“Keep[ing] Profits at a Reasonably Low Rate”: Invoking American Civil Religion in FDR’s Rhetoric of Tax Equity and Citizenship

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The tax wars

In the midst of the 2012 Republican debate in Florida and under pressure from both the Right and Left to release his tax returns, then presidential candidate and self-professed multi-millionaire Mitt Romney informed Americans, “You’ll see my income, how much taxes I’ve paid, how much I’ve paid to charity.” He then affirmed, “I pay all the taxes that are legally required and not a dollar more. I don’t think you want someone as the candidate for President who pays more taxes than he owes.”[1] Effectively, in this moment, Mr. Romney asked his audience to identify with his opposition to paying a higher tax rate. Implicit in this statement is the premise that it is socially acceptable for the very wealthy to pay only the bare minimum. Not surprisingly, Mr. Romney’s tax returns revealed that he paid a 13.9 % tax rate in 2010, and would likely pay a 15.4 % tax rate in 2011, lower than what many middle class Americans pay (Peralta 2012).

Approximately one year later, following the re-election of President Obama to the White House, House Speaker John Boehner argued in an opinion piece for *The Wall Street Journal* that President Obama had altered bipartisan plans to reduce the budget by calling for new taxes. From a perspective commonly voiced by the Republican party, Mr. Boehner opposed paying for the national deficit through taxes. In order to offset a growing deficit, Mr. Boehner proposed instead increasing spending cuts in lieu of raising tax revenue, writing that “[t]he president has repeatedly called for even

[1] *Republican Debate Transcript.* Transcript. January 23, 2012. Council on Foreign Relations, accessed July 10, 2013, http://www.cfr.org/elections/republican-debate-transcript-tampa-florida-january-2012/p27180. 9.

more tax revenue, but the American people don't support trading spending cuts for higher taxes. They understand that the tax debate is now closed" (Boehner 2013). What Mr. Boehner failed to mention, however, was the economic feasibility of balancing the federal deficit via spending cuts only.

Now compare Mr. Romney's and Mr. Boehner's views on taxation to Franklin Delano Roosevelt's perspective on the role that taxes play in 1930s civil society. In his famed June 19, 1935, message to Congress, FDR calls for an estate and inheritance tax, along with a graduated tax for corporations. He justifies curbing inherited wealth and the profits of big business, arguing that great wealth is evidence of the elite's capacity to pay more to the public sphere. Similarly, he voices opposition to the idea of a wealthy elite owning the majority of society's wealth. It is thus he makes the case for a uniquely American tax imperative, providing a powerful philosophical rationale for progressive taxation. He points to the 1913 Income Tax Law as representative of the ideal "that taxes should be levied in proportion to ability to pay and in proportion to the benefits received." He affirms further that "taxation according to income is the most effective instrument yet devised to obtain just contribution from those best able to bear it and to avoid placing onerous burdens upon the mass of our people" (Roosevelt 1935). Consider here how FDR, using a rhetoric that may at first appear politically reckless (particularly from today's perspective), places the burden of tax responsibility on the wealthy, carefully constructing an ideal of tax equity as a civic good. By asking the audience to participate in a vision of economic equity, FDR appeals to the audience's sense of social justice, whereby wealthy private individuals come second to the needs of the collective. In the later years of his presidency, FDR would shape the civic sphere further by making a direct correlation between taxes and the funding of war, arguing in particular that the wealthy have unique fiscal obligations in contributing to society and nation building.

A premise underlying this article is that FDR employs the progressive tax system as a powerful means of inculcating the audience to rhetorical citizenship, and in so doing paves the way for a model of public moral argument articulating fiscal responsibility as a moral principle. To assert this premise, I refer to William Keith and Paula Cossart's definition of rhetorical citizenship that focuses on praxis as a means of creating spaces for citizens to participate in the public sphere (Keith and Cossart 2012). To demonstrate how FDR's rhetoric invokes taxes as a means of performing moral citizenship, I draw on Robert Bellah's theory of American civil religion. As outlined in his formative critique titled, "Civil Religion in America" Bellah contends that American civil religion is a "religious dimension" manifest "in a set of beliefs, symbols, and rituals" of the public sphere (1988, p. 42). Bellah further contends there is a religious element to American political society and that the US possesses a unique civil religion guiding its culture, history and sense of nationhood. In particular, Bellah argues that American civil religion propels nation-building and that American presidents play a unique role in acting as the chief officers of this religion (1988, pp. 110, 115). In this article, I propose that the construct of American civil religion informs how FDR frames tax equity as an ethical principle that is distinct to the American people. I assert that the power of FDR's tax rhetoric lies in his ability to use taxes to formulate a moral principle and therefore call on his audience to act as moral agents who will contribute to nation building. To assert this claim, I analyze FDR's 1936 "Address at Worcester Massachusetts" and his 1942 "Call for Sacrifice" speeches and contend that in these speeches FDR creates a rhetorical framework from which to discuss and perceive taxes through a public moral discourse.

