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Class Tax To Mass Tax: The Role of Propaganda In The Expansion of the Income Tax During World War II*

CAROLYN C. JONES*

*I said to my Uncle Sam
"Old Man Taxes here I am"
And he — was glad to see me
Lower brackets that's my speed
Mr. Small Fry yes indeed
But gee — I'm proud as can be.
I paid my income tax today
I'm only one of millions more
Whose income never was taxed before
A tax I'm very glad to pay
I'm squared up with the U.S.A.
You see those bombers in the sky
Rockefeller helped to build them
so did I
I paid my income tax today.¹*

I. INTRODUCTION

DURING the 1930s, no more than five percent of Americans were income taxpayers.² The tax was viewed as a "class tax" directed toward the rich—those President Roosevelt referred to as "economic royalists."³ The individual income tax accounted for only between ten

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1. I. Berlin, *I Paid My Income Tax Today*, (Dec. 26, 1941), 480 MORGENTHAU DIARIES 83 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.).

2. L. SELTZER, *THE PERSONAL EXEMPTIONS IN THE INCOME TAX* 62 (1968).

3. See *infra* notes 33,34 and accompanying text.

and twenty percent of federal revenues during the 1930s.⁴ World War II dramatically altered this very limited conception of the income tax. Federal budget expenditures increased more than twelve times from 1940 to 1945.⁵ Shortages of goods and increased consumer purchasing power produced a worrisome inflationary situation. For government officials, the income tax came to be seen as both a war financing device and as a means of decreasing excess purchasing power. The result was that the income tax rolls increased from about 7 million taxpayers in 1940 to more than 42 million in 1945.⁶ The income tax became in Treasury Secretary Henry Morgenthau, Jr.'s words, "a people's tax."⁷

Those responsible for the expansion of the income tax from a class tax to a mass tax came to believe that both compliance and political acceptability were dependent upon a changed conception of the income tax in the minds of the American public.⁸ A number of public relations or propaganda techniques were used by the Treasury Department, its Bureau of Internal Revenue, and the Office of War Information in convincing the new American taxpayers of the legitimacy of their burden.⁹

4. BUREAU OF THE CENSUS, U.S. DEPARTMENT OF COMMERCE, SER. Y 567-89, HISTORICAL STATISTICS OF AMERICA 1121-22 (1975).

5. BUREAU OF THE CENSUS, U.S. DEPARTMENT OF COMMERCE, SER. Y 605-37, HISTORICAL STATISTICS OF AMERICA 1123-24 (1975).

6. BUREAU OF THE CENSUS, U.S. DEPARTMENT OF COMMERCE, SER. Y 402-411, HISTORICAL STATISTICS OF AMERICA 1110 (1975).

7. *Revenue Act of 1942: Hearings on H.R. 7378 Before the Senate Comm. on Finance*, 77th Cong., 2d Sess. 3 (1942).

8. This use of publicity was by no means a new effort for the Roosevelt Administration. In his first term, Roosevelt substantially expanded the government publicity system to get the New Deal's message to the public through the press, radio, and film. For a detailed discussion of earlier propaganda efforts see R. STEELE, *PROPAGANDA IN AN OPEN SOCIETY: THE ROOSEVELT ADMINISTRATION AND THE MEDIA, 1933-1941* (1985).

9. The use of the word "propaganda" raises its own problems. There is no generally accepted definition. Jowett, *Propaganda and Communication: The Re-emergence of a Research Tradition*, 37 J. OF COMM. 97, 101 (1987). The negative connotation of the term caused its rejection by Administration officials. Nazi Germany may have had its propagandists, but, according to some, Americans were given "facts" or "information" by their government. Such an approach tends to label uncongenial ideas as propaganda, and concepts that are more palatable as educative and informational. This sort of approach is not particularly useful for purposes of this study. I, therefore, for purposes of this Article, will use a less value-laden and pejorative definition of "propaganda" presented by Harold Lasswell in his landmark study. He defined "propaganda" as:

refer[ring] solely to the control of opinion by significant symbols, or, . . . by stories, rumours, reports, pictures and other forms of social communication. Propaganda is concerned with the management of opinions and attitudes by the direct manipulation of social suggestion rather than by altering other conditions in the environment or in the organism.

H. LASSWELL, *PROPAGANDA TECHNIQUE IN THE WORLD WAR 9* (1927). Lasswell's work was influential for those involved in propaganda in the Second World War.

At a point of major change in American tax law, tax administrators did not view the law as self-legitimizing, but rather felt compelled to provide, through a massive propaganda effort, an overlay of justification. The products of this campaign provide invaluable insight into the thinking of tax policymakers during the era in which the income tax was transformed from class tax to mass tax. Even if, as most scholars contend, the efficacy of their efforts is difficult to gauge, the study of World War II tax propaganda provides valuable insight into the thought process of those charged with conversion to mass income taxation.

Not surprisingly, the rationale provided for public consumption for this transformation was World War II and wartime economic conditions. The connection drawn by tax propagandists between income tax and the war effort is paralleled by publicity campaigns for other worthy behaviors—for conservation of rubber and fats, for victory gardens, for participation as air raid wardens, Red Cross knitters or bandage rollers, or for housewives to leave home “for the duration” and take a job, sometimes as the archetypal Rosie the Riveter. Like the other calls for sacrifice on the home front, the tax messages were explicitly tied to the war effort. After the war, however, these voluntary sacrifices—from gardening to unconventional paid work for women—became obsolescent. These actions were so tied to the war effort and to wartime by propaganda, that when victory came, these behaviors sharply diminished or disappeared.¹⁰

The income tax, by contrast, never returned to its “class tax” character. It retained its wartime nature as a mass tax and as a substantial component of federal revenue receipts.¹¹ Because the conversion from class tax to mass tax had its most obvious propaganda justification in the war effort, the failure to “reconvert” the income tax after the war suggests the need for a careful examination of subtler messages within wartime tax propaganda—messages that may explain the retention of the income tax as a mass tax after V-J Day.

This Article will analyze the conversion of the income tax from class tax to mass tax, and the role that propaganda played in that conversion and in the failure to “reconvert” the income tax after the war. Part II of this Article will examine the challenge presented to tax propagandists by the fact that, during the Depression, income taxation reached only the

10. See K. ANDERSON, *WARTIME WOMEN* (1981); D. CAMPBELL, *WOMEN AT WAR WITH AMERICA: PRIVATE LIVES IN A PATRIOTIC ERA* (1985); S. HARTMANN, *THE HOME FRONT AND BEYOND: AMERICAN WOMEN IN THE 1940's* (1982).

11. BUREAU OF CENSUS, U.S. DEPARTMENT OF COMMERCE, SER. Y 567-89, *HISTORICAL STATISTICS OF AMERICA 1121-22* (1975).

upper classes and public statements frequently justified the narrow incidence of the tax. Next, the legislative changes in the income tax wrought by America's entry into World War II will be surveyed briefly. Part III will address the media and methods used by the Treasury Department, its Bureau of Internal Revenue and the Office of War Information. The publicity campaigns and propaganda messages tying the need for income taxation to war and wartime conditions will be analyzed in Part IV.

While these messages justified conversion to mass taxation, they also implied that a broader base and steeply progressive tax rates were "for the duration"—aberrations like rationing books or Rosie the Riveter. Income taxation, however, proved to be more durable. Part V will examine this durability. It will focus, in the main, on a large body of World War II income tax propaganda that was "mechanical" or "technical" in nature, addressing such issues as filing returns, withholding and receiving a refund. This article contends that, while the war "sold" the income tax, structures and messages that made the income tax seem routine and bearable were partly responsible for the permanence of the income tax as a mass tax. A concluding section, Part VI, will relate these messages of war and routine to more fundamental issues of individual choice, and the efforts of tax policymakers to make such choice less significant to a mass income tax. The implications of this tension between choice and the reduction of choice for the postwar tax are considered as well in an effort to place World War II income tax propaganda into a broader historical perspective.

II. THE PROPAGANDA CHALLENGE

In testimony before the Senate Finance Committee in 1932, Herbert Hoover's Treasury Secretary, Ogden Mills, aptly described the very limited scope of the individual income tax up to that time. "We have become accustomed," he said, "to high exemptions and very low rates on the smaller taxable incomes. That is our fixed conception of an income tax and it is very difficult as a practical matter to change fixed conceptions of this character."¹² An average of 5.6 percent of the total population were covered by taxable returns in the period from 1918 to 1932, with a maximum coverage of 11.4 percent in 1920 and a low of 2.5 percent of the population in 1931; the low was attributable to economic vicissitudes during the Depression.¹³

12. *Revenue Act of 1932: Hearings on H.R. 10236 Before the Senate Comm. on Finance, 72d Cong., 1st Sess. 3 (1932).*

13. L. SELTZER, *supra* note 2.

Despite the vivid contrasts drawn between Herbert Hoover and Franklin D. Roosevelt by historians and in popular culture, FDR did little from 1933 to 1939 to expand the boundaries of individual income taxation articulated by the Hoover administration.¹⁴ The persistence of hard times made such expansion of direct taxation difficult, and memories of tax revolts during 1932¹⁵ rendered such expansion politically unwise. From 1933 to 1939, an average of 3.7 percent of the total population was covered on taxable returns.¹⁶ As a result, the individual income tax accounted for a lower percentage of federal revenue during the pre-war period of Roosevelt's presidency than it had from 1925 to 1932.¹⁷ Corporate income and excess profits taxes also represented a smaller portion of federal tax receipts under Roosevelt than they had under the previous seven years of Republican administrations.¹⁸ The ground lost by Roosevelt in the income tax arena was regained by excise taxation and regressively structured social security taxes.¹⁹

Although the individual income tax declined in population coverage and as a source of federal revenue, it was not without significance during the New Deal. In public pronouncements, Roosevelt and prominent Congressmen linked income taxpaying to plutocracy and rejected imposition of income taxes upon "average" citizens. These themes were sounded more loudly at some times than at others.

Initially, Roosevelt failed to take the lead both with respect to formulation of income tax policy and the rhetoric directed against those fortunate few in the elite ranks of income taxpayers. In the Revenue Act of 1934, Congress made rates more progressive, rejected efforts to expand the numbers of income taxpayers, and provided for publicity of a taxpayer's gross income, deductions, credits and tax payments.²⁰ While such publicity was designed to deter tax evasion and to highlight loopholes in

14. M. LEFF, *THE LIMITS OF SYMBOLIC REFORM* 11-17 (1984).

15. *Id.* at 14. See N.Y. Times, Mar. 17, 1932, at 3, col. 6 (sales tax protesters in Mississippi try to force their way into Gov. Conner's office); N.Y. Times, Mar. 4, 1932, at 2, col. 3 (Kentuckians storm Governor's mansion in sales tax protest); N.Y. Times, June 15, 1932, at 21, col. 7 (Sen. Huey Long's adherents surround Louisiana tax protesters); Letter to Editor, N.Y. Times, Mar. 31, 1932, at 20, col. 8 (taxpayers urged to hold threat of tax revolt over New York city officials). A fuller treatment of this era is presented in a forthcoming book, D. BEITO, *TAXPAYERS IN REVOLT: TAX RESISTANCE DURING THE GREAT DEPRESSION* (1989).

16. L. SELTZER, *supra* note 2.

17. BUREAU OF CENSUS, U.S. DEPARTMENT OF COMMERCE, SER. Y 567-89, *HISTORICAL STATISTICS OF AMERICA* 1121-22 (1975).

18. BUREAU OF THE CENSUS, U.S. DEPARTMENT OF COMMERCE, SER. Y 567-89, *HISTORICAL STATISTICS OF AMERICA* 1122 (1975).

19. *Id.*; M. LEFF, *supra* note 14, at 16-47.

20. M. LEFF, *supra* note 14, at 68.

the revenue laws, the enactment of publicity also reflected the stark division between income taxpayers and nontaxpayers. Representative Charles Truax sharply criticized "silk-stockinged propaganda" and declared that he would "[fight] for the 123,000,000 people who do not pay income taxes" as opposed to "overfed and underworked millionaires."²¹ Other commentators saw publicity as a means of fanning class hatred.²² A publicity program makes sense as a punitive device against a relatively small group of individuals. It was by portraying the victims of publicity as middle class neighbors who were essential to economic recovery that opponents of publicity were successful in achieving its repeal in 1935.²³

In the summer of 1935, Franklin Roosevelt entered the rhetorical lists tying income taxation to a campaign to level the very rich. Roosevelt's action was dissonant with his previous caution in the tax arena, but is comprehensible because of pressure from extremists like Huey Long and Father Coughlin who promised their economically disadvantaged followers massive government give-away programs.²⁴ In order to neutralize these more radical proposals, Roosevelt on June 19, 1935, delivered a message assailing tax laws that had "done little to prevent an unjust concentration of wealth and economic power."²⁵ "Whether it be wealth achieved through the cooperation of the entire community or riches gained by speculation—in either case the ownership of such wealth or riches represents a great public interest and a great ability to pay."²⁶ Roosevelt's actual proposals were not designed to accomplish the sort of economic justice to which his address so eloquently referred. Income tax proposals were directed at taxpayers with over \$1 million of taxable income.²⁷ The symbolic nature of Roosevelt's attack and the paucity of his proposed solution are apparent when one considers that at that time only 10 percent of families had incomes of \$3,200 or over. A subsistence or adequate income for a family of four was variously set at between \$800 and \$2,000. Seventy-four percent of American families earned less than \$2,000.²⁸

Congress went beyond Roosevelt's proposals and increased surtaxes on those with incomes over \$50,000, making a top bracket of 79 percent

21. 79 CONG. REC. 3389, 3394 (1935).

22. M. LEFF, *supra* note 14, at 71.

23. *Id.* at 71-73.

24. *Id.* at 100-01, 123-26, 148-49.

25. 79 CONG. REC. 9657 (1935).

26. *Id.* at 9657-58.

