambridge, Mass.: Harvard University

Proratisation predictions in the South rested strongly upon the section's economic condition. With over 31 percent of the nation's population, the regions had barely 22 percent of its income. While national income stood at \$1,165 per capita in 1910, it was only \$509 in the South. The bottom twelve states in per capita income were all southern, with Alabama ranking last at only \$321. The average income of the gainfully employed was less than 75 percent of the national figure, with wages lagging anywhere from 12 to 40 percent behind U.S. norms. With nearly one-third of the nation's population, the region received only about 11 percent of the income from dividends and interest, and had only about 10 percent of bank deposits.⁵⁰

More pertinently, southern states generally had a relatively low level of concentration in the upper brackets. Only five southerners had incomes in excess of a million dollars; only 214 made over \$100,000. Slightly over 0.3 percent of the South's income receivers took in over \$10,000 and 1.1 percent exceeded \$5,000 a year. This meant that the South had even fewer potential taxpayers, proportionately, than the Mountain and Plains states did, although these took in somewhat more of their states' income. These statistics plainly bore out the judgment of the chairman of the Mississippi House Judiciary Committee that "we are not particularly concerned in this matter, as there are only a small number of people in Mississippi who have incomes worth taxing."⁵¹

Like the West, the South was heavily infused with the spirit of anticolonialism. During the ratification debates, southern legislators regularly used the anticolonial argument in support of the Sixteenth Amendment, with one Alabama lawmaker insisting that New Yorkers would pay a thousand dollars for every one paid by an Alabaman. A University of Arkansas economist prepared a detailed analysis to show that the eastern states would shoulder the

Press, 1958), pp. 405-11; Milton Merrill, *Reed Smoot: Utah Politician* (Logan: University of Utah Press, 1964), pp. 1-30; R. J. Snow, "The American Party in Utah: A Study of the Politics of Party Struggle During the Early Years of Statehood" (Ph.D. diss., University of Utah, 1964); Utah, *House Journal*, 1911, pp. 10, 37-38, 65, 606-7; *Senate Journal*, 1911, p. 256; *Salt Lake Tribune*, January 2, 11, March 11, 12, 17, 1911.

⁵⁰ *Thirteenth Census*, 1910, vol. 8, pp. 57, 542; Leven and King, *Income in the Various States*, pp. 223, 264-67; U.S. Department of Commerce, *Statistical Abstract of the United States*, 1914, pp. 603-4; 1933, p. 259; C. Vann Woodward, *The Origins of the New South* (Baton Rouge: Louisiana State University Press, 1951), pp. 318-19; King, et al., *Income in the United States*, pp. 25-29; Hays, *Response to Industrialism*, pp. 116-29.

⁵¹ Leven and King, *Income in the Various States*, pp. 288-93; H. Report 5, 1916, *Statistics of Income*, pp. 98-113; *Jackson (Mississippi) Daily News*, January 27, 1910.

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tax burden, while a prominent Georgia academic, writing in the *Journal of Political Economy*, noted that most southerners favored ratification "because none of us here have four-thousand dollar incomes, and somebody else will have to pay the tax."⁵²

In addition to its unfavorable economic position and self-conscious colonialism, the South favored ratification for two other reasons—a belief in a tariff for revenue only and a devotion to the Democratic party. Despite the growth of industry, most southerners still remained opposed to a protective tariff, partly because they still had relatively little to protect, and partly because it had become a means of differentiation from the GOP. There were some dissenters who were skeptical of the possibility of Democratic resurgence and meaningful rate reduction. A few others argued that lowering the rates would produce more revenue and obviate the need for an income tax. Still others, such as the representatives of the Louisiana sugar interests and some iron, steel, and textile spokesmen, had a stake in the maintenance of the protective system. With the possibility of Democratic control of Congress becoming more likely, and the Insurgent revolt on the tariff in full swing, though, southern spokesmen urged favorable action on the Sixteenth Amendment to pave the way for tariff reduction.⁵³

Perhaps even more crucial was the income tax's identification as a Democratic measure. The party had led the fight for its retention in the 1870s, enacted it in the 1890s, and consistently endorsed it ever since. Its 1908 platform called for a constitutional amendment, and its 1912 one demanded ratification. The Democracy was the party of the lost cause, of Redemption, and of white supremacy; identification of region and party was almost total. Such prominent Democratic spokesmen as Champ Clark, Joseph Bailey, Ollie James, and Cordell Hull urged ratification upon southern legislators in just those terms. Foes of the income tax in the South laid themselves open to the serious charge of being "Republicans in disguise." Some opponents objected to giving such power to a national government controlled by Republicans, but the 1910 elections signaled a Democratic trend nationally. In a few border states, a viable two-party system prevented income tax advocates from urging

⁵²*Birmingham Age-Herald*, August 1, 1909; *Arkansas Gazette* (Little Rock), April 25, 1911; William Shelton, "The Income Tax in Georgia," *Journal of Political Economy* 18 (1910): 610-27.

⁵³See, for example, the *Arkansas Gazette*, April 13, 1911, and the *Atlanta Constitution*, January 19, 1910; *New Orleans Times-Picayune*, June 28, 1912; Louisiana, *House Journal*, 1910, pp. 205-6; *Senate Journal*, 1910, pp. 147-49, 167-69, 207.

ratification on grounds of party loyalty alone, but in the rest of the South that was a powerful argument.⁵⁴

But as compelling as these considerations were, there were some very important barriers to ratification. Despite the fact that a federal income tax would touch relatively few southerners, those who would be adversely affected were in positions to wield influence far out of proportion to their numbers. The remnants of the planter class were still a major force in the Black Belt counties. Added to them were those indigenous southern families that had profited by the development of southern industry. Despite the significant control of southern industry by northern capitalists, the latter were generally careful to leave the actual operation of their subsidiaries in the hands of "regional overseers," native southerners from respected families who lent an air of legitimacy and tradition to the enterprise involved. They were joined by what Jasper Shannon has termed the "banker-merchant-farmer-lawyer-doctor class" of the county seats, the complex that usually controlled courthouse politics and produced a large portion of state legislators. Together, these affluent southerners sat atop "a pyramidal stratification structure, with a small white elite at the 'apex,' a small urban middle class, and a gigantic base of urban workers, white peasants, and almost all the blacks."⁵⁵

Since Redemption, the South's economic elites had ruled through a group of politicians popularly known as "Bourbons." Their rule was "not a restoration but instead a new order dominated by businessmen, with window-dressing allegiance from various leaders of the old order." They governed by a formula of low taxes, minimal regulation of business, and a dearth of public expenditures for social needs. Although most Bourbons were nominally Democrats, many affected the name "Conservatives" and "abhorred Bryanism, with its promise of business regulation, social reform, and political democracy." Some even flirted with Aldrich-style Republicanism on the national level, but clung to the Democratic label in state poli-

⁵⁴*Charleston News and Courier*, February 17, 1910; *Richmond Times-Dispatch*, February 26, March 2, 1910; *Louisville Courier Journal*, January 27, 28, 1910; *Arkansas Gazette*, April 6, 12, 13, 23, 1911; *Knoxville Daily Journal and Tribune*, April 7, 8, 1911.

