Abstract: Romain HURET

No representation without Taxation!
Businessmen against federal taxation from the Progressive Era to the New Deal

On June 5th, 1894, Simon Sterne, a famous corporate lawyer, attended a mass meeting of businessmen and bankers in the prestigious Carnegie Hall of New York City to protest against a socialistic project: a federal tax on income. During a period in which urban political party organizations gained political power in New York City and elsewhere at the expense of the commercial and professional elites that had dominated municipal politics, Sterne was increasingly wary of American democracy doomed by demagoguery, immigration and corruption. He feared that expansive notions of democracy would threaten property rights and prosperity and claimed that there should not be “representation without taxation”, that every citizen had to contribute to the welfare of the nation, regardless of his ability to pay. Otherwise, the ballot will be transformed into an “element of aggression” of the poorer classes against the wealthiest citizens. From the Progressive Era to the New Deal, businessmen shared Sterne’s view on tax policy and strongly opposed the fledgling power of the State in the field of taxation. If they failed to repeal all direct taxes at the end of the 1930s, they were able to curtail the development of the Fiscal State in the United States. This paper is based upon the petitions and letters sent to the Ways and Means Committee from 1894 to 1941, which give a fresh view of the interactions between businessmen and federal institutions.

Romain Huret, Université de Lyon/Institut universitaire de France
rhuret@ehess.fr