27. M. LEFF, *supra* note 14, at 141.

28. *Id.* at 94.

for income over \$5 million.²⁹ For three years thereafter only John D. Rockefeller qualified for this most stratospheric of tax brackets.³⁰

Congress was, however, quite clear as to who should not be paying income taxes. When Senator LaFollette proposed reducing exemptions to \$2,000 for couples and \$800 for singles, he was soundly defeated.³¹ At a time when three-fourths of American families were at or below the \$2,000 level at which they could live decently, Sen. Alben Barkley argued that LaFollette's measure would hurt the "average citizens" and "average families" "whether we consider the average man as one who receives less than \$5,000 a year or the one who receives less than \$10,000 a year—we can make up our own average to suit our own view of what an average ought to be."³²

This perception of the income tax as a weapon to be used only against the wealthy persisted in 1936. In his acceptance speech at the Democratic convention in Philadelphia, Roosevelt claimed to have enlisted in a war against the "economic royalists" who had crowded out "many thousands of small business men and merchants who sought to make a worthy use of the American system of initiative and profit."³³ In an October 1936 campaign address at Worcester, Massachusetts, FDR spoke of the "struggle to maintain democracy in America"—a struggle between "the vast majority of our citizens" and "a small, but powerful group which has fought the extension of [the] benefits of democracy, because it did not want to pay a fair share of their cost."³⁴ The politics of class division were clearly at work. Tax relief should be given to the average working American, while the wealthy should be more heavily taxed.

The Revenue Act of 1937 again played upon the theme of the unfairly low level of taxes paid by the wealthy. The Administration recommended loophole closing, and Congress responded with hearings detailing tax avoidance and evasion by sixty-seven wealthy families.³⁵ Foreign and domestic personal holding companies, hobby losses, incorporated yachts and country estates, and personal service corporations

29. *Id.* at 142.

30. *Id.* at 144-45.

31. 79 CONG. REC. 13201, 13207 (1935) (LaFollette's measure was supposed to raise \$215 million in revenue.).

32. *Id.* at 13208.

33. 5 THE PUBLIC PAPERS AND ADDRESSES OF FRANKLIN D. ROOSEVELT 232 (S. Rosenman ed. 1938).

34. *Id.* at 524-25.

35. *Revenue Act of 1937: Hearing Before the House Committee on Ways and Means, 75th Cong., 1st Sess. (1937).*

were just a few of the devices resorted to by the well-to-do.³⁶ For Roosevelt, plutocratic tax evasion and avoidance focused income tax reform upon the very small group of Americans already subject to income taxation instead of upon measures that would have broadened the tax base and the role of the income tax as a source of federal revenue.

A severe recession in the fall of 1937, spurred a strong attack on New Deal policies, particularly divisive tax policies.³⁷ Many Congressional leaders and Treasury officials determined that the downturn left business appeasement as the preferred strategy.³⁸ For those living in the Reagan era, the logic expressed in the late 1930s is hauntingly familiar. Lower taxes increase incentives for investment, driving the forces of economic expansion, and eventually, producing a better federal balance sheet. Although many business leaders favored broadening the income tax beyond its base of 4 percent of the population in 1938,³⁹ the business community primarily sought tax reduction, particularly the repeal of the obnoxious undistributed profits tax of the 1936 Revenue Act.⁴⁰ Business began an anti-tax public relations campaign described by historian Mark Leff:

In early 1939, reflecting the key role of taxes in business legislative objectives, the U.S. Chamber of Commerce emblazoned its theme "Less Taxes—More Jobs" on 25,000 billboards passed daily by an estimated 72 million people. In its newspaper and magazine advertisements, it resurrected the assertion that "there are 154 taxes wrapped up in a cake of soap" and featured overalled workers reaching such insights as "Suppose they do break business down with all this sniping and regulating and taxing, who's ahead?" "It seems a sad thing," one advertising periodical lamented, "that such obvious truths have to be told to the mob in paid space."⁴¹

Ultimately, these business attacks and diminished public support for the New Deal resulted in a modest reduction in corporate taxation in 1938 and in more generous treatment of capital gains and losses in 1938 and 1939.⁴² Although a trend of tax increases targeted at the very rich was interrupted, the ascendant conservative elements were unsuccessful in reducing the rates of tax for wealthy individuals and in making the income tax more broadly based.

36. *Id.* at 7.

37. M. LEFF, *supra* note 14, at 209-10.

38. *Id.* at 210-11.

39. L. SELTZER, *supra* note 2; M. LEFF, *supra* note 14, at 234.

40. M. LEFF, *supra* note 14, at 177-78. See Revenue Act of 1936, Pub. L. No. 74-740, § 14, 49 Stat. 1648, 1655-57 (1936).

41. M. LEFF, *supra* note 14, at 249.

42. *Id.* at 263, 273.

Polls from 1938-1939 suggest lack of public support for reductions in taxes "on people with high incomes",⁴³ and a plurality of support for publicity of the income tax returns "of rich men."⁴⁴ Proposals for base broadening were not well received. A poll in January 1938 asked if a married man earning less than \$2,500 a year should be required to pay a federal income tax. Eighty percent said no,⁴⁵ although that figure fell to 64 percent in a February 1939 poll that asked a similar question.⁴⁶ This view supported exemption of over three-fourths of the American population from income taxation. As America seemed more likely to be drawn into a war that was engulfing Europe and Asia at the close of the 1930s, the income tax remained essentially as Hoover's Treasury Secretary described it—a tax "with high exemptions and very low rates on the smaller taxable incomes," a tax that was "as a practical matter" very difficult to alter.

By Fall of 1939, however, Treasury Secretary Henry Morgenthau, Jr. was convinced that the worsening international situation required fundamental alterations in the income tax system. Morgenthau favored a three-pronged approach with regard to the income tax. The first was new taxes, including an excess profits tax to prevent war profiteering. The second approach was the use of income taxes to guard against inflation by draining excess consumer purchasing power. Finally, as a defense-induced business recovery occurred, Morgenthau "believed it would be just and feasible to increase taxes on middle and lower income groups."⁴⁷ In September of 1939, one month after the German invasion of Poland, Morgenthau asked Roosevelt about this three-part plan. The President replied, "perfect tax program; simple; perfect."⁴⁸

When Roosevelt needed to make his budget proposals at the beginning of 1940, however, he brushed aside for the moment the issue of income tax base broadening. FDR told Morgenthau to "Give me a message indicating to Congress that I want them to raise X hundreds of millions of dollars . . . and I want it to come from the group that can afford to pay it the most."⁴⁹ Roosevelt essentially set a revenue goal of \$500 million "to be obtained by devices Congress defined."⁵⁰ Although

43. PUBLIC OPINION, 1935-1946 317, item 22 (H. Cantril ed. 1951).

44. *Id.* at 316, item 16.

45. *Id.* at 316, item 12.

46. *Id.* at 317, item 20.

47. 2 J. BLUM, FROM THE MORGENTHAU DIARIES 279 (1967).

48. *Id.* at 279-80.

49. *Id.* at 284.

50. *Id.*

there was considerable public support for an excess profits tax, disagreement as to the definition and measurement of excessive profits delayed legislative action on that issue.⁵¹ In June of 1940, FDR agreed to a Senate Finance Committee proposal to lower exemptions on the individual income tax,⁵² which caused more individuals to be subject to the federal income tax. The First Revenue Act of 1940 reduced the exemptions from \$2,500 to \$2,000 for married taxpayers and from \$1,000 to \$800 for those taxpayers who were single.⁵³ Income tax changes in 1940 contributed to the addition of 10 million taxable returns in 1941.⁵⁴

The trend toward income tax base broadening continued in 1941. The Treasury proposed and succeeded in obtaining increased surtaxes on individuals.⁵⁵ Although Congress considered proposals such as a general manufacturers' sales tax or a purchase tax,⁵⁶ it ultimately reduced the exemption for single taxpayers by \$50 to \$750, and for married taxpayers, from \$2,000 to \$1,500.⁵⁷ The 1940 and 1941 Revenue Acts had increased the size of the taxpaying club from 7.4 million to 27.6 million.⁵⁸ An increase in the number of taxpayers also raised concerns about simplification, and in 1941, Congress adopted the short form return.⁵⁹

An even more significant increase in the number of income taxpayers followed America's entry into World War II. Again, initially the Treasury proposed higher surtaxes on individual income, closing or reduction of tax loopholes, collection of income tax at the source, and increased excise taxes and social security taxes—imposts which tend to be regressive in effect.⁶⁰ Concerns about inflation caused a group of Roosevelt's advisers to recommend a sales tax, lower income tax exemp-

51. R. PAUL, *TAXATION IN THE UNITED STATES* 262 (1954).

52. 2 J. BLUM, *supra* note 47, at 287.

53. Revenue Act of 1940, Pub. L. No. 76-656, § 6, 54 Stat. 516, 519 (1940).

54. BUREAU OF THE CENSUS, *supra* note 6.

55. Compare Revenue Act of 1941, Pub. L. No. 77-250, § 101, 687, 688-89 (1941) with Revenue Act of 1940, Pub. L. No. 76-656, § 2, 516, 517 (1940).

56. R. PAUL, *supra* note 51, at 277.

57. Revenue Act of 1941, Pub. L. No. 77-250, § 111, 687, 696 (1941).

A husband and wife living together shall receive but one personal exemption. The amount of such personal exemption shall be \$1,500. If such husband and wife make separate returns, the personal exemption may be taken by either or divided between them, except that if one spouse makes a return under Supplement T, the personal exemption of the other spouse shall be \$750.

Id.

58. BUREAU OF THE CENSUS, *supra* note 6. (This is based upon the number of taxable returns.)

59. Revenue Act of 1941, Pub. L. No. 77-250, § 102, 687, 689-91 (1941).

60. 3 J. BLUM, *FROM THE MORGENTHAU DIARIES* 36 (1967).

tions, and a wage freeze.⁶¹ In partial accomplishment of these recommendations, the final bill lowered the exemption for single taxpayers from \$750 to \$600 and for married taxpayers and heads of families to \$1,200.⁶² The Revenue Act of 1942 increased the number of taxable returns on net income by over 45 percent.⁶³ Professors Surrey and Warren aptly noted that the income tax had "changed its morning coat for overalls" and had "spread from the country club group district down to the railroad tracks and then over to the other side of the tracks."⁶⁴ The Revenue Act of 1942 also increased surtax rates. The first bracket rates more than doubled.⁶⁵

The 1942 Act also included the Senate Finance Committee proposal for a Victory Tax, a 5 percent gross income tax on all income over \$624. The Victory Tax promised a partial post-war credit.⁶⁶ Treasury opposition to the Victory Tax was based on its complication of the individual income tax and its inequitable use of the low \$624 exemption, regardless of family status.⁶⁷ Treasury's arguments were unavailing, and the Victory Tax became law.⁶⁸ Taking the Victory Tax into account, the income tax rolls increased from 13 million to 50 million in one year.⁶⁹ By 1943, 68.9 percent of the total population was covered by a taxable return as compared with 2.6 percent of the population just ten years earlier.⁷⁰ With such a large number of new taxpayers, many from lower previously untaxed income brackets, pressure increased on two features of the tax system that made it unsuited as a mass tax. The income tax, at the beginning of 1943 was not collected at the source,⁷¹ and it was not collected currently, but rather was paid in quarterly installments in the following year.⁷² Therefore, 1941 income tax obligations based on salary income, were paid during 1942. This lack of current tax payment, payment of taxes during the year in which the tax obligation accrued, and the absence of withholding at the source of income were of concern to tax policy-makers who concluded that these aspects of the existing income tax

61. *Id.* at 37.

62. Revenue Act of 1942, Pub. L. No. 77-753, § 131, 798, 827-28 (1942).

63. BUREAU OF THE CENSUS, *supra* note 6.

64. R. PAUL, *supra* note 51, at 318.

65. Compare Revenue Act of 1942, Pub. L. No. 77-753, § 103, 798, 802 (1942) with Revenue Act of 1941, Pub. L. No. 77-250, § 101, 687, 687 (1941).

66. Revenue Act of 1942, Pub. L. No. 77-753, §§ 450-56, 798, 884-87 (1942).

67. R. PAUL, *supra* note 51, at 319.

68. See Revenue Act of 1942, *supra* note 66.

69. R. PAUL, *supra* note 51, at 319.

70. L. SELTZER, *supra* note 2.

71. R. PAUL, *supra* note 51, at 330-32.

72. *Id.* at 328-29, 332.

were "poorly adapted to the budgets and flow of income of 44 million taxpayers."⁷³

Placing the income tax on a current basis found an outspoken champion in Beardsley Ruml, Treasurer of R.H. Macy & Company and Chairman of the Board of the Federal Reserve Bank of New York. Ruml professed concern for retirees and enlistees or draftees who experienced declining incomes, yet were expected to pay income taxes for a previous year out of more meager incomes.⁷⁴ The solution was for the federal government to require income tax payments currently, but the problem was in creating a transition to current payment. Under the existing tax system, Year 1's tax liability was paid in Year 2. If, in Year 2, the tax payments were made current, a taxpayer would be required to pay Year 1's and Year 2's taxes in Year 2. This was seen as an unacceptable situation. In essence, Ruml's plan was to forgive Year 1 tax liability, but require the taxpayer to make his Year 2 tax payments. For Ruml, this was the "daylight savings"⁷⁵ approach to government finance; a proposal under which the Treasury would lose only when "the books would finally be closed [on Judgment Day]."

The Treasury opposed the Ruml plan, because at least initially that proposal was not closely interwoven with collection at the source⁷⁶—a revision tax administrators viewed as crucial to the burgeoning income tax system and to its fight against inflation. The Ruml plan was also rejected as inequitable by top Treasury officials.⁷⁷ The forgiveness of Year 1 tax liability would benefit higher bracket taxpayers more than those in lower brackets. Secretary Morgenthau advised FDR that "[t]he plan presented about \$64,000 to an individual with a net income of \$100,000, . . . for a man who had earned \$2000 only \$140.⁷⁸ [I]ncreases would probably fall largely on lower income groups since earlier increases had

73. *Id.* at 333-34. Evidently, not only the government was concerned about this situation. There is some suggestion that employers felt they had a stake in their employees' ability to make their income tax payments. In a Group Meeting on December 4, 1941, George Buffington described a conversation with an employer of three thousand men who had found that few of the employees were prepared to make their income tax payments in March. This employer evidently arranged guaranteed loans for his employees at local banks, but the employer was "quite disturbed" about it. Group Meeting (9:30 a.m., Dec. 4, 1941), 468 MORGENTHAU DIARIES 229 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.).