Civil religion and the poor

In contrast to the mantra of a highly individualistic, right leaning popular discourse expressed in much of contemporary tax discourse today, it may appear almost unthinkable to even consider how FDR was able to speak so candidly about shared values such as equity and self-denial for the common good.[2] To understand FDR's rhetoric of taxation and its potential contribu-

[2] Thompson (2003). Understanding critical historical-political moments influencing today's current tax rhetoric can lend insight to the Republican Right's relative success in being able to shape the rhetoric of taxation and influence the mainstream public's perception of taxes as a social burden rather than an investment into civic society. In his article, Thompson outlines a brief history of tax reform following WWI and WWII through George W. Bush's administration's implementation of tax cuts in 2003. Thompson argues that following the World wars, many government officials agreed that they wanted progressive taxes and that they could be employed as a means of managing the economy. He describes how Keynesian economics in the 1950s and 1960s motivated fiscal spending for a larger government and that most Americans profited from a progressive tax structure and therefore sanctioned progressive taxes. Interestingly enough, during this period, there existed an anti-tax rhetoric that equated higher taxation with lack of productivity, however,

tions to contemporary American tax discourse, it is important to consider how FDR assumed the role of chief magistrate that characterizes civil religion and used his position as president to assert a religious conception of nationhood (Bellah 1988, p. 105). In this regard, a Christian social activist element permeated much of FDR's tax discourse and vision of nationhood (Smith 2006, pp. 191-220). For in many of FDR's public remarks on taxes, he professed a commitment to fiscal fairness that drew on a specific Christian orientation deeply concerned with the plight of the needy[3] as he placed particular attention on the responsibility of the wealthy towards improving the lot of the poor. Although FDR was by no means entirely successfully in promoting these values throughout the duration of his many administrations, and did prove himself to be fallible on a host of domestic and foreign policy issues, it is, nonetheless, not unusual for many scholars to point to FDR's acumen as a moral leader, particularly in his tax rhetoric.

For FDR expressed his moral leadership by making a strong case that tax equity was fundamental to the progressive tax system. Such a view drew on a shared, historical understanding of the progressive tax system. As Joseph Thorndike explains, the progressive tax system is the philosophical base for the American tax system. At its roots lies the fundamental belief in contributing to one's "fair share" in democracy. This understanding of the progressive tax system shaped much of FDR's rhetoric. So much so, in fact, that a case can be made that FDR employed the progressive tax system as a rhetorical device for illustrating the principle of tax equity where the responsibility for shouldering taxes would lie most with the upper classes. Ronald

according to Thompson, this discourse received no "political support from the citizenry of the United States and also any empirical support from the social science establishment." Thompson points to the 1970s as a turning point in American attitudes towards taxes because during this decade, many Americans began to benefit economically and climb larger tax brackets and therefore were required to pay more taxes than in the past. Due to this change, the redistributive advantages that Americans had previously enjoyed did not appear as palpable as in the past. Hence, a public pressure led to a conservative movement under the auspices of the Reagan administration in the 1980s. What is fascinating in Thompson's account is his contention that the logical result of a conservative rhetoric in favor of tax cuts "is a gradual destruction of the public sector and the expansion of the market to more domains of society."

[3] Gal. 2:10; Isa. 1:17; Luke 6: 20, 24; Ps. 9:18; Ps. 41:1; Ps 82: 3-4 (NRSV).

Isetti compares Leuchtenburg's critique of FDR to Hofstadter and shows how Leuchtenburg viewed FDR as a moral individual, distinct from his advisors, and one who through the office of the presidency, taught and preached to the public (Isetti 1996, p. 678). Thorndike describes FDR as revealing a nascent fidelity to the system of progressive taxation. Progressive taxation to FDR lay in his conviction that the wealthy were obligated to contribute more taxes than the needy, particularly in times of crisis (2013, p. 45).