⁵⁵William B. Hesseltine and David Smiley, *The South in American History* (Englewood Cliffs, N.J.: Prentice-Hall, 1960), pp. 435-74; C. Vann Woodward, *The Origins of the New South* (Baton Rouge: Louisiana State University Press, 1951), pp. 291-320; Jasper B. Shannon, *Towards A New Politics in the South* (Knoxville: University of Tennessee Press, 1949), pp. 38-53; Leonard Reissman, "Urbanization in the South," in *The South in Continuity and Change*, ed. John C. McKinney and Edgar T. Thompson (Durham, N.C.: Duke University Press, 1965), p. 81.

tics. Despite the challenge of the Populists and more urban-based reform groups during the Progressive era, Bourbons still exercised considerable political power in most southern states.⁵⁶

The difficulties of ratification were exacerbated by two salient characteristics of southern politics. First was the disfranchisement of the South's most economically deprived residents, both black and white. This severe constriction of the right to vote significantly enhanced Bourbon influence, removing from political participation vast numbers of southerners with something to gain and nothing to lose by the ratification of the federal income tax amendment.⁵⁷ The amendment also suffered because southern politics were those of faction rather than party. The requirements of one-party rule prevented the Democrats from playing any of the roles that parties normally play. Southern politics quickly degenerated into a many-sided struggle among interest groups, often producing a dozen or more candidates for office in a statewide primary; even the most discerning voter was usually unable to see much difference between them. The main beneficiaries of factionalism were those segments of society that were well organized, articulate, and affluent. This tendency has been cogently summarized by Allan P. Sindler:

A politics that lacks coherence, i.e. that is insufficiently structured to give voters a meaningful choice or to impose responsibility to the voters both when campaigning and when in office, tends to impede the formation of aggressive popular majorities and to play into the hands of the adherents of the status quo. Consequently the principal beneficiaries of southern one-partyism have been those groups and interests which are cohesive, alert, informed, well-organized, well-financed and capable of effective action, and which have a tangible material stake in governmental policies to impel them to political activity. The adverse effects of the one-party structure on state politics, in short, have been borne most heavily by the disadvantaged elements of the population, by "have not" persons who score low on the characteristics just cited. It is well to remember . . . that economic conservatives have a considerable stake in maintaining politics at a low level of clarity and coherence.⁵⁸

⁵⁶Woodward, *New South*, pp. 369-96; Hesselstine and Smiley, *The South*, pp. 422-93; Francis B. Simkins, *The South Old and New: A History* (New York: Knopf, 1947), pp. 220-445.

⁵⁷See C. Vann Woodward, *The Strange Career of Jim Crow* (New York: Oxford University Press, 1957); Frank B. Williams, "The Poll Tax as a Suffrage Requirement in the South," *Journal of Southern History* 18 (1952): 469-96; Woodward, *New South*, pp. 330-44; Hesselstine and Smiley, *The South*, pp. 431-34; Shannon, *Towards a New Politics*, pp. 16-37.

⁵⁸Allan P. Sindler, "The South in Political Transition," in *The South in Continuity and Change*, ed. McKinney and Thompson, pp. 300-302.

In addition to the disabilities posed by disfranchisement and factionalism, the amendment was also vulnerable to appeals based upon cherished southern beliefs. Most frequently, it faced the objection that an income tax would violate states' rights, by augmenting federal power and by allowing federal tax collectors to ravage the South. An Arkansas senator typically objected to having his business pried into by a "snippy little deputy U.S. marshal." Several southern lawmakers coupled this theme with Hughes's contention concerning state and municipal bonds. The speaker of the Florida house, even though he favored ratification, moved to have the resultant revenues returned to their states of origin. The states' rights argument was raised in almost every southern legislature; it was the most frequently voiced reason for opposing the amendment. Proponents of the measure often charged that such appeals were blinds for special interests, as did the *Birmingham Age-Herald* when it insisted that opponents of ratification, though using the states' rights argument "for all it is worth," were in reality mere "lobbyists." Most, however, acknowledged the sincerity of the concern, seeking to prove that a federal income tax would not seriously impair state sovereignty.⁵⁹

Closely tied to the states' rights issue were appeals to the "Lost Cause." Some legislators were Confederate veterans who objected to the amendment as a plot by the Grand Army of the Republic to gain additional benefits for Union veterans. Most opponents of the amendment, though, simply styled it a northern plot to complete the destruction begun by the Civil War and Reconstruction, linking it with the infamous Thirteenth, Fourteenth, and Fifteenth Amendments. The classic statement was made by Richard Byrd in the Virginia House of Delegates:

A hand from Washington will be stretched out and placed upon every man's business; the eye of the federal inspector will be in every man's counting house. —The law will of necessity have inquisitorial features, it will provide penalties, it will create complicated machinery. Under it men will be hailed into courts distant from their homes. Heavy fines imposed by distant and unfamiliar tribunals will constantly menace the taxpayer. An army of federal inspectors, spies and detectives will descend upon the state. —Who of us who have had knowledge of the doing of the federal officials in the Internal Revenue Service can be blind to what will

⁵⁹*Birmingham Age-Herald*, August 8, 1909; *Arkansas Gazette*, March 8, April 6, 12, 23, 1911; Louisiana, *Senate Journal*, 1910, pp. 167–69; *Jackson Daily News*, January 27, February 8, 1910; *Atlanta Constitution*, July 7, 8, 11, 12, 13, 24, 1910; Florida, *House Journal*, 1911, pp. 15–16.

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follow? I do not hesitate to say that the adoption of this amendment will be such a surrender to imperialism that has not been seen since the Northern states in their blindness forced the fourteenth and fifteenth amendments upon the entire sisterhood of the Commonwealth.⁶⁰

Ratification advocates in Alabama successfully countered these contentions by presenting the amendment as an opportunity to get even for the earlier ones, but the Lost Cause appeal lent itself much more readily to preservation of the status quo.

Finally, many southerners were skeptical of a federal income tax because the region had a tradition of low taxes and minimal public expenditures. Prior to the Civil War, most southern states had almost no public education or social welfare programs. During Reconstruction, there were serious attempts to remedy these deficiencies with sharp increases in expenditures, paid for by taxes on the well-to-do. This juxtaposition identified such measures with rule by blacks, carpetbaggers, and scalawags and, conversely, associated low taxes and expenditures with southern rights, white supremacy, and one-party rule. Since many southerners did not even look to their state governments for such measures, they were more reluctant than westerners to turn to the federal government. A growing number of southerners were petitioning for government aid by 1910, mostly to shore up the region's sagging agricultural base. Even so, the region's Bourbons were more prone to look to private investment than to federal expenditures.⁶¹

Despite these formidable obstacles, pror ratification forces developed a highly effective coalition in most southern states. The most consistent support for ratification came from the representatives of agricultural regions that had been most favorable to populism and income taxation in the 1890s. Their cause was articulated primarily by spokesmen who combined the most virulent form of race-baiting with a populist economic program. The sincerity and effectiveness of these "demagogues" varied greatly, but they kept up a steady barrage of demands for measures to serve the white farmer. They were joined by such agricultural leaders as Charles Barrett, president of the National Farmers Union. Barrett strongly endorsed ratification on the grounds of equity, tariff reduction, and the need to stem the rising cost of living, insisting that the only one who

⁶⁰*Richmond Times-Dispatch*, March 2-10, 1910; *Birmingham Age-Herald*, August 8, 1909.