74. R. PAUL, *supra* note 51, at 328-29.

75. *Id.* at 335.

76. *Id.* at 329.

77. *Id.* at 334.

78. 3 J. BLUM, *supra* note 60, at 59.

impinged primarily on the wealthier.”⁷⁹ The Treasury did concede that partial forgiveness of one year’s tax liability would probably be necessary for the implementation of a current payment-collection at the source system.⁸⁰ Congress, however, in the Current Tax Payment Act of 1943, compromised in favor of what was essentially a 75 percent forgiveness of the lower of 1942 or 1943 tax liabilities. Unforgiven tax liabilities could be paid over the next two years.⁸¹

The Act also established the now-familiar withholding system of tax collection. Income over the family status withholding exemption was withheld at a rate of 20 percent.⁸² The new collection system caused considerable confusion. Some citizens thought it was a new tax, others that withholding definitively established the amount of tax liability.⁸³ President Roosevelt was unsure about what obligations the new act would impose upon him as an employer at his Hyde Park estate.⁸⁴ The withholding system revolutionized the income tax. Elimination of delay in payments made the income tax more responsive to wartime revenue expansion. As wage earners became used to periodic deductions from their paychecks, the income tax also became somewhat more hidden—an acceptable routine of American life. The advent of withholding ensured the income tax’s place as a major and massive revenue source.⁸⁵

The battle over current payment and withholding diverted considerable political energy away from the passage of a Revenue Act in 1943. The Roosevelt administration had asked for \$10.5 billion in additional taxes—\$6.5 billion of that to come from increases in individual income taxes.⁸⁶ This revenue request was prompted by tremendous military ex-

79. R. PAUL, *supra* note 51, at 334.

80. Treasury resentment against Ruml, personally, was sometimes expressed. At one meeting in 1943, it was noted that “[b]rother Ruml still has not paid up the taxes on ‘41 income.” Meeting (1:40 p.m., Mar. 12, 1943) 616 MORGENTHAU DIARIES 30 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.).

81. Current Tax Payment Act of 1943, Pub. L. No. 78-68, § 6, 57 Stat. 126, 145-49 (1943).

82. *Id.* § 2, at 128.

83. One confusion was that withholding would take 20 percent of pay. The Treasury tried to assure the American public that this was not the case. Treasury Star Parade to be Recorded (June 23, 1943), Treasury Star Parade, May-June 1943, PETER H. ODEGARD PAPERS (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.).

84. Memorandum to the Secretary of the Treasury from the President (June 26, 1943), 643 MORGENTHAU DIARIES 298 (Franklin D. Roosevelt Library, Hyde Park, N.Y.). Memorandum from Morgenthau to the President (June 30, 1943), 645 MORGENTHAU DIARIES 297 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.). “I wish to advise you that the withholding provisions of the recently enacted tax bill do not apply to agricultural labor or domestic servants.” *Id.*

85. D. BRINKLEY, WASHINGTON GOES TO WAR 219 (1988).

86. J. BLUM, *supra* note 60, at 72.

penditures and fears that excess consumer buying power would bid up the price of the short supply of consumer goods available and make rationing and price control measures more ineffectual. The administration was rebuffed. Congress believed that the American people had reached the limits of income tax tolerance and pointed out that the combined state and local tax burden was greater per capita in the United States than in Great Britain or Canada.⁸⁷ As for the inflationary threat, the Committee on Ways and Means suggested that "The maintenance by the government of the proper psychology, and freedom from fear of inflation" was more important than "the absorption of current excess buying power through additional taxes."⁸⁸ The Revenue Act of 1943 as passed by Congress actually raised less than one-fifth of the administration's request and was replete with expansions of tax expenditures.⁸⁹ Roosevelt vetoed the bill as "a tax relief bill, providing relief not for the needy but for the greedy."⁹⁰ Congress overrode the veto and the 1943 Act became law.⁹¹ It maintained existing rates and kept the personal exemptions at \$600 for single taxpayers and \$1,200 for married taxpayers.⁹²

The 1943 Revenue Act was a stinging defeat on the tax front for the Roosevelt administration and signaled the end of its ability of direct major changes in the income tax base.⁹³ One other measure, however, was developed with administration and legislative cooperation. The transition to current payment and complicated code provisions led to the issuance of 1944 tax forms that one newspaper said "must be seen to be believed."⁹⁴ The returns due in March 1944 dealt with tax liabilities for three different tax years. These included first quarter estimated tax payments on 1944 income, withholding and estimated tax installments with respect to 1943 income and the unforgiven portion of 1942 taxes. Randolph Paul commented, "All signs pointed to a bull market in aspirin."⁹⁵ The Individual Income Tax Act of 1944 simplified the income tax for

87. R. PAUL, *supra* note 51, at 360. See Nelson, *U.S. Taxation Goal Overtops British*, N.Y. Times, Nov. 7, 1943, in 680 MORGENTHAU DIARIES 10 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.); Memorandum from Roy Blough to the Secretary (Nov. 26, 1943), 680 MORGENTHAU DIARIES 8-9 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.) (a refutation of the Nelson article for Secretary Morgenthau).

88. R. PAUL *supra* note 51, at 359.

89. 3 J. BLUM, *supra* note 60, at 72-75.

90. *Id.* at 76.

91. *Id.*

92. See Revenue Act of 1943, Pub. L. No. 78-235, § 21 (1944).

93. 3 J. BLUM, *supra* note 60, at 76.

94. R. PAUL, *supra* note 51, at 383.

95. *Id.*

those in lower brackets. It unified exemptions and regularized rate schedules. It also allowed wage earners with incomes under \$5,000 to file their withholding receipts and have their taxes computed by the Bureau of Internal Revenue.⁹⁶

The Current Tax Payment Act of 1943 and the Individual Income Tax Act of 1944 both signaled a fundamental reconfiguration of the income tax from a class tax to a mass tax—one that could be collected currently at the source from people who could not be trusted to save to meet their tax obligations, and one that simplified its forms and payments to become more palatable to the new and average taxpayer. A tax intended at least symbolically to soak-the-rich during the Depression became a feature of everyday life for most Americans. It was an incredible transformation.

One fascinating element is the role of government information and propaganda in this metamorphosis. The Roosevelt administration, particularly in the mid-1930s had attacked “economic royalists” and used the income tax as a weapon in its campaign of ostracism. How would these same people “sell” the income tax to their constituency—factory workers, retail clerks, farmers, people previously untouched by the income tax? Part II of this Article will examine the public relations methods and media of the Treasury Department, Bureau of Internal Revenue, and the Office of War Information.

III. THE PROPAGANDA MACHINE

As may be expected, the Department of Treasury was primarily responsible for the information campaigns regarding the income tax during World War II. The Department relied on in-house staff and consultants borrowed from the private sector.⁹⁷ Within the Department, there were public relations men whose primary focus seemed to be traditional press relations.⁹⁸ Although technically within the jurisdiction of the Treasury Department, the Bureau of Internal Revenue also had its own public relations functionaries.⁹⁹ Throughout his tenure as Secretary of Treasury,

96. Individual Income Tax Act of 1944, Pub. L. No. 78-315, § 5, 231, 232-34 (1944).

97. Letter from Fred Smith to Secretary Morgenthau (May 3, 1943), 631 MORGENTHAU DIARIES 90 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.); J. BLUM, *V WAS FOR VICTORY* 17 (1976).

98. Harold N. Graves, Memorandum for the Secretary, regarding the Public Relations Division (Feb. 13, 1941), 372 MORGENTHAU DIARIES 104 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.).

99. Taxes Meeting (3:00 p.m.), 652 MORGENTHAU DIARIES 189-90 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.); Group Meeting (9:00 a.m., July 29, 1943), 652 MORGENTHAU

Henry Morgenthau, Jr., expressed concern about the effectiveness of these public relations efforts.¹⁰⁰ Public relations decisions could conceivably go through approval by the Commissioner of Internal Revenue, an Assistant Treasury Secretary, a Treasury advisor for public relations, and Secretary Morgenthau.¹⁰¹

Even this elaborate system of clearances within the Treasury Department does not give a complete picture of the purveyors of income tax propaganda. During the early 1940s, a variety of domestic propaganda agencies were created—the Office of Government Reports, the Division of Information of the Office of Emergency Management, Fiorella LaGuardia's Office of Civilian Defense, the Office of Facts and Figures.¹⁰² In one form or another, these agencies were to coordinate information on government activities, but they were not given the authority necessary to achieve their ends.¹⁰³ As a result, the new propaganda agencies were left to conduct their own turf battles, usually unsuccessfully, with established government departments.¹⁰⁴

By early 1942, it was clear that the multiplicity of agencies were

DIARIES 158-60 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.); Group Meeting (8:45 a.m., Aug. 11, 1943), 655 MORGENTHAU DIARIES 105-11 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.).

100. See, e.g., Marginalia on Memorandum to Ferdinand Kuhn from Secretary Morgenthau (Mar. 16, 1941), 508 MORGENTHAU DIARIES 292 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.). ("I am *very* disappointed that we have got no where on our tax publicity program."). Group Meeting (9:15 a.m., Mar. 16, 1942), 508 MORGENTHAU DIARIES 8-15 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.).

101. For example, with respect to the folder *Your New Income Tax* created in 1942, the folder was prepared in collaboration with the Treasury's Director of Public Relations, Chick Schwarz, the Bureau of Internal Revenue, and the Division of Tax Research. It was read and approved by Norman Cann, for the Bureau of Internal Revenue, Assistant Secretaries of Treasury Bell and Gaston, and Messrs. Kuhn and Buffington. Finally, the document was submitted to Secretary Morgenthau for his approval. Memorandum from Sullivan to Morgenthau (Nov. 19, 1942), 596 MORGENTHAU DIARIES 233 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.). After the fiasco with the September 15 estimated tax declaration forms in 1943, Morgenthau wanted to improve the public relations procedures at the Treasury. He ordered that a public relations vacancy at the Bureau of Internal Revenue be filled and that Bureau materials be sent to Chick Schwarz who would then clear the document with the appropriate people in Treasury. Taxes Meeting (3:00 p.m.), *supra* note 99; Fred Smith was also apparently to clear materials distributed to the public. Group Meeting, (9:00 a.m., July 29, 1943), *supra* note 99. Later the procedure was refined to require clearance by the Commissioner or someone in Internal Revenue before it was sent to the appropriate Assistant Secretary, and then to Schwarz and Smith, the public relations experts in Treasury. Group Meeting (8:45 a.m., Aug. 11, 1943), *supra* note 99.

102. A. WINKLER, *THE POLITICS OF PROPAGANDA* 21-24 (1978). For the executive order establishing the Office of Facts and Figures, see Executive Order (Oct. 24, 1941), 454 MORGENTHAU DIARIES 54-55 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.).

103. A. WINKLER, *supra* note 102.

104. *Id.*

unfit for the propaganda needs of a government at war.¹⁰⁵ Under considerable pressure by his advisers, Roosevelt on June 13, 1942 signed an executive order creating an Office of War Information (OWI) and chose veteran journalist and radio commentator Elmer Davis to lead the new agency.¹⁰⁶ OWI was to "formulate and carry out, through the use of press, radio, motion pictures, and other facilities, information programs designed to facilitate the development of an informed and intelligent understanding, at home and abroad, of the status and progress of the war effort and of the war policies, activities, and aims of the Government."¹⁰⁷ Further, the agency was to coordinate informational activities of all federal departments.¹⁰⁸ It was an exemplar of Roosevelt's management style—an agency created for coordination, but without the authority to compel coherence. Conflicting assignments (dissemination of fact versus persuasion), lack of respect from established government agencies, political conflict, and ambiguity about information policy during the war impeded the Office of War Information's efforts.¹⁰⁹

So it was in OWI's relation to the Treasury Department. The old-line department and its Bureau of Internal Revenue took the lead in formulating tax information policy, relegating OWI to coordination of radio announcements, contacts with particular segments of the press (for example, black press, labor press, women's editors), poster distribution, news reels,¹¹⁰ and occasional advice about a public relations crisis.¹¹¹

105. *Id.* at 24-30.

106. *Id.* at 31.

107. *Id.* at 34.

108. *Id.*

109. *Id.* at 35.

110. Memorandum from Simon O. Lesser, Program Manager, to J.D. Nunan, Jr., George J. Schoeneman, Charles Schaeffer, Irving Perlmeter, Norman Conn, Charles P. Suman, Harvey Goddard, (Mar. 24, 1945), Taxes-Radio, Records of Simon Lesser; Program Guides and Publicity Materials for the Economic Stabilization Campaign; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.); Simon O. Lesser, Program Manager, to J.D. Nunan, Jr., George Schoeneman, Charles Schaeffer, Irving Perlmeter, Norman Conn, Charles Suman, Harvey Goddard, (Apr. 26, 1945) Taxes-Radio, Records of Simon Lesser; Program Guides and Publicity Materials for the Economic Stabilization Campaign; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.); Memorandum to Station Relations Regional Chiefs from Willett Kempton, (Feb. 19, 1945), Radio-1945 Taxes, Records of Simon Lesser; Program Guides and Publicity Materials for the Economic Stabilization Campaign; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.); Advance Bulletin of New Posters (Feb. 1944), Taxes-Radio, Records of Simon Lesser; Program Guides and Publicity Materials for the Economic Stabilization Campaign; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.); Memorandum to Bureau Chiefs from Gardner Cowles, Jr. (Feb. 5, 1943), Treasury/Correspondence; General Records of Assistant Directors James Rogers and William Lewis, January to July 1943; Records of the Office of War Information, Record Group

While OWI seems to have been largely shut out of major decisions about the formulation of income tax propaganda, the services it provided with respect to the specialized press and radio allocation were important elements of the government's income tax efforts. Its records provide a rich repository of tax messages to the American public.