The fact that FDR was able to empathize with others and communicate that empathy with the struggling poor and middle class (and by some historical accounts was both pragmatic and sincere) is testament to FDR's adept use of rhetorical skills to lead as a moral leader, particularly so, at least when it came to the topic of taxation.

Situating FDR's tax rhetoric in history

The Great Depression and WWII were historical events that made possible FDR's ability to use civil religion for nation building purposes. Like President Lyndon Johnson, who was influenced by the social foment of the era and drew on civil religion to rally support for voting rights (Bellah 1988, p. 110), FDR utilized civil religion to shape a tax policy that would respond to the needs of his times.

For this reason, it would be next to impossible to understand the power of FDR's rhetoric of taxation without first considering how the economic and social scene of his era shaped his tax rhetoric and policies. The state of the economy during the Depression, for example, was so severe that it had a far-reaching impact adversely touching not only the lower class, but large numbers of the middle class. Interestingly enough, McElvaine suggests that it was the middle class that pushed values for a morality-based reform of the economy, thereby shaping FDR's rhetoric, and not the other way around. He makes this case when he remarks that "[t]he Great Depression served to confirm the poor in their belief that moral considerations ought to have a role in economic practices" and that it was through experiencing the Great Depression that "the middle class [came to] identify their interests and values with those of the poor" (McElvaine 1984, p. xiv). McElvaine, in this light, paints the portrait of an era preoccupied with the values of economic fairness and equity (p. 206), where social attitudes leaned towards governmental actions favoring the equitable distribution of the nation's wealth.

With this point in mind, we can see that for FDR the summer of 1935 signaled a politically motivated though sincere shift to the left, as McElvaine contends. He describes FDR as moving "in the same direction that a majority of the people at the time was going – towards the left, toward humanitarian, cooperative values" (McElvaine 1984, p. 263). According to McElvaine, 1936 was the year where FDR "was casting his lot with the forgotten man (who seems most often to be remembered during and just prior to election years). It would be 'us' against 'them' in 1936, and FDR clearly wanted to be one of 'us'" (1984, p. 261). On June 19, 1935 (the day that Social Security had been passed through the Senate and the Wagner bill approved by the House), FDR told Congressmen that the excessive concentration of wealth was leading to a "perpetuation of great and undesirable concentration of control in a relatively few individuals over the employment and welfare of many, many others" and used the occasion to ask for a variety of tax solutions ranging from federal gift taxes to a graduated corporate income tax to increased income taxes for the very wealthy (McElvaine 1984, p. 260).

In addition to the much talked about influence that the summer of 1935 had on FDR, Thorndike contends that the years of 1933 and 1934 played a formative role in setting the themes of tax evasion and tax avoidance in national debate, which in turn influenced the rhetoric of FDR (Thorndike 2013, p. 75). In particular, the 1935 Revenue Act or Wealth Tax, which in reality did little to change the distribution of taxes, nonetheless signaled a profound cultural shift in FDR's ability to speak to the left (Thorndike 2013, p. 131). Influential academics such as Herman Oliphant, the general counsel to the treasury, for example, aided FDR on key tax issues and were inspired by the Supreme Court Justice, Louis Brandeis, who distrusted corporate concentration of wealth and advocated for tighter regulation of big business (Thorndike 2013, pp. 138, 139). Others like Robert Jackson, the Chief counsel of the Bureau of Internal Revenue, studied the tax evasion practices of wealthy families and helped inform FDR's tax message denouncing tax avoidance (Thorndike 2013, pp. 141, 152).

Linking taxes to the American Revolution

A significant aspect of FDR's tax rhetoric that deserves attention is how FDR frames his position on taxes within a historical context specific to the 1776 American Revolution, therefore appealing to a powerful symbol of American civil religion (Bellah 1988, p. 105). Consider how, for example, in FDR's October 21, 1936, "Address at Worcester Massachusetts," FDR associates taxes with the concept of the American revolution, creating a model of democratic citizenship. To enact this concept of citizenship, FDR interprets the cause of the revolution as that over “the doctrine of democracy in taxation,” highlighting tax inequity and stressing the colonists’ rejection of a British imposed tax. In this way, FDR frames the conflict between the British and the colonists over taxes as America’s burgeoning attempt to become independent from the British.