⁶¹John Hope Franklin, *Reconstruction after the Civil War* (Chicago: University of Chicago Press, 1961), pp. 115-42; Hays, *Response to Industrialism*, pp. 129-39.

would benefit by its rejection would be "the man of great wealth who will, under its provisions, be called upon to meet governmental burdens he has these many years evaded."⁶²

But the amendment also received backing from more urban representatives. All the representatives from Charleston in the South Carolina lower house, and half of those from New Orleans, voted for ratification. Representatives from Memphis, Nashville, Louisville, Houston, and other large cities of the South were nearly unanimous in their support. On the other hand, the smaller cities, such as Greenville, Macon, Savannah, Augusta, Albany, Athens, Columbus, Danville, Norfolk, Alexandria, Staunton, Charlottesville, and Roanoke, were often less enthusiastic. These were generally "company towns," dominated by a few mills, factories, or railroads, which were likely to exert considerable political influence. The larger cities were more diverse, had a substantial middle class, and even a nascent labor movement for lawmakers to cultivate. The income tax amendment cut across urban-rural lines, appealing to the representatives of farmers, workers, and the urban middle class.⁶³

Despite the very real difficulties that the amendment encountered in several southern states, there were almost no legislative districts that did not cast at least some favoring votes in one legislative chamber. By the same token, there was only one southern state where the amendment did not receive at least 80 percent of the votes cast in the lower house. Even reservations on grounds of states' rights, or other southern traditions, were most frequently expressed by abstentions, as in Mississippi where fifty-one legislators abstained, while the measure passed 85-0.⁶⁴ Only the Virginia house failed to cast an overwhelming majority of its ballots in favor of the Sixteenth Amendment, defeating it by a 54-38 vote. Even there, though, the senate reversed the usual pattern, and ratified by a substantial margin.

With the exception of Virginia, and five other states where it encountered no appreciable opposition in either house, the amendment ran into difficulty in the senate. After receiving 80 percent of the votes cast in the Georgia house, it received a bare 56 percent in

⁶²Theodore Saloutos, *Farmer Movements in the South* (Lincoln: University of Nebraska Press, 1964), pp. 152-212; Woodward, *New South*, pp. 355-72; Hesselstine and Smiley, *The South*, pp. 484-89; *Atlanta Constitution*, July 10, 1910.

⁶³*Atlanta Constitution*, July 7, 8, 11, 12, 13, 24, 1910; *Alabama, House Journal*, 1909, p. 156; *Senate Journal*, 1909, p. 220; *South Carolina, House Journal*, 1910, p. 698; *Louisiana, House Journal*, 1910, pp. 205-6; *Tennessee, House Journal*, 1911, pp. 192-93; *Virginia, House Journal*, 1910, p. 854.

⁶⁴*Data on Ratification of the Constitution*, pp. 10-11.

the upper chamber. After getting 94 percent in the South Carolina house, it managed only 66 percent in the senate. In five other states—Kentucky, Arkansas, West Virginia, Louisiana, and Florida—the amendment was rejected by the senate after garnering anywhere from 88 to 96 percent of the house vote. The South's upper chambers were much more insulated from popular pressure; their memberships were smaller, and they did not have to face the electorate every other year. Senators tended to come from a higher socioeconomic class and were much more likely to be potential taxpayers. In most instances, the negative vote of a state senator was in direct contrast to the position taken by his district's representatives in the lower house. Virginia's unique reversal was largely due to the peculiarities of the state's politics.⁶⁵

There were five southern states where no important opposition surfaced even in the senate—Alabama, Texas, North Carolina, Tennessee, and Mississippi. In the main, these were states where both houses and the governor's mansion were firmly in the grip of anti-special-interest forces, which stressed programs for the regulation and taxation of business, as well as increased expenditures for education and other social services. Elsewhere, except for Virginia, the pattern of easy ratification in the lower house and strong opposition in the senate prevailed. In South Carolina, the *Charleston News and Courier*, a proponent of the state's New South philosophy, strongly opposed ratification arguments as a "subtle attempt to awaken class feeling." Its views were echoed by eleven senators from tidewater counties who eventually voted against the measure.⁶⁶ In Georgia the amendment was endorsed by the agrarian faction of Tom Watson and by that of former Governor Hoke Smith, publisher of the *Atlanta Journal*. The *Birmingham Age-Herald*, though, warned that "politics in Georgia is too peculiar to admit of immediate ratification in that state, even if the burden of support would in that way

⁶⁵David Duncan Wallace, *A History of South Carolina* [New York: American Historical Society, 1934] vol. 4, pp. 219-20, 335, 356, 671-73, 682; Emily Bellinger Reynolds and Joan Reynolds Faunt, comp., *Biographical Directory of the Senate of South Carolina, 1776-1964* (Columbia, 1964), pp. 197, 231, 234, 248, 253, 269, 309, 312, 323, 326; South Carolina, *House Journal*, 1910, p. 698, *Senate Journal*, 1910, p. 685; *Arkansas Gazette*, March 8, April 6, 12, 18, 23, 25, 1911; *Arkansas, House Journal*, 1911, p. 346; *Senate Journal*, 1911, p. 394.

⁶⁶Alabama, *House Journal*, 1909, p. 156; *Senate Journal*, 1909, p. 220; Texas, *House Journal*, 1911, p. 617; North Carolina, *House Journal*, 1911, p. 127; *Senate Journal*, 1911, p. 106; Tennessee, *House Journal*, pp. 769-70; *Senate Journal*, 1911, p. 529; Mississippi, *House Journal*, 1910, pp. 214-15; *Senate Journal*, 1910, pp. 215-19, 521-22; South Carolina, *House Journal*, 1910, p. 698; *Senate Journal*, 1910, p. 658; *Charleston News and Courier*, February 17, 1910.

be thrown upon the North and East." The opposition came largely from the senate followers of Governor Joseph M. Brown, leader of the party's third faction and advocate of industrialization. These legislators largely represented the state's medium-size industrial cities and were led by an attorney for the Georgia Pacific Railroad. They conceded the essential justice of the tax, but disparaged the notion that only the rich would pay, argued that the tax would injure the state's railroads and industries, and warned that the amendment would greatly augment federal power. In the end, they were defeated by a combination of Watson and Smith Democrats.⁶⁷

In four other states—Kentucky, Arkansas, Louisiana, and West Virginia—the forces of opposition in the senate were sufficiently strong to defeat the measure on one occasion but were eventually overcome. The situations in Kentucky and Arkansas have already been noted. In Louisiana the amendment was opposed by the Ring, the political organization that combined the interests of New Orleans and of delta planters against the state's upcountry farmers. Its chief organ, the *New Orleans Times-Picayune*, charged that the tax would destroy the tariff, let in foreign competition, and put thousands out of work. Those sentiments were echoed by several sugar planters in the upper house, who added appeals to states' rights. In 1911 they buried the measure in a senate committee, with the support of a handful of New Orleans and Baton Rouge lawmakers. The fall elections swept the Ring's forces out of control for the first time in almost twenty years, amid revelations of corruption and corporate influence. The amendment was quickly ratified by both houses, with only a handful of representatives from New Orleans and the delta in opposition.⁶⁸

The popularity of the amendment in West Virginia, one of the poorest states in the union, led to endorsement by both parties in the 1910 election and ratification by the house on a 70–2 vote in 1911. In the senate, though, a bipartisan coalition defeated the measure 13–17. Several prominent Republican senators based their ob-

⁶⁷*Birmingham Age-Herald*, August 8, 1909; Dewey Gratham, *Hoke Smith and the Politics of the New South* (Baton Rouge: Louisiana State University Press, 1958), pp. 50–212; *Atlanta Constitution*, July 8, 9, 10, 11, 12, 13, 24, 1910; *Atlanta Journal*, July 7, 10, 11, 12, 13, 1910; Georgia, *House Journal*, 1910, pp. 735–36; *Senate Journal*, 1910, pp. 281–82.