An understanding of World War II income tax propaganda may be best approached by considering the ways in which the Treasury, Bureau of Internal Revenue, and OWI used various media to convey the government's message. These media will be considered generally in increasing order or numbers of individuals reached. The devices range from provision of information to local clubs to pamphlet distribution to use of the mass media of newspapers, magazines, radio and film.

At the local level, it was hoped that respected citizens would convince their neighbors of the government's need for income taxation on broader scale. One such program, administered by OWI, was the Victory Speakers program. In a special Bulletin subtitled *Ideas for Original Speeches*, the creative toastmaster could address "Taxes." "The new income taxes will call for many sacrifices, especially by people of low income who have never paid income tax before. But these sacrifices, difficult though they may be, are small compared with the sacrifices of those whose breadwinners have been drafted or who are serving in the armed forces."¹¹²

The Treasury sent its information program book, and OWI a tax pamphlet, to a variety of women's clubs, an important group because many of the new taxpayers during World War II were women.¹¹³

208; (available in National Records Center, Suitland, Md.); Memorandum from James R. Brackett to Fred Smith, (Aug. 4, 1943), Treasury/Correspondence; General Records of Assistant Directors James Rogers and William Lewis, January to July 1943; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.).

111. Treasury Conference Report (Mar. 10, 1943), Conference Reports (Treas.); General Records of Assistant Directors James Rogers and William Lewis, January to July 1943; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.).

112. SPECIAL BULLETIN ADDRESSED TO VICTORY SPEAKERS: IDEAS FOR ORIGINAL SPEECHES (undated), Pamphlets, 1942-43; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.). See also Memorandum from Herbert Little to Charles Schwartz (Feb. 17, 1943), Income Tax-Treasury; General Records of Assistant Directors James Rogers and William Lewis January to July 1943; Records of Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.).

113. WOMEN'S RADIO WAR PROGRAM GUIDE (Feb. 1944), Taxes-Radio; Program Guides and Publicity Materials for the Economic Stabilization Campaign; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.). See also Naomi L. Engelsman to Simon O. Lesser (Feb. 1, 1944), Taxes-Radio, Records of Simon Lesser; Program

OWI also hoped to stimulate local discussion of tax policy with the issuance of two 1943 pamphlets that provoked tremendous controversy. In the first, *Battle Stations For All*, OWI pamphleteers basically advanced Roosevelt administration arguments for income taxes on the middle and lower class, pay-as-you-go taxation, and elimination of such tax "loop-holes" as the exemption of interest on state and local bonds.¹¹⁴ *How to Raise \$16 Billion*, a discussion guide issued by OWI, told the story of a tax bill in terms laudatory of the Treasury and featured simplistic propagandistic questions.¹¹⁵ For example, after a section condemning federal sales tax proposals, the following very thought-provoking and neutral questions were posed:

1. Would it be wise to have a Federal sales tax on Food? On Medicines? On fuel?
 . . .
6. Ought the people who receive less than \$500 a year to be taxed, in view of the fact that they have less than enough money to buy their fair share of goods and services?¹¹⁶

The fact that government propaganda was so supportive of the administration's fiscal and tax proposals was obnoxious to a number of those in Congress. When it came time in 1943 for appropriations, these pamphlets figured significantly in the attack against OWI and resulted in drastic cuts to OWI's Domestic Bureau—cuts that eliminated the Agency's ability to generate further domestic propaganda materials.¹¹⁷

Some citizens were expected to educate others about the mechanics of income tax compliance. Collectors of Internal Revenue, the local rep-

Guides and Publicity Materials for the Economic Stabilization Campaign; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.). "I am enclosing the list of organizations to which your tax pamphlet went yesterday. I think we have picked out a pretty good cross-section of our best and most interested women's clubs." *Id.* See also Memorandum from George Buffington to Secretary Morgenthau (Dec. 5, 1941), 469 MORGENTHAU DIARIES 64 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.). Buffington discusses the distribution of the 1941 pamphlet, *Know Your Taxes* and also suggests that "[I]t may also be advisable to ask the various Women's Clubs to arrange for a series of talks by treasury people to members regarding taxes." *Id.*

114. OFFICE OF WAR INFORMATION, *BATTLE STATIONS FOR ALL* (Feb. 1943), in Pamphlets, 1942-43; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.).

115. OFFICE OF WAR INFORMATION, *HOW TO RAISE \$16 BILLION*, (1943) in Gardner Cowles, Jr.-Lewis, January to July 1943; General Records of Assistant Directors James Rogers and William Lewis, January to July 1943; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.).

116. *Id.* at 4. While the points made may have been persuasive, asking them as questions with obvious answers tended to undermine genuine or serious discussion of the issues.

117. A WINKLER, *supra* note 102, at 71.

representatives of the BIR, were provided scripts for speeches before local groups or on the radio.¹¹⁸ Union leaders were also expected to assist their members with the unfamiliar tax forms.¹¹⁹

Another local group expected to assist the Treasury was schoolteachers. Secretary Morgenthau seemed particularly enamored of the idea of having teachers instruct those in their community on how to fill in their income tax forms.¹²⁰ The proposal was received with skepticism by Treasury aides and the Internal Revenue Commissioner who pointed out that schoolteachers were one of the worst groups in filing their own returns.¹²¹ After several meetings at which Morgenthau's pet idea was pursued,¹²² it was decided that schoolteachers could teach their own students about income tax forms, but that a more general community effort was not advisable.¹²³ Schoolteachers already had been enlisted to distribute sugar rationing books to irate and abusive citizens earlier that year.¹²⁴ The opportunity to serve as government spokespersons for yet

118. Summary of Publicity Schedule, September 15 Declaration (undated, cover letter dated Aug. 4, 1943), Taxes-Radio, Records of Simon Lesser; Program Guides and Publicity Materials for the Economic Stabilization Campaign; Records of the Office of War Information, Record Group 208; (National Records Center, Suitland, Md.). Memorandum from Guy Helvering to Secretary Morgenthau (Dec. 15, 1942), 596 MORGENTHAU DIARIES 274 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.).

119. Office of War Information, Treasury Department Press Release (undated), Income Tax-Treasury; General Records of Assistant Directors James Rogers and William Lewis; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.).

120. Income Taxes Meeting (11:40 a.m., Dec. 9, 1942), 595 MORGENTHAU DIARIES 49 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.). See Memorandum from Odegard to Secretary Morgenthau proposing such a program (Dec. 15, 1942), 596 MORGENTHAU DIARIES 175 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.); Howard E. Wilson and Forrest Long, Memorandum Concerning School Services on the Reporting of Income Taxes in 1943 (undated), 596 MORGENTHAU DIARIES 278 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.).

121. Income Taxes Meeting (11:40 a.m., Dec. 9, 1942), *supra* note 120, at 50-51; Income Taxes Meeting (10:10 a.m., Dec. 15, 1942), 596 MORGENTHAU DIARIES 173 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.).

122. Memorandum from Odegard to Secretary Morgenthau (Dec. 11, 1942), 595 MORGENTHAU DIARIES 288 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.); Income Taxes Meeting (10:10 a.m., Dec. 15, 1942), *supra* note 121.

123. Income Taxes Meeting (11:20 a.m., Dec. 16, 1942), 597 MORGENTHAU DIARIES 14-17 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.); Memorandum to the Secretary from Messrs. Gaston, Helvering, Cann, Odegard, Mager, Lemmon, and Sullivan, (Dec. 15, 1942), 596 MORGENTHAU DIARIES 273 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.).

124. D. BRINKLEY, *supra* note 85, at 127-28. This point was brought up to Secretary Morgenthau by Peter Odegard, see Income Taxes Meeting (11:40 a.m., Dec. 9, 1942), *supra* note 120; but see Morgenthau's assertion that teachers would be enthusiastic for this. *Id.* at 51-52.

another unpopular program—taxation—was probably one America's schoolteachers could bypass.

Key to local informational efforts were Treasury pamphlets like *Your New Income Tax* developed at the end of 1942.¹²⁵ A small folded page, the pamphlet included a brief message from Secretary Morgenthau, explanations of the Victory Tax and other aspects of the income tax and a rate table. The multigraph machine was set to work reproducing Morgenthau's signature on a cover letter to be sent with the pamphlets to the nation's 48 governors, heads of education, mayors, town clerks, county commissioners, and judges of county courts. Collectors of Internal Revenue were asked to distribute the leaflet to each employer of eight or more.¹²⁶

125. A 1941 version of the little income tax pamphlet was entitled, *Know Your Taxes*. 453 Morgenthau Diaries 298 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.) Forty-one million of these pamphlets were distributed through various federal agencies, commercial banks, and direct mailing to taxpayers. See Treasury Department Press Release (Oct. 26, 1941), 469 MORGENTHAU DIARIES 69 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.); Approximate Distribution of Folders, *Know Your Taxes*, to Federal Reserve Banks (Dec. 5, 1941), 469 MORGENTHAU DIARIES 66 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.); *Know Your Taxes* Folders Sent to Date to the Following Organizations for Redistribution to Taxpayers (Dec. 4, 1941), 469 MORGENTHAU DIARIES 67 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.); Memorandum from George Buffington to Secretary Morgenthau (Dec. 5, 1941), *supra* note 113.

The Treasury attempted to monitor reaction to the pamphlet. For example, one individual was sent to call on banks to obtain their reactions to the folder. Memorandum from George Buffington to Secretary Morgenthau (Oct. 31, 1941), 456 MORGENTHAU DIARIES 219 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.).

A problem arose in late 1941 with regard to distribution of the pamphlets. One company refused to distribute *Know Your Taxes* to its employees, so the suggestion was made to reach the employees through the unions. Group Meeting (Dec. 1, 1941), 467 MORGENTHAU DIARIES 23-27 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.).

Another 1941 pamphlet entitled, *HOW TO FILE YOUR INCOME TAX THE SIMPLE WAY* explained how to file the new form 1040A, a simplified form for those who had gross incomes of \$3000 or less. *HOW TO FILE YOUR INCOME TAX THE SIMPLE WAY* (undated), 473 MORGENTHAU DIARIES 310 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.). Fifteen million copies of this pamphlet were mailed out with income tax returns, and another six million were available through banks, unions, corporations, savings and loan associations, newspapers and other publications. See Memorandum from George Buffington to Commissioner Helvering (Dec. 16, 1941), 473 MORGENTHAU DIARIES 308 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.); Treasury Department Press Release (Nov. 23, 1941), 464 MORGENTHAU DIARIES 110 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.).

126. Memorandum from Sullivan to Birgfeld (Nov. 26, 1942), 596 MORGENTHAU DIARIES 246 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.) (with regard to letters to mayors, town clerks, chief executives of counties). Memorandum from Sullivan to Cann (Nov. 24, 1942), 596 MORGENTHAU DIARIES 235 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.) (discussing deliveries of the pamphlets to Collectors of Internal Revenue, federal reserve banks, state governors, departments and agencies of the federal government, state and local school boards, and the U.S. Treasury's Chief Clerk's Office); Memorandum from Sullivan to Cann (Nov. 24, 1942), 596 MORGENTHAU DIARIES 236 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.). Pam-

In addition to the widely distributed pamphlets, OWI supplemented Treasury efforts by distribution and development of what one OWI official called "sound and attractive poster[s]." ¹²⁷ The 1944 version, at least, was a rather dull affair with bold lettering and no illustration. ¹²⁸ The posters were sent by OWI to banks, department stores, libraries, office buildings, post offices, war plants, and Western Union offices. ¹²⁹

In addition to local spokesmen, discussion groups, pamphlets and posters, tax propagandists made use of the mass media—newspapers, magazines, radio and film by providing material to editors and producers, encouraging the development of supportive messages and by producing their own programming.

The Bureau of Internal Revenue prepared news stories and released them through Treasury to the daily and financial press. ¹³⁰ OWI focused upon reaching specialized segments of the press—business, labor, farm, foreign language, black, women's and plant publications. ¹³¹ OWI con-

phlets mailed to the Collectors of Internal Revenue were to be sent to employers of eight or more, and to city and county employees. *Id.* Memorandum from Sullivan to Secretary Morgenthau (Nov. 19, 1942), *supra* note 101. Examples of letters to the Collectors of Internal Revenue, and from the Collectors to employers of eight or more employees can be found in Commissioner to the Collectors of Internal Revenue (Dec. 3, 1942), 596 MORGENTHAU DIARIES 251 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.); Collector of Internal Revenue to Dear Sir (undated), 596 MORGENTHAU DIARIES 252 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.). For an example of a gubernatorial letter see Secretary of the Treasury to Governor Dixon (undated), 596 MORGENTHAU DIARIES 256 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.). For examples of letters to school officials and mayors see Secretary of the Treasury to Walter F. Dexter (undated), 596 MORGENTHAU DIARIES 259 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.); Letter from Henry Morgenthau, Jr. to the School Official Addressed (undated), 596 MORGENTHAU DIARIES 262 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.); Henry Morgenthau, Jr. to Mr. Mayor (Dec. 3, 1942), 596 MORGENTHAU DIARIES 263 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.).

127. Memorandum from Simon O. Lesser, Program Manager, to J.D. Nunan, Jr., George J. Schoeneman, Charles Shaeffer, Irving Perlmeter, Norman Conn, Charles P. Suman, Harvey Goddard, (Mar. 24, 1945), *supra* note 110.

128. Advance Bulletin of New Posters (Feb. 1944), *supra* note 110.

129. Memorandum from Simon O. Lesser, Program Manager, to J.D. Nunan, Jr., George J. Schoeneman, Charles Shaeffer, Irving Perlmeter, Norman Conn, Charles P. Suman, Harvey Goddard, (Mar. 24, 1945), *supra* note 110.

130. Memorandum from Simon O. Lesser, Program Manager to J.D. Nunan, Jr., George Schoeneman, Charles Shaeffer, Irving Perlmeter, Norman Conn, Charles Suman, Harvey Goddard, (Apr. 26, 1945), *supra* note 110.