Such a presentation of leadership draws on a narrative structure of American civil religion, where, as Bellah asserts, Washington becomes “the divinely appointed Moses who led his people out of the hands of tyranny” (Bellah 1988, p. 105). Through this narrative, FDR frames the British, like the wealthy who oppose paying higher taxes, as the undesirable Other, while aligning himself with the national leaders who guided the nation away from a foreign colonial power to a higher law.

FDR plays with this narrative further, equating the colonists’ fight for American independence in 1776 with his defense of the New Deal during a presidential election year. By placing himself and his audience in the subject position of the colonists fighting the British in 1776, he frames the colonists’ fight as not only for autonomy from England, but for US civilization. He creates this construction when he states: “In 1776, the fight was for democracy in taxation. In 1936 that is still the fight. Mr. Justice Oliver Wendell Holmes once said: ‘Taxes are the price we pay for civilized society.’” In comparing 1776 to 1936, FDR links the goal for tax equity in 1936 to the quest for national autonomy during the revolution. This idea, in particular, suggests that tax inequity is undemocratic because it is threatening to nationhood.

Demonizing tax avoiders

Another noteworthy feature of FDR’s tax discourse is how he uses taxes to create powerful lines of division and identification. Although FDR’s tax discourse is not explicitly religious in nature, he invokes the concept of a “higher criterion” or notion of right and wrong with roots in the philosophy of American civil religion.[4] Framing tax equities as a civic good and tax in-

[4] Bellah (1988), p. 100. As outlined in Bellah’s discussion of American civil religion, American governance is traditionally influenced by the concept of political sovereignty in God and presidential allegiance to a “higher criterion.”

equities as a moral ill allows FDR to articulate a standard of right and wrong, swaying the audience to a moral ideal based on the concept of a higher law.

To do this, FDR frames the standard of right and wrong by creating lines of division between citizens willing to pay taxes and those unwilling to do so. Importantly, he defines citizens unwilling to pay taxes as those "who still do not recognize their advantages and want to avoid paying their dues," framing them as Undesirable Others. This construction frames those who oppose paying higher taxes as morally delinquent in their responsibilities to the collective, thus arousing feelings of indignation in the audience.

At the same time as FDR draws lines of division by stating a "they and we," he blurs them by positing a shared motive between "they and we." Observe how he identifies common ground between business persons and the middle class by asserting that "the overwhelming majority of business men are like the rest of us. Most of us whether we earn wages, run farms or run businesses are in one sense business men. All they seek and we seek is fair play based on the greater good of the greater number – fair play on the part of the Government in levying taxes on us and fair play on the part of Government in protecting us against abuses." Drawing on the precepts of American civil religion, FDR utilizes the concept of fair play as a moral standard or higher criterion to strive for. This appeals to the audience's collective allegiance to fairness and calls on the audience to act as moral agents participating in the civic good of tax equity. At the same time, FDR prioritizes government as guardian of the civic good, leading the audience to want to participate as agents of that good.

Influenced by the precepts of American civil religion, an additional element of FDR's tax rhetoric worthy of consideration is the focus on sacrifice, which was a pertinent theme in much of FDR's WWII rhetoric (Bellah 1988, p. 107). In FDR's later years, particularly throughout World War II, FDR's tax rhetoric would evolve into a discourse that increasingly came to link the concept of self-denial with the overall maintenance of the general economy. As the government, under the leadership of FDR, anticipated the potential threat of price inflation during World War II, it sought to employ taxes as a tool for curtailing consumption.[5] It was at this time, not surprisingly, that

[5] Thorndike (2013), pp. 207, 214, 216. According to Thorndike, World War II led to an increased understanding of how taxes could be used to control inflation, and even corporate profiteering. (Emphasis on profiteering, 216). The intellectual scene during

FDR's rhetoric became strongly influenced by the work of the Nye Committee, which targeted war profiteering and advocated for war profits taxation (Thorndike 2013, p. 221). According to Thorndike, World War II brought a significant change in the American tax structure. The federal government perceived a need to fund the war through taxes, and taxes came to be seen as a way of managing the economy. As a consequence, in spite of opposition from the business community, FDR demanded an increase in higher taxes for the wealthy, along with the creation of new taxes for those in the low and middle income brackets (Thorndike 2013, p. 275).