⁶⁸Allan P. Sindler, *Huey Long's Louisiana* (Baltimore: Johns Hopkins University Press, 1956), pp. 19–31; Perry Howard, *Political Tendencies in Louisiana* (Baton Rouge: Louisiana State University Press, 1957), pp. 107–12; Louisiana, *House Journal*, 1910, pp. 205–6; 1912, p. 177; *Senate Journal*, 1910, pp. 147–49, 167–69; 1912, pp. 551–54; *New Orleans Times-Picayune*, June 28, 1912.

jections upon the dangers of tinkering with the direct tax clause of the constitution and of taxing state and municipal bonds. The Democrats centered their reservations largely on states' rights. In the crucial 1912 elections, the state's GOP managed to avoid disaster by endorsing Roosevelt and pledging itself to a reform platform including ratification. The legislature quickly made good the party's pledge.⁶⁹

Only in Florida was the senate able to disregard an overwhelmingly affirmative vote in the lower house more than once. In 1911 the assembly ratified on a 52-4 vote. The only arguments against the measure were based on states' rights, and even the speaker of the house, who introduced the ratification resolution, coupled it with a proposal to have the revenue returned to the states. Its advocates stressed the measure's equity and the possibility of tariff revision, and insisted that "no Democrat elected in a Democratic primary would have the temerity to rise and oppose this resolution." Its opponents emphasized states' rights, styled it a Republican plot, and stigmatized the amendment as "a Populist hybrid grafted upon Jeffersonian doctrine." The senate eventually tabled the amendment on the grounds that the senate constitution forbade consideration of a federal amendment proposed after the membership had been elected. The 1912 elections resulted in a triumph for the "anticorporation" faction that had generally supported ratification in 1911, and the lower house ratified the amendment unanimously in 1913. The senate, however, turned the measure over to the committee on constitutional amendments, dominated by the "corporation" faction, which recommended against ratification. Ignoring the overwhelming support expressed in the lower house, the senate accepted the committee report.⁷⁰

Defeat in Virginia was due to the opposition of the regular Democratic organization, headed by U.S. Senator Thomas Martin, Representative Hal Flood, and Speaker of the House Richard E. Byrd. Martin had voted against the 1894 tax and followed Aldrich's lead in 1909, while the *Richmond Times-Dispatch*, the machine's chief or-

⁶⁹Virginia D. Malcomson, "William E. Glasscock: Governor of the People" (Ph.D. diss., University of West Virginia, 1950), pp. 35-85; Carolyn Karr, "A Political Biography of Henry Hatfield," *West Virginia History*, 1966, pp. 35-63; 1967, pp. 137-70; *West Virginia, House Journal and Bills*, 1911, pp. 39, 138, 368; 1913, p. 368; *Senate, Journal and Bills*, 1911, p. 368; 1913, p. 209; *Charleston Daily Mail*, February 3, 16, 17; April 16; May 15, 16, 1911; February 1, 1913.

⁷⁰Florida, *House Journal*, 1911, pp. 15-16, 397, 1263; 1913, p. 1686; *Senate Journal*, 1911, pp. 594, 903, 1097-101, 1193; 1913, pp. 1097-99; *Florida Times-Union* (Jacksonville), May 13, 19, 23, June 1, 1911.

gan, had applauded the *Pollock* decision and opposed ratification on states' rights grounds. The primary support for ratification came from the state's independent Democrats, who had been pressing the machine for a decade. When the latter invited Texan Joseph Bailey, leader of the proamendment forces in the U.S. Senate, to speak, Byrd responded with the plea to states' rights and the "lost cause" already quoted. "God forbid," he concluded, "that this commonwealth should give up her birthright for the mess of pottage offered by the Senator from Texas." The theme was sounded so often by organization spokesmen that even the *Times-Dispatch* had to dismiss much of the rhetoric as "mere fustian," while one of the amendment's advocates felt it necessary to remind opponents that "the United States is not a foreign country." It was the senate, where the independents held sway, that ratified the amendment, while the house, following Byrd's direction, rejected it. The *Petersburg Index-Appeal* insisted that "to the lion Richard E. Byrd, more than to any other man, the people are indebted for their escape from a blunder that would have been worse than a crime." The *Times-Dispatch* praised the House of Delegates as a "conservator of common sense" and explained that "not everything that is written in the Democratic platform is Democratic."⁷¹

The refusal of Utah, Virginia, and Florida to ratify the amendment made the struggle in the Northeast even more crucial. Predictions that the region would become the graveyard of the amendment rested upon two closely related conditions: its heavy concentration of potential taxpayers and the political control exercised by Standpat Republican organizations. Collectively, inhabitants of the Northeast received almost 60 percent of the nation's income. When the tax went into effect, the residents of five of its states—New York, Pennsylvania, Ohio, Massachusetts, and Illinois—paid nearly 70 percent of the tax collected. The most thorough study of income distribution in the nation found that "the greatest disparity is in the Eastern States, particularly those with large cities." The Northeast contained 189 of the 206 people in the country with incomes in excess of one million dollars and nearly 85 percent of those who made over \$100,000. It was also well above the national figures for those earning more than \$10,000 a year and for the percentage of their state's income they received. Even in the most affluent states, the projected income tax rates would affect less than 5 percent of the population, nearly all businessmen, finan-

⁷¹*Richmond Times-Dispatch*, March 2-11, 1910; *Petersburg Index-Appeal*, March 9, 1910; Virginia, *House Journal*, 1910, p. 854; *Senate Journal*, 1910, p. 651.

ciars, physicians, or attorneys. Residents of the Northeast received over 60 percent of income from interest and almost 70 percent of that from dividends. Statistics could be piled upon statistics to illustrate the point, but it is clear that those with the greatest stake in preventing ratification were heavily concentrated in the region.⁷²

For the defense and fostering of these considerable interests, the section's wealthy individuals and corporations looked primarily to the Republican party. The party's organizations were essentially alliances of "business interests and rural Yankees" who cooperated for "cultural-religious, as well as political and perhaps at times economic self protection." They shared a mutual antipathy toward the inhabitants of industrial cities, with their increasing demands for business regulation, recognition of organized labor, welfare legislation, and tax reform. To maintain their political hegemony, these Republican organizations resorted to legislative malapportionment and stringent control over city government through highly restrictive charters. Selection of U.S. senators by legislatures rather than by direct popular vote greatly enhanced their ability to guarantee the tenure of Republican Standpatters, a circumstance that was ended by the ratification of the Seventeenth Amendment in 1913. Some "bosses" secured their own election, while their counterparts relied upon partners to represent them in Washington. Having been forced to accept the proposal of a constitutional amendment to prevent enactment of a statutory income tax in 1909, Standpat Republicans looked to the state organizations that produced them to stave off ratification.⁷³

The major flaw in this strategy was that it was set in motion at the precise moment when these organizations were losing control of the situation. Besieged by demands for change from a variety of elements within the party, and seriously challenged by rejuvenated Democrats for the first time since 1896, the Regulars in most northeastern states were either swept from power or forced to alter long-standing policies. There is little evidence that the income tax issue played a major role in the revolt against eastern Republicanism, but voters were acting at least partially out of an association of the rising cost of living with a high protective tariff, a situation that the

⁷²U.S. Bureau of the Census, *Wealth, Debt and Taxation* (1913), p. 797; *Thirteenth Census* (1910), pp. 57-61; Leven and King, *Income Distribution*, pp. 22-30; H. Report 5, 1916, *Statistics of Income*, pp. 18-27.