131. *Id.* Memorandum from Simon O. Lesser, Program Manager to Joseph D. Nunan, Jr., (Apr. 18, 1944), Taxes-Radio, Records of Simon Lesser; Program Guides and Publicity Materials for the Economic Stabilization Campaign; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.); Memorandum from Herbert Little to Charles Schwartz (Feb. 17, 1943), *supra* note 112. With regard to women's pages of newspapers, see FORTNIGHTLY BUDGET FOR WARTIME EDITORS OF WOMEN'S PAGES, (Mar. 4, 1944), Taxes-Radio, Program Guides and Publicity Materials for the Economic Stabilization Campaign; Records of

tacted major news commentators and provided fillers for newspaper editors.¹³² In 1942, the Treasury provided daily and weekly newspapers with short articles during the income tax filing period.¹³³

The government did not hesitate to provide further assistance to the wartime editor. Cartoon suggestions of questionable cleverness were afforded by OWI.¹³⁴ One such kneeslapper featured a newly engaged woman visiting with her friend—"He's the strong, dependable type, Shirley. He can get taxis on a rainy day, he always finds two seats in the aisle—and he's never late with his income tax declaration."¹³⁵ It is not clear whether there were any takers on this one.

Government assistance even extended indirectly to the editorial page. In December of 1941 or January of 1942, the Writer's War Board was organized.¹³⁶ There is some evidence that Treasury was instrumental in the establishment of this group,¹³⁷ although credit for organizing the

the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.); Simon O. Lesser, Program Manager, to Joseph D. Nunan, Jr., (Apr. 18, 1944), *supra* note 131; OWI FORTNIGHTLY BUDGET FOR WARTIME EDITORS OF WOMEN'S PAGES (Feb. 5, 1944), Taxes-Radio, Program Guides and Publicity Materials for the Economic Stabilization Campaign; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.); FORTNIGHTLY BUDGET FOR WARTIME EDITORS OF WOMEN'S PAGES, Taxes-Radio, Program Guides and Publicity Materials for the Economic Stabilization Campaign; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.); OWI FORTNIGHTLY BUDGET FOR WARTIME EDITORS OF WOMEN'S PAGES (Jan. 22, 1944), Taxes-Radio, Program Guides and Publicity Materials for the Economic Stabilization Campaign; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.).

132. See, e.g., YOUR FEDERAL INCOME TAX (1941), 501 MORGENTHAU DIARIES 396 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.).

133. Guy Helvering to Secretary Morgenthau (Dec. 15, 1942), *supra* note 118.

134. See Bo Brown Cartoon (undated), Tax Program; Program Guides and Publicity Materials for the Economic Stabilization Campaign; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.); Corca Cartoon (undated), Tax Program; Program Guides and Publicity Materials for the Economic Stabilization Campaign; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.); Bo Brown Cartoon (Jan. 29, 1945), Tax Program; Program Guides and Publicity Materials for the Economic Stabilization Campaign; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.); Colin Allen (Jan. 29, 1945), Tax Program; Program Guides and Publicity Materials for the Economic Stabilization Campaign; Records of the Office of War Information Record Group 208; (available in National Records Center, Suitland, Md.).

135. Corca Cartoon (undated), *supra* note 134.

136. M. HONEY, CREATING ROSIE THE RIVETER: CLASS, GENDER, AND PROPAGANDA DURING WORLD WAR II 45 (1984).

137. J. Street, *High Lights of My Work With Writers and Artists for the Treasury Department, Nov. 1, 1941 to Jan. 31, 1946*, at 15; PETER H. ODEGARD PAPERS (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.).

group is usually given to mystery writer Rex Stout.¹³⁸ The group was subsidized in part by OWI and the Office of Civil Defense.¹³⁹ The Board sent out a pro-income tax editorial entitled "Sure as Death and High Taxes" to 600 editors in February 1945, all of this activity under the watchful eyes of OWI.¹⁴⁰

Income tax messages reached magazine editors primarily through OWI and its bi-monthly publication, the *Magazine War Guide*.¹⁴¹ The *Guide* suggested story ideas, giving a three month lead time before the desired publication date.¹⁴² For example, the need to conserve rubber led to car-pooling during the war and the *Guide* suggested this as a convenient setting for romance for a magazine fiction writer.¹⁴³ Generally, the tax items in the *Guide* were less suggestive, tending instead to be Treasury statements or reminders of tax deadlines.¹⁴⁴ On one occasion when the *Guide* was more directed to a particular group of magazine editors, the suggestions for incorporation of tax themes seem more incongruous than rubber conservation and romance:

138. M. HONEY, *supra* note 136.

139. *Id.* at 46.

140. Memorandum from Simon O. Lesser, Program Manager, to J.D. Nunan, Jr., George J. Schoeneman, Charles Schaeffer, Irving Perlmeter, Norman Conn, Charles P. Suman, Harvey Goddard, (Apr. 26, 1945), *supra* note 110; Writers' War Board, *Sure as Death and High Taxes* (undated), Taxes-Radio; Program Guides and Publicity Materials for the Economic Stabilization Campaign; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.).

141. Memorandum from Simon O. Lesser, Program Manager, to Joseph D. Nunan, Jr., (Apr. 18, 1944), *supra* note 131, at 2. Lesser notes that the OWI Magazine Bureau arranged a meeting of magazine editors at which David Frederick gave a presentation of "the March 15 informational problem." *Id.* Simon O. Lesser, Program Manager, to J.D. Nunan, Jr., George J. Schoeneman, Charles Schaeffer, Irving Perlmeter, Norman Conn, Charles P. Suman, Harvey Goddard, (Mar. 24, 1945), *supra* note 110, at 3.

142. M. HONEY, *supra* note 136, at 37.

143. *Id.* at 42.

144. MAGAZINE WAR GUIDE, Feb. 1945, at 5, Magazine War Guide and Supplement, 1942-45; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.); MAGAZINE WAR GUIDE, Jan. 1945, at 4, Magazine War Guide and Supplement, 1942-45; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.); MAGAZINE WAR GUIDE, Oct.-Nov. 1943, at 1-2, Magazine War Guide and Supplement, 1942-45; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.); MAGAZINE WAR GUIDE, SUPPLEMENT XXV, Mar. 1945, at 1-11, Magazine War Guide and Supplement, 1942-45; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.); Ducas, *Wartime Taxes*, (Dec. 7, 1942), OCCASIONAL PUBLICATIONS, 1942-43; Miscellaneous Publications on War Subjects, 1942-43; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.); MAGAZINE WAR GUIDE, Feb.-Mar. 1944, at 3-4, Magazine War Guide and Supplement, 1942-45; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.).

Of the twenty-eight million new Federal taxpayers created by War Tax Bill Number One, October 21, 1942, a very large proportion are numbered among the readers of action magazines. Remote as the subject may be from the usual interests and purposes of these magazines, this circumstance seems to place a new obligation and moral responsibility upon them. The action magazines can help these new taxpayers understand why they are called upon for these payments out of what are small earnings.¹⁴⁵

OWI's Magazine Bureau dutifully kept track of magazine editorials, articles, and fiction stories on programs promoted by it. Magazines such as *American Hairdresser*, *Ladies Home Journal*, *Radio Mirror*, *House Beautiful*, *True Detective*, *Kiwanis*, and *Personal Romances* proved to be obliging.¹⁴⁶

During World War II, Americans owned 57 million radio sets in just over 30 million homes; these reached over 90 percent of the population.¹⁴⁷ President Roosevelt had found radio to be a powerful means of communication with the public, and others had as well.¹⁴⁸ So did the tax propagandists.

At times, the Treasury and OWI used their own radio programs to encourage tax compliance. Elmer Davis, director of OWI, had a radio broadcast during which tax themes were sometimes raised.¹⁴⁹ Speeches

145. WAR GUIDE SUPPLEMENT IV FOR ACTION MAGAZINES, (Dec. 10, 1942), Magazine War Guide and Supplement, 1942-45; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.).

146. Magazine Editorials, Articles, and Fiction Stories on Programs Which Are Being Promoted by OWI, Mar. 1943, Jan. 1944, Feb. 1944, Mar. 1944, Apr. 1944, May 1944, Sept. 1944, Oct. 1944, Nov. 1944, Dec. 1944, Jan. 1945, Feb. 1945, Mar. 1945, Apr. 1945, May 1945, June 1945, July 1945, Aug. 1945, Reports on Magazine Articles on War Programs, 1943-45; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.). Magazines in which articles, editorials or stories on taxation appeared included *The Woman*, *This Week*, *Pic*, *Mademoiselle*, *Look*, *Liberty*, *Ladies' Home Journal*, *Front Page Detective*, *Radio Mirror*, *Inside Detective*, *Army and Navy Women*, *Women's Home Companion*, *House Beautiful*, *Successful Farming*, *True Detective*, *Extension Service Review*, *Barron's*, *Saturday Evening Post*, *Nation's Business*, *Air Force*, *Farm Journal*, *U.S. News*, *Capper's Farmer*, *Charm*, *True Confessions*, and *Foreign Service*. *Id.*

147. Plans for the Coordination of the Government's Wartime Use of Radio 1941-42, PETER H. ODEGARD PAPERS (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.). BUREAU OF THE CENSUS, U.S. DEPARTMENT OF COMMERCE, SER. R 93-105, SER. A 288-319, HISTORICAL STATISTICS OF AMERICA 796 (1975).

148. In part, the Roosevelt Administration's success in obtaining frequent use of radio and relatively little anti-Administration commentary was attributable to the vulnerability of broadcasters to federal regulation—a vulnerability the press did not share. See R. STEELE, *supra* note 8, at 17-25, 127-46.

149. Memorandum from Charles Schwarz, Director of Public Relations, to James Rogers (Mar. 10, 1943), Income Tax-Treasury; General Records of Assistant Directors James Rogers and William Lewis, January to July 1943; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md); Malcolm Morrow to Tristram Coffin (Apr. 2,

by Treasury officials were sometimes broadcast,¹⁵⁰ as were round table discussions about tax deadlines and obligations featuring Treasury Secretary Morgenthau and Congressional leaders,¹⁵¹ or Assistant Treasury Secretary John Sullivan and actors—one posing as a woman war worker, one as a farmer, and another as an independent businessman.¹⁵² The Treasury had its own variety show, “Treasury Star Parade”,¹⁵³ often featuring the musical talents of David Broekman and the Treasury Orchestra and Chorus¹⁵⁴ as a backdrop for appearances by such luminaries as Yehudi Menuhin or the Broadway cast of *Rosalinda*.¹⁵⁵ The purpose of “Star Parade” was the promotion of the sale of war bonds, but taxes were discussed, sometimes in little sketches, with the idea that Americans

1943), Broadcasts-Elmer Davis, January-July 1943; General Records of Assistant Directors James Rogers and William Lewis, January-July 1943; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.); Advance Release, Broadcast by Davis, (May 7, 1943) at 3-4, Broadcasts-Elmer Davis, January-July 1943, General Records of Assistant Directors James Rogers and William Lewis; January to July 1943; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.); Advance Release (Mar. 12, 1943), at 4, Broadcasts-Elmer Davis, January-July 1943, General Records of Assistant Directors James Rogers and William Lewis, January to July 1943; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.).

150. See, e.g., Address by Assistant Secretary of the Treasury John L. Sullivan over the Mutual Network (10:15 p.m., Jan. 2, 1943), 601 MORGENTHAU DIARIES 109 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.).

151. Income Tax Discussion by Secretary Morgenthau, Chairman Doughton and Chairman George to be broadcast over the Columbia Broadcasting System network (6:15 p.m., Feb. 15, 1943); Treasury; K-Treasury; General Records of Assistant Directors James Rogers and William Lewis; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, MD.)

152. Treasury Department Press Service, Press Release (June 11, 1943), Taxes-Radio; Program Guides and Publicity Materials for the Economic Stabilization Campaign; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.); The Columbia network aired the *Treasury Round Table on the September 15 Declaration* (Aug. 26, 1943), Taxes-Radio; Program Guides and Publicity Materials for the Economic Stabilization Campaign; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.).

153. See, e.g., Treasury Star Parade (June 3, 1943), Treasury Star Parade, May-June 1943, PETER H. ODEGARD PAPERS (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.); Treasury Star Parade (June 9, 1943), Treasury Star Parade, May-June 1943, Peter H. Odegard Papers (available in Franklin D. Roosevelt Library, Hyde Park, N. Y.); Treasury Star Parade (June 21, 1943), Treasury Star Parade, May-June 1943, PETER H. ODEGARD PAPERS (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.); Treasury Star Parade to be Recorded (June 22, 1943), Treasury Star Parade, May-June 1943, PETER H. ODEGARD PAPERS (available in Franklin D. Roosevelt Library, Hyde Park, N. Y.).

154. Treasury Star Parade to be Recorded (June 15, 1943), Treasury Star Parade, May-June 1943, PETER H. ODEGARD PAPERS (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.).

155. *Id.*; J. BLUM, V WAS FOR VICTORY 17 (1976).

should both pay taxes and buy bonds.¹⁵⁶

The more pervasive form of radio tax propaganda was the short advertisement or “plug” presented during entertainment programming. The Bureau of Internal Revenue prepared “Income Tax Brevities” and spot announcements for use on the radio.¹⁵⁷ At the beginning of the war, the various government agencies deluged radio stations and networks with competing demands for air time.¹⁵⁸ One of the most important chores for the Office of Facts and Figures and its successor, OWI, was the coordination of government requests for radio air.¹⁵⁹ OWI used three different plans for program allocation. The most prominent and extensive was the Network Allocation Plan. Under this plan, each network program received an allocation of government messages on a regular schedule. Standard announcements were not written for programs on the Network Allocation Plan. Rather, the writers and producers were asked to prepare the messages themselves, being careful, however, to include all important points mentioned in a Fact Sheet provided them.¹⁶⁰ On at least

156. Treasury Star Parade to be Recorded (June 23, 1943), *supra* note 83. The announcer at the end of one sketch says:

And, friends—I’ll bet you’ll find you *can* buy more War Bonds, now that the pay-as-you-go tax plan has been put into effect. . . . You know exactly what you have to live on, so it’s easier to figure out how much *more* you can *save* in War Bonds. So increase your payroll savings allotment for War Bonds.

Id.