Paying taxes for war as a privilege

Nowhere is the need to rally a nation towards a unified goal made more manifest than in wartime. Here FDR's discourse, like that of many presidents before him, draws on a salient facet of American civil religion through its focus on the commendable goal (Bellah 1988, p. 111). In his 1942 speech titled "A Call for Sacrifice," FDR puts the focus on the laudable goal – asking Americans to pay more taxes to fund the war – at the center of his rhetoric. He shapes the civic discourse by framing fiscal responsibility as a method of fighting the war. To do this, he blurs the lines of identification and division, situating the citizen in the subject position of the soldier who has the "privilege" of fighting. The enthymeme that logically emerges from this construction is that fighting for one's country in war-time entails self-denial. This conclusion, in a sense, attempts to lower the audience's expectations about what the government can do to contribute to the war effort.

As FDR instills a sense of duty in the audience, arousing a collective desire to fiscally contribute to the war, he prepares the audience to anticipate paying higher taxes as a means of funding the war effort. FDR's use of the positive term "privilege" in the theme of "fighting as a privilege" simultaneously identifies and divides two groups of people – civilians not participating directly in the war with soldiers/workers physically active in military preparation for war. While calling fighting a "privilege," he states that "not all of us can have the privilege of fighting our enemies in distant parts of the world" and that "not all of us can have the privilege of working in a munitions factory." Here, FDR associates soldiers fighting in war with workers

World War II was inspired by heavy weights such as Randolph Paul who saw taxation as a vehicle for decreasing inflation, and imparted this belief to FDR (pp. 222, 223).

laboring for the war effort. By arguing that soldiers and workers are both uniquely "privilege[d]," FDR frames fighting as a civic good and the negative "not all of us" creates a line of division and assigns guilt to those not privy to this civic good.

Such a construction creates an ambiguous space that serves to both include and exclude civilians removed from the war effort, suggesting that all Americans may share the goal of fighting though not all are directly involved in military preparation for war. Consider how FDR extends the theme of privilege, creating a space for civic action in the domestic sphere, when he states: "But there is one front and one battle where everyone in the United States – every man, woman, and child – is in action," adding that "[t]hat front is right here at home, in our daily lives, in our daily tasks. Here at home everyone will have the privilege of making whatever self-denial is necessary, not only to supply our fighting men, but to keep the economic structure of our country fortified and secured during the war and after the war." Here FDR equates soldiering abroad with soldiering at the home front. By stressing words such as "daily," "self-denial" and "home," FDR creates a domestic space for the average American to express citizenship through fiscal self-restraint.

The legacy of FDR's tax rhetoric

A central preoccupation that recurs throughout FDR's tax rhetoric is the notion of social justice. The fact that FDR strove to actively induce his audience to participate in an ideal of tax equity and collective sacrifice for war illustrates a view of social justice influenced by Christian values that informed much of FDR's thinking, specifically in regard to the economy. In the role of socio-economic redeemer, crucial to the philosophy underpinning American civil religion, FDR articulates a social activist Christian message of fiscal fairness, prioritizing the needs and interests of the poor over the rich. His rhetoric was one that drew on arguments based on fiscal capacity to pay for taxes, which he employed to rationalize higher taxes on both the rich and the voluminous corporate sector (Thorndike 2013, pp. 139, 140).

The tendency for FDR to be critical of what he saw as an overzealous corporate American drive to make profits allowed him to blame an excessive free market model for the fiscal ills of the nation and create a powerful argument that took sides with the financial underdog – the nation's poor and unemployed.

In sum, the strength in FDR's discourse on taxes lies in his use of

American civil religion to construct and lead the nation towards ethical precepts of equity and self-denial. FDR was not altogether able to push tax policies representing this ideal through Congress. However, his progressive tax argument and public chastising of tax avoidance, along with the emphasis on taxes as a social contract necessary for promoting a civil society, created a rhetorical framework that makes a viable, public moral argument possible in the civic sphere. The subtle power in FDR's tax rhetoric lies in the endeavor, at least, to frame tax equity as a moral principle. In this, FDR appeals to his audience's belief in fairness and calls on his audience to consider participating as moral agents in a tax structure conducive to a larger civic good – namely, tax distribution as a form of social justice.

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