⁷³See Duane Lockard, *New England State Politics* (Princeton: Princeton University Press, 1959), pp. 136-48, 173-90, 243-57, 305-20; Harold F. Gosnell, *Boss Platt and His New York Machine* (Chicago: University of Chicago Press, 1924); Buenker, *Urban Liberalism*, pp. 12-22.

income tax was supposedly designed to correct. Occasionally a prominent Democrat, such as Governor Edward F. Dunne of Illinois, insisted that the voters had "overwhelmingly reiterated" their support for ratification in 1912, but such expressions were rare. Internally, northeastern Republicans found their leadership challenged by reformist elements demanding new policy orientations on a variety of issues. In a few cases, such as Wisconsin and Michigan, these new elements succeeded in gaining control of the party apparatus and keeping the GOP in power. In most instances, though, the intransigence of the party leadership led to sizable defections to either the Democrats or the short-lived Progressive party. Between 1908 and 1912 the Democrats captured governorships in Ohio, Illinois, New York, New Jersey, Massachusetts, Indiana, Maine, New Hampshire, and Connecticut; in the first five states they also won control of the legislature and enacted a flurry of reform legislation. In a few states, the resurgent Democrats, Progressives, and reformist Republicans formed temporary coalitions on specific issues. In a few others, the entrenched Republican organizations maintained numerical superiority in the legislature but were sufficiently challenged to make important concessions to reformist demands. All of these conditions, short-run as they generally proved to be, were conducive to the ratification of the income tax amendment in either 1911 or 1913. There were only three states—Pennsylvania, Rhode Island, and Connecticut—where the regular Republican organizations retained control of the legislature even in 1913 and, consequently, were able to prevent ratification.⁷⁴

The debate over the income tax in the northeastern states revolved largely around the issues of tax equity and the utility of income tax revenue in reducing the tariff, thus presumably helping to stem the rising cost of living. The proponents of ratification styled it a measure that would affect only the wealthiest citizens of each state and alleviate the tax burden on nearly everyone else. The amendment's opponents generally argued that the tax was a scheme designed either by radicals or by the residents of the South and West to despoil the prosperous Northeast. They stressed the benefits that accrued to their respective states from accumulated wealth and the negative consequences of having that wealth tapped by federal tax collectors.

⁷⁴ See footnote 3. See also F. W. Taussig, *Tariff History of the United States* (New York: Capricorn, 1964), pp. 405–15; Frank Kelly, *The Fight for the White House* (New York: 1912); and William Sullivan, ed., *Edward F. Dunne: Judge, Mayor, Governor* (Chicago: Lewis Publishing Company, 1916), p. 490.

New York was at once the most crucial state and a microcosm of the developments that ensured ratification. No matter which economic category one chose, New York emerged as the unquestioned leader. It had the highest per capita income, almost \$300 above the national average. New York residents received nearly 15 percent of national income, almost double that of any other state; when the federal income tax went into effect, they filed 21 percent of all returns, reported almost 30 percent of affected incomes, and paid 44 percent of all the revenues collected. The state's residents received one-fifth of national income from interest, and almost the same portion of that from dividends.⁷⁵

But as wealthy as New Yorkers seemingly were, a small portion of their number clearly received the lion's share. Five of the state's citizens made over \$5 million per year. One hundred nineteen New Yorkers had income in excess of \$1 million. The 2,234 residents who took in \$100,000 or more constituted better than one-third of the national total. The 1.5 percent of the population who made in excess of \$10,000 received nearly one-fifth of the state's total income, while the 3.5 percent who made over \$5,000 took in nearly one-fourth. "This would seem to indicate that, although the per capita income of the entire population in the state of New York is comparatively high," a National Bureau of Economic Research study concluded, "the per capita income of the majority falling within the lower income classes may not make as favorable a showing."⁷⁶

For two decades the state's most affluent citizens and corporations had relied upon the Republican organization of Senator Thomas C. Platt and "Boss" William Barnes to protect their economic interests. In 1908, however, dissatisfaction with the organization's involvement in a series of scandals forced the GOP to back reform candidate Charles Evans Hughes for governor. At the same time, Tammany Hall boss Charles Francis Murphy, at the urging of younger members of the machine, such as Robert F. Wagner and Alfred E. Smith, recognized the political capital inherent in adopting a progressive posture. When the amendment was first considered by the New York legislature in 1910, the majority of Republicans were split between the followers of Hughes and those of Barnes, while the Democrats, led by Wagner and Smith, were pressing for legis-

⁷⁵Leven and King, *Distribution of Income*, pp. 25-30; H. Report 5, 1916, *Statistics of Income*, pp. 18-48; Census Bureau, *Thirteenth Census* (1910), pp. 57-61; Commerce Department, *Statistical Abstract*, 1933, pp. 259-60.

⁷⁶Leven and King, *Income Distribution*, pp. 223-90; H. Report 5, 1916, *Statistics of Income*, pp. 79-80; Census Bureau, *Wealth, Debt and Taxation*, pp. 777-78.

lation that appealed to their urban working- and lower-middle-class constituency. Since the Hughes Republicans and Tammany-dominated Democrats had coalesced on other reform measures, there was some possibility that they might cooperate on ratification, but Hughes quickly dispelled those illusions.⁷⁷

The most outspoken opponents of ratification in the state were a mixture of Standpat politicians and wealthy business leaders. Representative Charles Southwick stigmatized the income tax as "socialistic" and "populistic" and found it "without warrant or reasonable excuse, sectional and therefore unfair, of the nature of an attack upon the wealth of New York State, a penalty upon industry and thrift."⁷⁸

Stuyvesant Fish, prominent banker and railroad executive, condemned the proposal as a device by which partisan leaders might seek to destroy the industry of the state. Justice David Brewer, who had sat on the Court in the *Pollock* case, likewise urged rejection, while John D. Rockefeller argued that the people had no share in the income of honest men. The vast Standard Oil interests were also represented by the company's chief attorney, John Milburn, who testified against ratification and helped edit a pamphlet that the firm distributed to all the lawmakers. The *New York Tribune* found it to be "class taxation," charging that people who made less than \$5,000 outside New York City lived better than those who made from \$6,000 to \$10,000 in the city. Austen Fox, an attorney for the bankers' association, testified that the amendment was a western plot to make the East pay for internal improvements, while Francis Lynde Stetson, an attorney for J. P. Morgan and former law partner of Grover Cleveland, filed a memorandum with the Judiciary Committee urging rejection. Joseph Choate, who had been one of Pollock's attorneys, joined five other corporate attorneys in authoring the pamphlet. If the amendment were adopted, the six argued, ten or twelve states would pay. Soon even the billion-dollar budget would pale, as the western states clamored for hundreds of millions more to be spent on irrigation, national highways, canals, and "other innumerable fads and schemes." But the most frighten-