157. Guy Helvering to Secretary Morgenthau (Dec. 15, 1942), *supra* note 118, at 3.

158. Mayor F.H. LaGuardia to the Secretary of the Treasury (Aug. 14, 1941), 438 MORGENTHAU DIARIES 150-52 (available in Franklin D. Roosevelt Library, Hyde Park, New York).

I do not feel that it would be proper for our Office (of Facts and Figures) to supplant the present publicity or information services. . . . To this general principle there is only one exception, and that has to do with radio time. At present the radio companies are being deluged with requests for time from all the departments. All these requests are made with the same intention, namely, to help public morale; yet I am assured that they are having quite the opposite effect, and that the public is not reacting well to all the Government time now being taken on the air.

Id. Apparently, the National Association of Broadcasters asked for a central clearing point. Plans for the Coordination of the Government’s Wartime Use of Radio, *supra* note 147, at 2.

159. LaGuardia concluded that “[I]n order to make these efforts effective it will be necessary to coordinate and channel all Government radio programs in one office, and this job should belong to an office of facts and figures. . . .” *Id.* Archibald Macleish, Director, Office of Facts and Figures, to Henry Morgenthau (Jan. 14, 1942), 486 MORGENTHAU DIARIES 67 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.).

160. Apparently, the Network Allocation Plan was first implemented by the Office of Facts and Figures in April 1942. Plans for the Coordination of the Government’s Wartime Use of Radio, *supra* note 147, at 2-3. Summary of Radio Campaign for Bureau of Internal Revenue, December 30, 1944 to January 14, 1945, February 5, 1945 to March 11, 1945, Taxes-Radio; Program Guides and Publicity Materials for the Economic Stabilization Campaign; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.); *see also* Memorandum

one occasion, the government got more than a short plug. In March of 1943, the popular radio show "The Great Gildersleeve" devoted its complete script to the subject of the income tax.¹⁶¹ Government propagandists saw the network radio show as a vehicle for reaching millions. As OWI's James Rogers, Jr. wrote to Treasury Public Relations Director Charles (Chick) Schwarz:

You know enough about the programs on the list to know that several draw enormous audiences. Programs like Maxwell House, One Man's Family, Chase and Sanborn, and the Great Gildersleeve will each get one-fifth to one-third of the total number of sets in the country. It would seem to me that we could estimate that probably 65% of the sets in the country got the tax message in the last four days . . . several of them more than once.¹⁶²

OWI decided which messages would be placed on the network plan for a particular week. For the week beginning February 21, 1944, for example, the war messages featured were "Top Legal Prices," "Join the WAC," and "Pay Your Taxes."¹⁶³

The writers of the network tax messages sometimes attempted to tie propaganda to the show. An introductory spot for "Burns and Allen" in 1945 was given by Harry Von Zell:

Swan, the new white floating soap that's pure as fine castiles, brings you George Burns and Gracie Allen. (Orchestra plays "Love Nest") With Felix Mills and his orchestra, the Swantet, and yours truly, Harry Von Zell. . . . Say, here's a very important message. Uncle Sam is asking us to file our regular March fifteenth Income Tax returns early this year. The money is needed for victory. If you have made more than five hundred dollars during 1944 you must file a return—regardless of withholding tax For complete information and to secure the proper form see your local collector. But do it early—like George Burns. In fact, we find George working on his return right now—as we meet the people who live in the Burns house—George and Gracie! (Applause.)¹⁶⁴

from James G. Rogers, Jr. to Herbert Gaston (Mar. 13, 1943), Income Tax-Treasury; General Records of Assistant Directors James Rogers and William Lewis, January to July 1943; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.).

161. Memorandum from James G. Rogers, Jr. to Herbert Gaston (Mar. 13, 1943), *supra* note 160.

162. Memorandum from James G. Rogers, Jr. to Charles Schwarz (Mar. 15, 1943), Income Tax-Treasury; General Records of Assistant Directors James Rogers and William Lewis, January to July 1943; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.).

163. Allocation Schedule for War Information Messages, Week Beginning February 21, 1944 (final), Radio Bureau Allocations; Records of the Deputy Director; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.).

164. *Burns and Allen* (first spot—revised) (Feb. 5, 1945), Taxes-Radio; Program Guides and

On one occasion, the tax plug was used to advantage by the show's sponsor. On NBC's "World News Parade" H.V. Kaltenborn reminded taxpayers of a September 15, 1943 tax declaration deadline, "and, of course, I'm going to suggest that Schaeffer's Scrip and pen are the prime tools needed—and I'm suggesting the quick drying V-Black Scrip . . . and hoping that you will not need any red at all!"¹⁶⁵

Radio programs like "Perry Mason,"¹⁶⁶ "Breakfast at Sardi's,"¹⁶⁷ "Abbott and Costello,"¹⁶⁸ "Snow Village,"¹⁶⁹ "Stella Dallas,"¹⁷⁰ "Young Doctor Malone,"¹⁷¹ "The Adventures of the Thin Man,"¹⁷² and "Confidentially Yours"¹⁷³ carried income tax messages during the war. In order to assure the quality of these spots, members of the Domestic Radio Bureau of OWI were asked to monitor and evaluate messages under the Network Allocation Plan.¹⁷⁴ The following is a sample of comments made on 1945 radio shows:

THE ROY ROGERS SHOW

Publicity Materials for the Economic Stabilization Campaign; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.); Summary of Radio Campaign for Bureau of Internal Revenue, December 30, 1944 to January 14, 1945, February 5, 1945 to March 11, 1945, at 5, *supra* note 160.

165. *World News Parade* (Aug. 29, 1943), Taxes-Radio; Program Guides and Publicity Materials for the Economic Stabilization Campaign; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.).

166. *Perry Mason* (OWI announcement) (Feb. 5, 1945), Taxes-Radio; Program Guides and Publicity Materials for the Economic Stabilization Campaign; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.).

167. Summary of Radio Campaign for Bureau of Internal Revenue, December 30, 1944 to January 14, 1945, February 5, 1945 to March 11, 1945, *supra* note 160.

168. *Id.*

169. *Snow Village*, (closing commercial) (Aug. 23, 1943), Taxes-Radio; Program Guides and Publicity Materials for the Economic Stabilization Campaign; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.).

170. *Stella Dallas*, (income tax estimate conclusion), (Sept. 3, 1943) Taxes-Radio; Program Guides and Publicity Materials for the Economic Stabilization Campaign; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.).

171. *Young Dr. Malone*, (Aug. 31, 1943), Taxes-Radio; Program Guides and Publicity Materials for the Economic Stabilization Campaign; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.).

172. *The Adventures of the Thin Man* (government message) (Aug. 27, 1943), Taxes-Radio; Program Guides and Publicity Materials for the Economic Stabilization Campaign; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.).

173. *Confidentially Yours* (Aug. 31, 1943), Taxes-Radio; Program Guides and Publicity Materials for the Economic Stabilization Campaign; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.).

174. Summary of Radio Campaign for Bureau of Internal Revenue, December 30, 1944 to January 14, 1945, February 5, 1945 to March 11, 1945, *supra* note 160.

"One of the best jobs I have ever heard. Roy started off, then announcer gave straight message after which Roy followed up by urging listeners to file promptly as 'Taxes paid for victory.' A difficult job well done."

. . . .

ANDREWS SISTERS

"Straight, formal message by Patty Andrews. Preceded earlier in script by a forty-five-second gag routine on taxes which was effective. For instance, one remark during the routine was to the effect that 'taxes spelled backwards spells Alcatraz.'"¹⁷⁵

The monitors also gathered statistics regarding where the message was placed during the program (opening, middle, closing, or within script), the technique of presentation (announcement, dramatized, or other), who delivered the message and quality ratings.¹⁷⁶

In late 1941, Irving Berlin submitted a song entitled "I Paid My Income Tax Today" to Treasury Secretary Henry Morgenthau, Jr. The song expressed the pride a lower income taxpayer felt in paying income taxes to assist the war effort. A December 30, 1941 letter from Morgenthau to Berlin suggests that the Treasury commissioned the song:

The more I think about your new song, the more I wonder how you ever managed to do the job so well.

It wasn't an easy assignment to make people sing about taxes, but you have done it beautifully, and also hit the nail on the head as far as Treasury policy is concerned. . . .¹⁷⁷

In early 1942, the Treasury Department sent the Barry Wood recording of "I Paid My Income Tax Today" to 872 radio stations with a letter asking for frequent air time.¹⁷⁸ Four days later, the Danny Kaye recording of the same song was sent out as well. Sheet music was sent to sponsors of musical programs and the networks were asked to play the song as often as possible until the March 15 deadline.¹⁷⁹

175. *Id.*

176. *Id.*

177. Letter from Henry Morgenthau, Jr. to Irving Berlin (Dec. 30, 1941), 480 MORGENTHAU DIARIES 82 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.). Berlin transferred the song to Morgenthau, as Secretary of the Treasury. The royalties from the song were to go to the Army Ordinance Association. Letter from Henry Morgenthau, Jr. to Irving Berlin (Jan. 1, 1942), 484 MORGENTHAU DIARIES 285 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.); Letter from Henry Morgenthau, Jr. to Lt. Col. L. A. Codd (Jan. 28, 1942), 489 MORGENTHAU DIARIES 381 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.).

178. Letter from Mr. Sullivan to The Secretary (Mar. 11, 1942), 507 MORGENTHAU DIARIES 14 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.).

179. *Id.*; Treasury Conference Report, (Mar. 13, 1942), Conference Reports (Treasury); General Records of Assistant Directors James Rogers and William Lewis, January to July 1943; Records of the Office of War Information, Record Group 208; (available in National Records Center,

A second plan used by OWI for allocating government radio messages was the Special Assignment Plan under which certain network programs could carry messages over and above their regular allocations. For the March 15, 1945 tax return deadline, only 15 network programs participated under Special Assignment in contrast to 132 network programs under the Network Allocation Plan.¹⁸⁰ The radio show "Blind Date," which provided a winning serviceman a date with an actress, included a Special Assignment Announcement on its March 6, 1944 show:

You know, Arlene, most of us have a date coming up soon that ISN'T blind It's a date with the Treasury Department to pay our income tax, and to pay it ON TIME! Remember the sooner you pay, the faster your dollars start working for this war.¹⁸¹

Another less used plan was the National Spot Allocation Plan. War messages were assigned to spot and regional commercial programs broadcast over two or more stations.¹⁸²

Tax messages were also included in the *Women's Radio War Program Guide*.¹⁸³ This monthly OWI publication, similar in concept to the *Magazine War Guide*, had suggestions for women's radio programmers on how they could help encourage early or at least timely return filing:

Impress your listeners with the necessity for early return filing of tax returns. Tell homemakers that even if they personally are not going to fill out the tax return this year, they should urge their husbands to do so early. Tell them it is more complex than usual and the earlier they tackle their returns the easier it will be to get help if they need it. Also, they will find out sooner where they stand on payments or refunds.¹⁸⁴

Suitland, Md.); Mr. Callahan to Mr. Graves (Jan. 22, 1942), 487 MORGENTHAU DIARIES 410 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.). "Mr. Kaye has expressed the desire to tour New York night clubs after his show closes and sing 'I Paid My Income Tax Today' without charge. Arrangements are being made for this at the present time." *Id.*

180. Summary of Radio Campaign for Bureau of Internal Revenue, December 30, 1944 to January 14, 1945, February 5, 1945 to March 11, 1945; *supra* note 160.

181. *Blind Date* (Mar. 6, 1944), Taxes-Radio; Program Guides and Publicity Materials for the Economic Stabilization Campaign; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.). V. TERRACE, RADIO'S GOLDEN YEARS: THE ENCYCLOPEDIA OF RADIO PROGRAMMING, 1930-1960, 33 (1981).

182. Summary of Radio Campaign for Bureau of Internal Revenue, December 30, 1944 to January 14, 1945, February 5, 1945 to March 11, 1945, *supra* note 160.

183. WOMEN'S RADIO WAR PROGRAM GUIDE (Feb. 1944), Taxes-Radio; Program Guides and Publicity Materials for the Economic Stabilization Campaign; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.); WOMEN'S RADIO WAR PROGRAM GUIDE, (Mar. 1944), Taxes-Radio; Program Guides and Publicity Materials for the Economic Stabilization Campaign; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.).

184. WOMEN'S RADIO WAR PROGRAM GUIDE (Feb. 1944), *supra* note 183, at 21.

Public relations people at Treasury also worked with OWI's Radio Division to develop local station plugs.¹⁸⁵

Every week, 80 million Americans—two-thirds of the population—saw at least one movie.¹⁸⁶ The movie house was yet another forum for income tax propaganda. Again, the government both produced its own programming and requested that moviemakers include desirable messages in their own productions.

The crown jewel of tax propaganda was *The New Spirit*,¹⁸⁷ a Disney animated short commissioned by the Treasury in 1942 and starring Donald Duck.¹⁸⁸ The radio, appropriately, informs Donald that it is "your privilege, not just your duty, but your privilege to help your government by paying your tax and paying it promptly." The irascible duck gathers the supplies necessary to fill in his return, including a bottle of aspirin, and finds the job easier than he had anticipated. As an actor with an income of \$2,501, Donald used exemptions and dependent credits for Huey, Dewey, and Louie and found that his taxes came to \$13.¹⁸⁹ After Donald races from Hollywood to Washington, the film shows how tax revenues are transmuted into guns, planes, and ships. Taxes were needed to beat the Axis. At the end when the American flag is formed by clouds around a setting sun, the narrator intones, "Taxes will keep democracy on the march."

The New Spirit was seen by over 32 million people in 12,000 thea-

185. Herbert Little to Charles Schwartz (Feb. 17, 1943), *supra* note 112.

186. C. KOPPEL & G. BLACK, *HOLLYWOOD GOES TO WAR: HOW POLITICS, PROFITS, AND PROPAGANDA SHAPED WORLD WAR II MOVIES 1* (1987).

187. *The New Spirit* (Disney, 1942), U.S. Government Film Collection, Motion Picture Collection FAA 188 (available in Library of Congress, Washington, D.C.).