⁷⁷Gosnell, *Boss Platt*, pp. 6-73, 262-90; Warren Moscow, *Politics in the Empire State* (New York: Knopf, 1948), pp. 70-75; J. Joseph Huthmacher, "Charles Evans Hughes and Charles Francis Murphy: The Metamorphosis of Progressivism," *New York History* 46 (1965), pp. 25-40; Nancy Joan Weiss, *Charles Francis Murphy, 1858-1924: Respectability and Responsibility in Tammany Politics* (Northampton, Mass.: Smith College, 1968), pp. 69-91; Robert K. Wesser, *Charles Evans Hughes: Politics and Reform in New York, 1905-1910* (Ithaca, N.Y.: Cornell University Press, 1967).

⁷⁸*New York Times*, January 25, 1916.

ing thing of all, Choate and his cohorts concluded, was that their fate would depend upon "the wishes and interests of the electorate, upon party politicians seeking for a cry and competing for the votes of the very poor and very ignorant men."⁷⁹ The *Albany Evening Journal*, long an organ of the Republican organization, reported that much of the opposition to the amendment was based upon a statement allegedly made in the Alabama legislature that New York would pay a thousand dollars for every one paid by Alabama. Senator Ralph Thomas, a professor at Colgate University, raised that to a million to one and changed the state to Arkansas, but the moral was obviously the same. The Republican majority leader in the assembly protested against delivering New York, bound hand and foot, to her sister states.⁸⁰

But not all Republicans agreed with Hughes or the amendment's opponents. Lawson Purdy, secretary of the New York Tax Reform Association and a Hughes Republican, wrote an article urging ratification in the *Journal of Accountancy*, citing the economic and political justice of the measure. Senator Borah delivered a speech before the New York Economics Club urging business leaders to support ratification; President Taft also sent telegrams to party leaders urging adoption. In the senate, the progressive Republicans split down the middle, when one of Hughes's most consistent supporters, Frederick Davenport, introduced a motion for ratification. In a magazine article, Davenport, who was to author the state income tax in 1918, defended the conservative nature of the tax, characterizing it as "financially and economically innocuous and desirable." To his Republican colleagues he urged ratification, lest defeat of the measure give the Democrats ammunition for the fall elections. There were also Republicans favorable to the amendment in the lower house, mostly the representatives of New York City. One of their number, Andrew Murray of the Bronx, introduced the resolution to ratify, while several others spoke in favor of it.⁸¹

It was the Democrats who took the lead in sponsoring the mea-

⁷⁹*New York World*, January 6, March 8, 1910; *Albany Evening Journal*, February 18, 1910; *New York Tribune*, February 3, 1910; Joseph Choate, et al., *The Proposed Sixteenth Article of Amendment to the Constitution of the United States* (Albany, N.Y.: The Authors, 1910).

⁸⁰*Albany Evening Journal*, February 20, 1910; *New York Times*, April 20, 1911.

⁸¹Lawson Purdy, "The Income Tax Amendment Should Be Ratified," *Journal of Accountancy* 10 (1910): 13-26; Frederick Davenport, "The Income Tax Amendment," *The Independent* 47 (1910): 969; William Borah, "The Income Tax: Sound in Law and Economics," *Journal of Accountancy* 10 (1910): 31; *New York World*, April 28, 1910; Elihu Root, *The Proposed Income Tax Amendment* (Albany: New York Legislature, 1910).

sure. Wagner was especially vocal on behalf of the measure in the senate, arguing that "unlike our high Republican tariff, this is a tax on plenty instead of necessity. It will lighten the burdens of the poor." Since the Democrats were outnumbered by a sizable margin, they sought help from reform and urban Republicans. With the Democrats committed to ratification in their caucus, Wagner and Smith stressed the Republican origins of the measure whenever possible and permitted Murray and Davenport to introduce the required resolutions.⁸²

The success of these efforts differed in the two houses. In the senate, enough Republicans supported the Davenport resolution to ensure its passage by a 26-20 vote. The twenty-six affirmative votes included thirteen Democrats and thirteen Republicans. Only one Democrat voted with the Republican majority against the measure. In the assembly, the Murray resolution failed to receive the necessary majority, although seventy-four favored it and sixty-six opposed. Forty-eight of the fifty Democrats present favored the measure. Sixty-four Republicans voted against ratification and twenty-six in favor; the majority of the latter represented New York City. Murray's attempt to revive his resolution, after senate passage of the Davenport bill, failed on a similar vote.⁸³

Republican assemblyman Seymour Lowman of Elmira claimed that the amendment failed because a majority of the legislators were unwilling to let the South and the West tax New York's wealth. Historian Sidney Ratner attributed it to "the pressure of the moneyed classes upon the legislature, reinforced by the prestige of Hughes, Choate and other opponents of the amendment." The *New York World* charged the setback to a "combination of Hughes reform leaders and 'straight goods' Republicans." The paper also blamed "the corporation combine popularly supposed to be headed by Standard Oil interests." The *Chicago Tribune* ascribed it to the fact that "the concentrated wealth of New York City would contribute more under a tax that was not apportioned according to population."⁸⁴

Within six months after the defeat of the income tax amendment the Republican party of New York received a decisive repudiation

⁸²*New York World*, January 6, 1910; *New York, Assembly Journal*, 1910, vol. 1, p. 468.

⁸³*New York, Senate Journal*, 1910, vol. 2, p. 1563; *Assembly Journal*, 1910, vol. 2, pp. 1786, 2392.

⁸⁴Ratner, *Income Taxation*, p. 306; *New York World*, April 28, 1910; *Chicago Tribune*, March 2, 1910; *Elmira Advertiser*, May 7, 1910.

at the hands of the electorate. The makeup of the legislature was nearly reversed; the Democrats enjoyed a twenty-three vote edge in the assembly, and a thirty to twenty-one advantage in the senate. The party's greatest gains came in urban areas; so complete was their victory in New York City that only one Republican was elected to the United States House of Representatives.⁸⁵

The income tax amendment did not play a prominent role in the rhetoric of the campaign. The Democrats made ratification a plank in their platform and their gubernatorial candidate pledged his support to the amendment, but the Republicans generally ignored the issue. Many Republicans who had voted against ratification were victims of the deluge, but some supporters of the amendment lost their seats to Democratic opponents, while a few outspoken foes of ratification were reelected. One occasional supporter of the amendment in another state warned opponents that the income tax issue had cost the GOP New York, but such views were rare and unprovable. In a *New York Times* interview the day after the 1910 election, the Republican state chairman candidly attributed his party's disaster to great economic unrest, and there seems to be little reason to doubt that this was the main cause. Tariff expert F. W. Taussig attributed Republican defeat to a "popular verdict . . . against the stubborn maintenance of a rigid protective policy," and to "the industrial conditions of the moment." Since the GOP had erroneously held the high level of protection to be the cause of prosperity, Taussig argued that the voters logically concluded that their tariff policy was "responsible for the rise in the cost of living." Several of the measure's opponents who survived the 1910 election switched their votes in the ensuing session and at least one, a Richmond Democratic senator, acknowledged that his negative vote had "met with the extreme disapproval of my constituents and I deem it my duty to reflect their views."⁸⁶

The ratification resolutions were introduced by Smith and Wagner, and the party caucus again committed itself to the measure. Democratic governor John Dix pressed ratification upon the legislature. The only opposition from within the party came from a small group of old-line, anti-Tammany Democrats, led by Francis Lynde Stetson and including Austen Fox, Herbert Satterlee (J. P. Morgan's son-in-law), Charles Peabody (the president of Mutual Life Insurance Company), and George F. Baker of the First National Bank. On April 20, Wagner's resolution came to a vote in the senate and

⁸⁵*New York Times*, November 9, 1910.

⁸⁶*Ibid.*; Taussig, *Tariff History*, pp. 409-10; *Albany Evening Journal*, May 10, 1911.

the Democrats, by a strictly partisan vote, blocked a Republican attempt to send it back to the judiciary committee. The final vote was thirty-five to sixteen, with only one Democrat opposing. Six Republicans joined the Democratic majority; five of them were among the thirteen who had supported ratification in 1910. One Hughes supporter switched his vote from the previous session. The result in the Assembly was equally decisive. The vote was 91-42, with only one from among the eighty-three Democrats voting nay. Of the nine Republicans who supported the Smith resolution, six were from New York City.⁸⁷

The New York pattern was repeated with remarkable similarity in New Jersey, Massachusetts, Delaware, and New Hampshire. In New Jersey, the 1910 elections gave the Democrats the governorship and the assembly for the first time since the early 1890s. Governor Woodrow Wilson urged ratification in order to overturn a "decision of the Supreme Court based upon erroneous economic reasoning" and because "liberal opinion throughout the country clearly expects and demands the ratification of the amendment." To the senate, he stressed the Republican origins of the amendment and challenged New Jersey to join those states that did not put their own interests ahead of the nation's. The Democratic assemblyman who introduced the ratification resolution more bluntly insisted that "only the rich will pay." The Democratic assembly ratified unanimously, but the Republican-controlled senate rejected on an almost perfect partisan vote. The 1912 election brought the Democrats control of both houses, and the amendment was ratified, again on an almost entirely partisan split.⁸⁸

In Massachusetts the amendment was consistently supported by a coalition of Democrats, dominated by the sizable Boston delegation, and Republican labor legislators who represented the foreign-stock, working-class residents of the numerous mill towns. In 1910 the regular Republicans still controlled both houses and defeated the amendment, charging that it was a western plot to despoil Massachusetts and her sister states. In the fall elections, the Democrats captured the governorship and the lower house of the legislature. The Democrat-labor-legislator coalition achieved ratification in the lower house, but failed in the senate by a single vote. The same pat-

⁸⁷*Albany Evening Journal*, April 19, May 10, 1911; *Assembly Journal*, 1911, vol. 4, p. 3724; *Senate Journal*, 1911, vol. 1, p. 618.

⁸⁸*New Jersey, Assembly Minutes*, 1911, p. 815; 1912, p. 1407; 1913, pp. 93, 107; *Senate Journal*, 1911, pp. 401, 639-40; *Newark Evening News*, January 20, February 4, 1913.

tern was repeated in the 1912 legislative session. The 1912 election finally gave the Democrat-labor-legislator coalition control of both houses and the measure was passed on a voice vote.⁸⁹ In Delaware the regular Republicans postponed consideration until 1913, when the 1912 elections had given the Democrats control of the lower house and left them with a slim two-vote margin in the senate. The Democrats sponsored the measure in both houses and prevailed with a minimum of Republican support.⁹⁰ In New Hampshire a reform Republican governor urged ratification in 1911 on the grounds that "an income tax is the most equitable form of taxation," but the Republican majority in both houses refused to concur. The 1912 election produced a Democratic governor and a Democrat-Progressive-Republican coalition that controlled both houses. The governor urged the legislature to "rectify the mistake made two years ago," insisting that a federal income tax would "bear more lightly upon our people." It responded affirmatively.⁹¹

Elsewhere in the Northeast, the pattern varied somewhat, but it was almost always related to the disintegration of regular Republican domination. In Wisconsin and Michigan, Insurgent forces captured the Republican organization and effected ratification without a change of party.⁹² In Vermont the regular Republican organization buried the amendment by a top-heavy vote in both houses in 1911. Inroads into the Republican control by the Progressive and Prohibition parties' candidates in 1912, however, forced the organization's governor to endorse many reform measures, including the income tax amendment. His motive, according to the most thorough student of the Progressive era in Vermont, "was to gain control of the rebellious progressives rather than to serve the progressive cause."⁹³ In Ohio, Indiana, and Maine, the Democrats gained control of both the governorship and the legislature as a re-

⁸⁹Richard Abrams, *Conservation in a Progressive Era* (Cambridge, Mass.: Harvard University Press), pp. 50-132; Lockard, *New England State Politics*, pp. 121-48; Massachusetts, *House Journal*, 1910, p. 1115; 1911, pp. 1076, 1092; 1912, p. 1365; 1913, p. 740; *Senate Journal*, 1910, p. 952; 1911, p. 1001; 1912, p. 1219; 1913, p. 575; *Springfield Daily Republican*, November 6, 1912.

⁹⁰Delaware, *House Journal*, 1913, p. 303; *Senate Journal*, 1913, p. 512; *Wilmington Evening Journal*, February 3, 1913.

⁹¹New Hampshire, *House Journal*, 1911, pp. 44-45; 1913, pp. 59, 68, 430-31; *Senate Journal*, 1913, p. 176; *Concord Evening Monitor*, November 9, 1910.

⁹²Wisconsin, *House Journal*, 1911, p. 658; *Senate Journal*, 1911, p. 126; Michigan, *House Journal*, 1910, pp. 62, 204; *Senate Journal*, 1910, p. 307.