188. The first apparent mention of the film in the MORGENTHAU DIARIES emerges at a group meeting on December 15, 1941:

Sullivan: We have been doing some work on this idea of putting across tax returns through movies. We are pretty much in agreement that it can't be done in the ordinary way, but George Buffington has an awfully good idea, I think, and that is that what John Barrymore can't do, maybe Mickey Mouse could, and we would like to get Disney on here and talk it over with him.

H.M. Jr.: Is that the result of seeing "Fantasia"?

Buffington: . . . I think it will work.

Sullivan: I think you can do it that way. You can't do it in a straight movie.

H.M. Jr.: After all, I like to think we are progressive. Jeff Coolidge says, "That terrible song of Berlin's," and if we can get people to pay taxes with that God-awful Mickey Mouse, we will have arrived socially.

Group Meeting (9:45 a.m., Dec. 15, 1941), 473 MORGENTHAU DIARIES 28 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.).

189. R. SHALE, *DONALD DUCK JOINS UP 28* (1982).

tres¹⁹⁰ in early 1942. Of those polled by Gallup, 37 percent felt the film had affected their willingness to pay taxes.¹⁹¹ Despite its success, the film created controversy in Congress because Morgenthau had commissioned the film without securing funding in advance. A request for \$80,000 to pay for the picture triggered hostility at the high cost of the film and the fact that the government was spending money on movies instead of weaponry.¹⁹² Congressional debate publicized the film and some ill will flowed over to Walt Disney, who apparently began to have misgivings about being labeled a propagandist, "with consequent damage to his reputation as a whimsical, non-political artist."¹⁹³ By 1943, the furor seemed to have died sufficiently that a new tax film *The Spirit of '43* was commissioned. It consisted largely of clips from the earlier short subject.¹⁹⁴

There is archival evidence of other cinematic projects. In 1942, a

190. Group Meeting (9:15 a.m., Mar. 16, 1942), 508 MORGENTHAU DIARIES 18 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.); George Buffington to Secretary Morgenthau (Mar. 20, 1942), 509 MORGENTHAU DIARIES 289 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.). For example, in the first week of February, 1942, *The New Spirit* played in 101 Iowa movie houses including the State Theater in my home town of Carroll, Iowa. *Id.* Louis Patz to Herman Robbins (Feb. 7, 1942), 495 MORGENTHAU DIARIES 391-93 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.). Members of the projectionists' union were strongly urged in a union publication to be supportive of *The New Spirit*.

Its running time is approximately eight minutes and its exhibition is a 'must'. Consequently, as a matter of patriotic duty our members are enjoined to cooperate in every manner at their disposal so that its purposeful objective may be achieved.

Since we have been designated as disciples to project the gospel of "The New Spirit", it would hardly seem proper that we confine ourselves to its mechanical projection. Instead let us all conscientiously carry out its precepts to the letter and not wait until tomorrow or next week to file our returns, but do it now!

General Offices of International Alliance of Theatrical Stage Employees and Moving Picture Operators of the United States and Canada, General Bulletin #312 (Jan. 1, 1942), 492 MORGENTHAU DIARIES 138 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.). The union's assistance was not, apparently, always spontaneously offered. Morgenthau suggested that its support be elicited. George Buffington to Secretary Morgenthau (Feb. 4, 1942), 492 MORGENTHAU DIARIES 137 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.).

In the *Motion Picture Herald*, a letter from Secretary Morgenthau urged motion picture exhibitors to show the picture without delay and to send it along to the next exhibitor. Letter from Henry Morgenthau to the Motion Picture Exhibitor Addressed (Jan. 28, 1942), *Motion Picture Herald*, Jan. 31, 1942, 491 Morgenthau Diaries 201 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.). *See also* Letter from Henry Morgenthau, Jr. to the Moving Picture Exhibitor Addressed (Jan. 22, 1942), 487 MORGENTHAU DIARIES 256 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.).

191. R. SHALE, *supra* note 189, at 32.

192. 88 CONG. REC. 1093-95, 1140, 1158, 1344-48 (1942).

193. Mr. Kuhn to Secretary Morgenthau (Mar. 6, 1942), 505 MORGENTHAU DIARIES 126 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.).

194. *The Spirit of '43* (Disney, 1943), U.S. Government Film Collection; Motion Picture Collection FAA 256 (Library of Congress, Washington, D.C.).

script for a short subject entitled *The U.S. Treasury* was submitted to that department. The general tone of the project is conveyed by sequence titles like "The Treasury as the Agent of the People: Handy Man to a Nation," "The Treasury as a Crusader."¹⁹⁵ A short to be made by Columbia Pictures in 1943 was to explain "the why of wartime taxes."¹⁹⁶ It is not clear whether either of these projects saw the light of a projector.

OWI was of assistance in gaining access to the newsreels which reached an audience of 36 million over a six week period.¹⁹⁷ In 1945, for example, Commissioner of Internal Revenue Joseph Nunan made an announcement. This was, according to an OWI official, "made a part of all five major reels," while another announcement was prepared for the All-American reel, which released "to some 400 theatres catering to Negroes."¹⁹⁸

The government also sought to insert appropriate wartime messages into movies that were largely for entertainment. The Office of War Information's *Government Information Manual for the Motion Picture Industry* suggested that movies show uncomplaining taxpayers.¹⁹⁹ David O. Selznick's *Since You Went Away* followed up on this hint by showing a wealthy man claiming that it "suits me if they tax me 100 percent!"²⁰⁰ Assurance that the wealthy were willing to pay their fair share apparently was intended to make income tax payments by the less well-to-do more palatable.

195. J. Nesbitt, *The U.S. Treasury* (Dec. 16, 1942), PETER H. ODEGARD PAPERS (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.).

196. Herman Hettinger to Palmer Hoyt, Robert Ferry, Crane Haussamen, Arch Mercey, Stanton Griffis, A.R. Whitman, S.O. Lesser, Harold Stone, (Dec. 10, 1943), Motion Pictures; Records of the Deputy Director; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.); *War Tax Film* (Columbia, undated), Taxes-Radio; Program Guides and Publicity Materials for the Economic Stabilization Campaign; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.); Information for Film "Short" on Taxes, Taxes-Radio; Program Guides and Publicity Materials for the Economic Stabilization Campaign; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.).

197. Simon O. Lesser, Program Manager, to J.D. Nunan, Jr., George J. Schoeneman, Charles Shaeffer, Irving Perlmeter, Norman Conn, Charles P. Suman, Harvey Goddard, (Mar. 24, 1945), *supra* note 110.

198. Memorandum from Dave Frederick, Director of War Programs, to All Deputies and Program Managers (Oct. 21, 1944), Motion Pictures; Records of the Deputy Director; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.); Simon O. Lesser, Program Manager, to J.D. Nunan, Jr., George J. Schoeneman, Charles Shaeffer, Irving Perlmeter, Norman Conn, Charles P. Suman, Harvey Goddard, (Mar. 24, 1945), *supra* note 110.

199. C. KOPPES & G. BLACK, *supra* note 186, at 68.

200. *Id.* at 157-58.

Through media from local clubs and speakers to the printed word in pamphlets, newspapers and magazines and finally to radio and the movies, government tax propagandists sought to convey their message about the new mass income tax. In Parts IV and V, the substance of those messages will be examined.

IV. TAXES TO BEAT THE AXIS

Even before America's entry into World War II, Treasury Secretary Henry Morgenthau, Jr. was an emphatic supporter of war bonds. His idea was "to use *bonds* to sell the *war*, rather than *vice versa*," as "the spearhead for getting people interested in the war."²⁰¹ War bonds were said to be the "voluntary," "democratic" way to finance the war.²⁰² The bond campaign, while a public relations success, did not produce the level of revenue necessary to conduct a world war.²⁰³ Government resorted to taxation, the involuntary way of war finance.

For taxation, the public relations strategy was reversed. Rather than using taxes to sell the war, an improbable prospect at best, the war was used as the primary justification for the imposition of high income taxes and of mass income taxes. Tax administrators also attempted to use an incendiary wartime inflationary situation as a justification for income taxation, with less success.

The idea that the war would sell a very progressive mass income tax was not far from the minds of top tax policymakers. In a Group Meeting in November 1943, the following colloquy took place between Secretary Morgenthau and one of his chief aides in a discussion of selling increased taxes to Congress:

H.M., Jr.: [T]his fellow Lee Wiggins, I thought, made an excellent suggestion. He said he thought our whole psychological approach had been wrong. Every time we asked for increased taxes instead of talking excess profits, and so forth—every time use war taxes. I want ten and a half billion dollars of additional war taxes. Keep driving that thing home to the people. You say that you don't want to pay war taxes? Say it is only for the war. All the way through say war taxes.

Mr. Gaston: That is pretty close to what Dave Lawrence told me, that if they could have some assurance that these taxes were only for the duration of the war it would be very reassuring.

201. J. BLUM, *V WAS FOR VICTORY* 17 (1976).

202. *Id.*; 3 J. BLUM, *supra* note 60, at 16-22.

203. 3 J. BLUM, *supra* note 60, at 31.

H.M., Jr.: Right. I ought to say about a hundred times, "war taxes."²⁰⁴

The connection of income taxation and war had various strands in the propaganda messages of World War II. The government had to make clear the huge cost of the war and the very high percentage of the federal budget that war expenditures constituted. The income tax was shown to be necessary by appeals to fear and hatred, a spirit of sacrifice and the desire for victory.

In the controversial pamphlet *Battle Stations for All*, issued in February 1943, the Office of War Information pamphleteers sought to defuse accusations that the unprecedented level of taxation was in some way benefiting the New Deal social agenda. In a box set off from the rest of the page, and headlined "Non-War Expenditures Reduced," the pamphlet asserted that "Under the new budget submitted by the President, ninety-six cents of every dollar spent by the Government will be for war costs and interest on the public debt and only four cents for so-called 'non-war' purposes."²⁰⁵ In later radio messages, the percentage of the federal budget going to the cost of war was set at from 93 to 95 percent.²⁰⁶

In 1944, propaganda seemed to focus not only upon the percentage of government budgets, but also upon impressing the public with the huge cost of war. In one press release, the Treasury stated that "In February, 1944 alone, the Government's war expenditures were approximately \$7.8 billion. This amounts to \$312.3 million a day—about \$13 million per hour."²⁰⁷ In its suggestions to wartime editors of women's pages, the Office of War Information attempted to make the enormous military costs more concrete. "Direct war expenditures for fiscal 1943 were 92 billion dollars . . . a figure totally beyond human comprehension.

204. Group Meeting-Taxes, (9:30 a.m., Nov. 27, 1943), 680 MORGENTHAU DIARIES 1160 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.).

205. BATTLE STATIONS FOR ALL, *supra* note 114, at 37.

206. Charles Schwarz, Director of Public Relations, to James Rogers (Mar. 10, 1943), *supra* note 149; Dale Carnegie Program No. 26 (closing commercial-OWI Assignment) (undated), Taxes-Radio; Program Guides and Publicity Materials for the Economic Stabilization Campaign; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.); Treasury Department Press Release (Mar. 30, 1944), Taxes-Radio; Program Guides and Publicity Materials for the Economic Stabilization Campaign; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.); *Blind Date* (Mar. 6, 1944), *supra* note 181; *Perry Mason* (opening-OWI Announcement) (Mar. 6, 1944), Taxes-Radio; Program Guides and Publicity Materials for the Economic Stabilization Campaign; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.); *Treasury Round Table on the September 15 Declaration*, *supra* note 152; MAGAZINE WAR GUIDE, Feb.-Mar. 1944, at 3-4; *supra* note 144.

207. Treasury Department Press Release (Mar. 30, 1944), *supra* note 206.

But that incomprehensible sum figures down to \$2,894 every second of the day . . . an amount equivalent to about a year's wages for perhaps half of the persons who are expected to file income tax returns by March 15."²⁰⁸ Specific costs of military equipment were then outlined—the \$1.6 billion replacement cost for losses at Pearl Harbor, \$850 each time a paratrooper jumps, \$275,000 to provide eight sulfa pills for each soldier overseas.²⁰⁹

An understanding of the enormity of the cost, of course, was meant to reconcile taxpayers, particularly the new lower income taxpayers, to their lot. The connection to the war was not left at this level; rather, propagandists drew upon fear and hatred of the enemy, a spirit of sacrifice and a desire for victory to further cement Americans' association of taxation and the war.

During the early stages of America's involvement in the war, government spokesmen made the point that blame for increased taxation should not be attributed to those in Washington, but rather to "the real authors of our tax burden . . . in Berlin and Tokio."²¹⁰

The public's hostility toward the Axis was also utilized by propagandists contending that "there are no cases on record where the prompt and ungrudging payment killed anybody (unless you count Japs and Germans)."²¹¹ Although this message suggests the invincibility of America's forces, government public relations efforts also asked Americans to consider the threat of victory by a dangerous enemy.²¹² American taxpayers were asked to contemplate "what it must be like for the citizens of occupied countries to pay taxes for the benefit of the invader!"²¹³ An advertisement in *Fortune* put the American tax system in a more favorable light when it claimed that "[i]t's a common thing for the poor people of Japan to sell their daughters . . . usually to satisfy the tax col-

208. FORTNIGHTLY BUDGET FOR WARTIME EDITORS OF WOMEN'S PAGES, *supra* note 131, at 3.

209. *Id.* See also Information for Film "Short" on Taxes, *supra* note 196 (Direct cost of losses from one raid discussed.).

210. Ducas, *Wartime Taxes*, (Dec. 7, 1942), *supra* note 144, at 4; see also WAR GUIDE SUPPLEMENT IV FOR ACTION MAGAZINES, (Dec. 10, 1942), *supra* note 145, at 15; Address by Randolph Paul before the Annual Convention of the Iowa Bankers Association, Des Moines, Iowa, (Oct. 27, 1942) at 10, Income Tax-Treasury; General Records of Assistant Directors James Rogers and William Lewis, January to July 1943; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.).

211. Writers' War Board, *Sure as Death and High Taxes* (undated), *supra* note 140.

212. BATTLE STATIONS FOR ALL, *supra* note 114.

213. Writers' War Board, *Sure as Death and High Taxes* (undated), *supra* note 140.

lectors for the Son of Heaven."²¹⁴ A script for a war tax film to be produced by Columbia attempted to show that young women were not the only ones at risk if the Axis were successful.