⁹³Vermont, *House Journal*, 1913, p. 1017; *Senate Journal*, 1910, p. 415; 1913, p. 823; *Burlington Free Press*, February 18, 1913; Winston Flint, *The Progressive Movement in Vermont* (Washington: American Council on Public Affairs, 1941), p. 60.

sult of the 1910 elections, and easily effected ratification in the ensuing year.⁹⁴ In Illinois the amendment was ratified by a bipartisan coalition in 1910 after substantial Democratic gains in that election prefigured the latter's gaining control of the state in 1912.⁹⁵ In Maryland, where the Democrats had always held undisputed sway, the amendment benefited from a reformist surge within that party against control by the forces of U.S. Senator Arthur Pue Gorman, a longtime Aldrich ally. Opposition to ratification was led by Gorman's son, a state senator, and the organization's governor on the grounds of states' rights and tariff reduction. The antiorganization Democrats prevailed, however, and the amendment was ratified in 1910.⁹⁶

Only in Pennsylvania, Rhode Island, and Connecticut did the regular Republican organization survive the political upheaval of 1910-12 and only in those three states did the income tax amendment fail of ratification. In Pennsylvania the Penrose organization and its adjuncts in Philadelphia and Pittsburgh managed to virtually eliminate Democratic opposition until the days of the Great Depression. The only real challenge to the leadership was internal and emanated largely from the representatives of Philadelphia and Pittsburgh. In 1911, the lower house of the legislature ratified the amendment by a comfortable margin, with about 70 percent of the sizable delegations from the two metropolises providing the majority of the affirmative votes. The Penrose organization controlled the senate, however, and it referred the ratification resolution to the Committee on Judiciary Special, a body dominated by the machine's leaders and dubbed the "morgue" and the "strangler of the senate" by opponents. The committee refused to report out the measure. In 1912 Penrose's followers managed to retain firm control of the upper house, despite the fact that Theodore Roosevelt carried the state and his Progressive party made strong inroads in the lower house. Prodded by a second ratification in the lower house, the Committee on Judiciary Special finally reported out the resolution in 1913, recommending rejection. Its report characterized the tax as "little short of reckless and foolish," chastised the federal government for wanting additional revenue in order to finance "unneces-

⁹⁴Ohio, *House Journal*, 1911, p. 80; *Senate Journal*, 1911, p. 48; Indiana, *House Journal*, 1911, p. 658; *Senate Journal*, 1911, p. 126; Maine, *House Journal*, 1911, p. 902; *Senate Journal*, 1911, p. 697.

⁹⁵Illinois, *House Journal*, 1910, p. 76; *Senate Journal*, 1910, pp. 23, 129, 199; *Chicago Tribune*, February 3, 1910.

⁹⁶Maryland, *Assembly Journal*, 1910, pp. 956-57; *Senate Journal*, 1910, pp. 36-37, 1461, 2097.

sary expenditures under the guise of progress," and charged that an income tax would destroy the protective tariff, penalize all those who made over \$5,000 a year, and "make them feel like criminals." Finally, the report concluded, Pennsylvania should oppose the tax "because, as one of the wealthy states, she would bear far more than her proper share of the burden." The senate accepted the report on a voice vote.⁹⁷

In Rhode Island ratification was pushed by the resurgent Democrats, whose strength lay largely in the industrial cities of Providence, Woonsocket, and Pawtucket. Although they succeeded in forcing the Brayton-Aldrich Republicans to make some concessions to reform, legislative malapportionment kept the Democrats from gaining control of either house. The party's spokesmen introduced ratification resolutions in all four legislative sessions between 1910 and 1913, but the GOP buried each of them in committee.⁹⁸

In nearby Connecticut, the Democrats were also the "party of the outs, the immigrants, the Catholics, and the poor," finding their greatest strength in the state's largest cities. The Roraback organization used legislative malapportionment to maintain effective control until New Deal days. Even when the Democrats elected a governor in 1910, they were unable to gain control of the legislature. Governor Simeon Baldwin complicated matters by citing the Hughes argument and urging the legislature to wait for the courts to rule.⁹⁹

The Republicans went even farther. Floor leader Stiles Judson reminded the legislators that Connecticut had just issued ten million dollars' worth of securities and that "you, as businessmen, ought readily to see the impairment of the state's resources by the taxation of these bonds on the part of Congress." He added that Connecticut would pay an unjust share of the tax to finance "the billion-dollar projects of the west." Another Republican senator argued that "it would be a different question if Connecticut got the benefit from the tax." The proratification *Hartford Courant* countered that this was to be a tax on individual income, not on a state, and that "the bigger a man's income, the greater the amount of protection he re-

⁹⁷Pennsylvania, *House Journal*, 1911, p. 2690; *Senate Journal*, 1911, p. 2162; *Harrisburg Patriot*, May 2, 1911; *New York Times*, January 29, 1913; *Philadelphia Evening Bulletin*, January 28, 1913.

⁹⁸*Providence Evening Bulletin*, April 29, 1910; February 2, May 4, 1911; February 14, March 22, 1912; March 26, April 9, 1913; *Providence Daily Journal*, January 7, 10, 1910.

⁹⁹Lockard, *New England State Politics*, pp. 239-65; Joseph Lieberman, *The Power Broker* (Cambridge, Mass.: Harvard University Press, 1966), pp. 19-48.

ceived from the government and the greater his obligation to sustain it." Only a few Republicans agreed, however, such as a school teacher from Washington who declared that he was in favor of ratification because the tax would not be levied on incomes of less than \$5,000 per year.¹⁰⁰

The Democrats worked for ratification in 1911, despite the qualms of Governor Baldwin. When the measure failed in the upper house, the six votes in favor were cast by Democrats from New Haven, Hartford, Waterbury, Bridgeport, Norwalk, and Danbury. Four Democrats joined the Republicans in opposition, following Baldwin's lead. In the lower house, the measure was introduced by a Bridgeport Democrat. Ultimately, the unfavorable recommendation of the committee on federal relations was adopted, with the Democrats contributing the bulk of the pro-income tax votes. The Democrats made gains in the 1912 election, with Wilson carrying the state and Baldwin being reelected, but the malapportioned legislature remained in Republican hands. The ratification resolution, again introduced by a Bridgeport Democrat, died in committee.¹⁰¹

The ratification of the federal income tax amendment was the work of a broad based, bipartisan coalition that united the representatives of agriculture, labor, and the amorphous middle class in all sections of the country in the belief that they were creating a more equitable system of taxation, one that would shift the burden to those best able to bear it. Their success led immediately to the enactment of the law that formed the basis of our present income tax system. Its establishment ended a debate over the issue that began during the Civil War, erupted into a major constitutional crisis during the Great Depression of the 1890s, and merged into the myriad of reformist currents that animated the Progressive era. Although its proponents claimed that a federal income tax would perform many wonders, their most frequent argument was that it would create a federal tax system based upon the "ability to pay," which would treat all incomes alike "from whatever source derived." On a very modest scale, the 1913 income tax law closely approximated that ideal, falling as it did primarily upon the most affluent 3 percent of the population, permitting almost no exemptions or deductions, and taxing earned and unearned income at the same rates. In the ensuing two-thirds of a century, the income tax

¹⁰⁰*Hartford Courant*, June 29, 1911; *Hartford Times*, June 28, 1911; Connecticut, *Senate Journal*, 1911, pp. 55-67, 68.

¹⁰¹Connecticut, *House Journal*, 1911, p. 225; 1913, p. 965; *Senate Journal*, 1911, pp. 1346-47.

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code has evolved into an enormously complex social document that has come under increasing attack from both the left and the right for betraying the original design of its creators.¹⁰² Whatever else we may say of the generation that produced the income tax amendment, they at least had the courage to air divisive issues and to embark on a bold new course when that seemed warranted. These are qualities that their descendants would do well to emulate if we are to have any hope of working toward the more equitable society that they envisioned.

¹⁰²See, for example, Philip Stern, *The Great Treasury Raid* (New York: Random House, 1964); Gabriel Kolko, *Wealth and Power in America* (New York: Praeger, 1962); and Joseph A. Pechman, *The Rich, The Poor, and the Taxes They Pay* (Washington: Brookings Institution, 1969).