Still grumbling, Bill? Well, maybe you're right. Maybe winning the war is too expensive. Maybe it would be cheaper to lose the war, after all. France lost a war and so did Denmark and Poland and Czechoslovakia and Norway and Holland and many other countries. They're not spending ninety-two billion dollars this year. They haven't got it to spend. In fact, they haven't got food to eat because their Nazi overlords have stolen every dime and every dollar and every slice of bread and every piece of meat they ever had . . . Most of the workers live in camps, under constant guard, separate from their families.²¹⁵

To most Americans, however, occupation by enemy forces seemed a remote and unrealistic possibility.²¹⁶ They could identify more closely, perhaps, with the experiences and sacrifices of other Americans—those in the armed services and their families.²¹⁷ Taxation was portrayed as a sacrifice²¹⁸, but one that was hardly comparable to the sacrifices of men killed in action overseas.²¹⁹ As Drake in a public service message during "Broadway Matinee" put it, "Well, nobody says filling out these forms is fun. But its more fun than sitting down in a foxhole, and it's more fun than being shot down in a plane. And it's more fun than waiting for a torpedo to hit."²²⁰

While tax propagandists used fears of the enemy and, perhaps, guilt about failure to contribute as much as American combat troops to the war effort, their most constant theme was the purchase of victory with dollars—the transformation of money into weapons. This was a more positive and powerful message. It was the average person's means of participation in the war.²²¹

214. FORTUNE, June 1943, at 183 (advertisement).

215. *War Tax Film*, *supra* note 196.

216. See R. PAUL, *supra* note 51, at 303.

217. SPECIAL BULLETIN ADDRESSED TO VICTORY SPEAKERS: IDEAS FOR ORIGINAL SPEECHES (undated), *supra* note 112.

218. *Id.*

219. *Ma Perkins* (closing) (Feb. 7, 1945), Taxes-Radio; Program Guides and Publicity Materials for the Economic Stabilization Campaign; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.).

220. *Broadway Matinee* (Feb. 21, 1944), Taxes-Radio; Program Guides and Publicity Materials for the Economic Stabilization Campaign; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.).

221. *Eddie Cantor Program*, (OWI Plug) (Feb. 23, 1944), Taxes-Radio; Program Guides and Publicity Materials for the Economic Stabilization Campaign; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.).

The strongest visual expression of this idea was in the Treasury-commissioned Donald Duck film, *The New Spirit*.²²² After the somewhat humorous segment in which Donald fills out his tax return, animated stacks of gold coins (presumably tax receipts) resolve into smokestacks for factories turning out guns, ships, and planes, as the narrator exclaims, "Taxes to Beat the Axis!"

Sometimes the connection was made more specific, and more sentimental. In the script for the Columbia war tax film, Bill Thomas, factory worker and Everyman, grumbles because ten dollars has been taken out of his paycheck. The narrator helps Bill to see the error of his ways by taking him, Capraesque, to another part of the world.

You know the Wilsons, next door. Well, their son, Jack, is in the South Pacific. He's on a little island where there aren't any dancing girls and guitars—sweet music. But there are Japs. Anyway, Jack's in a mortar company. You didn't know this, but the other day Jack and a couple of his buddies were cut off by the Japs somewhere in that stinking jungle, surrounded and unable to get back to their own unit. They were down to their last shell. If that shell went where it was supposed to they could get out—maybe. If not—well, that blue star on the window could change to a gold star.

Well, Bill, that shell went to the right place. The place where it did the most good, and Jack got back all right.

Oh, and there's one more important thing. Mortar shells cost ten dollars apiece. Get it, Bill?²²³

The concept of a consumer war, of buying weapons and, ultimately, victory, seemed to be quite popular with government propagandists and those writing with government approval. It expressed economic and military power consistent with the propagandist's image of an invincible America. As Eddie Cantor spoke on his radio program ostensibly to Axis powers, he was really suggesting to his American listeners the power of tax payments.

Cantor: We want all you Axis countries to know that we in America are busy right now making out our income taxes. We know this must frighten you, because it's these taxes that paid for the ships that brought our men to your shores this year and we'll continue to pay our taxes so that we can beat you, Mr. Hitler and so that we can beat you, Mr. Tojo, and you, Mr. Mussolini . . . Musso—Whatever happened to you, Mr. Mussolini?²²⁴

A desirable goal, military victory, was for sale to be purchased in tax

222. *The New Spirit*, *supra* note 187.

223. *War Tax Film*, *supra* note 196.

224. *Eddie Cantor Program*, (OWI plug) (Feb. 23, 1944), *supra* note 221.

dollars. To the average American, war was portrayed as a market transaction with enormous consequences—a mundane means of defeating a mortal enemy.

Although the battlefields in Europe, Africa, and Asia provided the most vivid reasons for Americans to pay income taxes, the government was also concerned about the homefront and the battle against inflation. The 1943 OWI discussion guide *How to Raise \$16 Billion* attempted to explain both the inflationary threat and how taxes would help to meet that threat. The guide contended that in 1943 there were only \$500 worth of goods and services available for each American. More than 84 percent of Americans had more than \$500. Taxation was presented as one of three solutions to the problem of too many dollars chasing too few goods and services. "A tax dollar comes out of a citizen's pocket. If the government did not take it, he could very likely find ways to spend it in spite of rationing and price control. If he spent it he would bid up prices."²²⁵ In 1942, the Office of Price Administration projected a 23 percent increase in the cost of living in the year ahead.²²⁶ If inflation were allowed to get out of control, the cost of the war would escalate and those in the lowest income brackets would be hardest hit. This would be inconsistent with what propagandists had identified as "[t]he democratic way" to pay the costs of war "according to ability to pay."²²⁷

The Roosevelt administration, however, could not rely upon taxation alone as a means of controlling inflation. On April 27, 1942, Roosevelt outlined a seven-part economic stabilization program consisting of taxation, rent and price ceilings, wage and farm price stabilization, war bonds, rationing, encouragement of savings and debt repayment, and discouragement of credit and installment buying.²²⁸

The inflation argument for higher taxation was a powerful one, but it was difficult to convey. James Brackett of OWI in a 1943 memorandum to Fred Smith, Morgenthau's public relations aide, recognized the problem:

The Treasury's responsibility [to avoid inflation] will not be comprehended by the general public in the first instance; and, in large part, never. It will be realized, and is now realized, by what may be called the leader group—the upper crust in the formation of public opinion, the group which tends to lead the general public. . . . So it is most important to persuade the leader group to act properly so as not to start the imitative process. How may this

225. HOW TO RAISE \$16 BILLION (1943), *supra* note 115.

226. R. PAUL, *supra* note 51, at 281.

227. BATTLE STATIONS FOR ALL, *supra* note 114.

228. R. PAUL, *supra* note 51, at 282.

be done? . . . Most especially, it is necessary to convince the leaders of the strength of the fiscal policy, since the other parts of the program depend on the success with which we immobilize excess funds. . . . Such is the major objective of the OWI program: to turn the psychology of the people generally by having them enlist affirmatively in the fight to hold down prices, by giving them a healthy respect for the danger but not hysterical fear.²²⁹

One means of reaching the so-called "leader group" was by sending high Treasury officials to their meetings. For example in 1942 and 1943, Randolph Paul, General Counsel of the Treasury, addressed the subject of economic stabilization before such groups as the Iowa Bankers Association, Cornell University Law School, the Economic Club of Detroit, Michigan, and the National Lawyers' Guild.²³⁰ These speeches usually outlined the amount of excess purchasing power and discussed ways of reducing the pressure of billions of excess dollars in a lengthy expository fashion.²³¹

229. James R. Brackett to Fred Smith (Aug. 4, 1943), Treasury/Correspondence; General Records of Assistant Directors James Rogers and William Lewis, January to July 1943; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.).

230. Address by Randolph Paul before the Annual Convention of the Iowa Bankers Association, Des Moines, Iowa (Oct. 27, 1942), *supra* note 210; Address by Randolph Paul before the Cornell University Law School (Dec. 11, 1942), Income Tax-Treasury, Treasury-WPB; General Records of Assistant Directors James Rogers and William Lewis, January to July 1943; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.); Address by Randolph Paul before the Economic Club of Detroit, Michigan (Mar. 1, 1943), Income Tax-Treasury, Treasury-WPB; General Records of Assistant Directors James Rogers and William Lewis, January to July 1943; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.); Taxation in War Time, An Address by Randolph Paul before the National Lawyers' Guild, (Sept. 26, 1942), Income Tax-Treasury, Treasury-WPB; General Records of Assistant Directors James Rogers and William Lewis, January to July 1943; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.); *see also* Address by Daniel W. Bell before the Investment Bankers Association of America (Oct. 19, 1942), Income Tax-Treasury, Treasury-WPB; General Records of Assistant Directors James Rogers and William Lewis, January to July 1943; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.); Treasury Department Press Release (Oct. 22, 1942), Income Tax-Treasury, Treasury-WPB; General Records of Assistant Directors James Rogers and William Lewis, January to July 1943; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.) (describing speech by Roy Blough, Director of Tax Research before the National Tax Association).

231. Discussion between Roy Blough and Henry Morgenthau, Jr. (Mar. 12, 1943), 616 MORGENTHAU DIARIES 72 (Franklin D. Roosevelt Library, Hyde Park, N.Y.). ("HM Jr.: Just strictly between us I don't think [Paul's speeches] are too clear.") *Id.* Paul's speeches became a focus of controversy the next year. Morgenthau recounted to his associates that Chairman Doughton took him aside and said, "Now look, we are sick and tired of these speeches that Paul has been making. And some of the members of the Committee have raised a question whether he has the right to use government funds to pay his traveling expenses to go out and talk against the Congress." Group Meeting (9:45 a.m., Jan. 28, 1944), 697 MORGENTHAU DIARIES 131 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.).

For the average American, the one who may never comprehend the tax-inflation message, the idea was sometimes presented somewhat indirectly. An anti-inflation rationale also was a dominant theme in a second Donald Duck tax film, *The Spirit of '43*.²³² Donald's paycheck is the subject of a debate within Donald's conscience between a spendthrift and a Scrooge McDuck-like character. Disney's Duck is reminded that "every dollar you spend for something you don't need is a dollar—to help the Axis." Donald is encouraged to save for taxes, but there is no specific explanation of the connection between inflation control and taxation.

That connection was made in materials designed to reach the general public, but these economic stabilization messages were neither as pervasive nor as vivid as the weaponry and victory tax messages. Elmer Davis' radio show discussed taxes and inflation control.²³³ Radio plugs and magazine advertisements probably reached a larger audience. The references were sometimes fleeting as in a 1943 message on radio's "The Adventures of the Thin Man": "Remember . . . the taxes we pay help hold prices down . . . preserve a stable economy . . . protect the America our fighters want to come home to!"²³⁴ A slightly more extensive treatment was given on "Broadway Matinee." Ameche challenges Drake on his skills as a press agent:

Drake: I'll do fine! Give me the toughest subject you can think of!

Ameche: Alright. Let's hear you make the income tax popular.

...

Drake: . . . But there are a great many good reasons for high taxes.

Ameche: I'm listening.

Drake: Well, they pay for the war.

...

Lois: Well, there's plenty of money around to pay for it.

Ameche: Sure, look at all the people who are making more money than they've ever made before.

Drake: That's another danger. If all that money is used to bid for fewer and fewer things in the stores, prices are going to go sky high. That's why it's a whole lot smarter to put that money to work paying for the war right now! That will help to keep living costs down for all of us.

232. *The Spirit of '43*, *supra* note 194.

233. Advance Release (Mar. 12, 1943), *supra* note 149, at 4.

234. *The Adventures of the Thin Man* (Aug. 27, 1943), *supra* note 172. The same words appeared in a message on Prudential's *Family Hour*. *Family Hour* (Sept. 2, 1943), Taxes-Radio; Program Guides and Publicity Materials for the Economic Stabilization Campaign; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.).

Lois: Sounds good to me.

Ameche: Me too. I almost look forward to filling out my income tax—almost!²³⁵

A 1944 magazine advertisement entitled “We’re Just Little People” reiterated Roosevelt’s seven point economic stabilization program.

We’re not brass hats.

We’re not big shots.

We’re just plain folks . . . but

We’re the folks who made this country!

And we’re the folks who will save it!

Save it from *two* things it’s *got* to be saved from now.

The first thing is the Enemy.

The second’s something that doesn’t look very dangerous, but is.

It’s the danger of Prices Getting Out of Hand.

Here we are this year—after we’ve paid our taxes—with \$131 billion bucks in our pockets.

But only 93 billion dollars’ worth of goods to buy.

That leaves 38 *extra* billion dollars.

Sure, the easy thing to do is to take that 38 billion and start running around buying things we don’t need, bidding against each other . . . forcing prices up and up!

Then people want higher wages. Then prices go up some more—and again wages go up. So do prices again.

But us little guys—us workers, us farmers, us businessmen—are not going to take the easy way out.

We’ll pay our taxes willingly, without griping . . . no matter *how much* in taxes our country needs. . . .

Heaven knows, these sacrifices are chicken feed, compared to the ones our sons are making.²³⁶

The inflation justification for higher income taxation had been seen as problematic by tax propagandists.²³⁷ The danger of inflation was less visual, less visceral, than Axis forces. An understanding of the connec-

235. *Broadway Matinee* (Feb. 21, 1944), *supra* note 220.

236. *We’re Just Little People* (1944), Advertisements; Program Guides and Publicity Materials for the Economic Stabilization Campaign; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.).

237. See Office of Facts and Figures, National Economic Policy Information Reports No. 2, (June 3, 1942), 536 MORGENTHAU DIARIES 171 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.) (noting “a widespread lack of understanding of the interrelationship between the various aspects of the economic program.”); see Public Appreciation of the Problem of Inflation, Memorandum 62 (Aug. 12, 1943), Printed Matter; PETER H. ODEGARD PAPERS (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.); Public Appreciation of the Problem of Inflation, Memorandum 66 (Oct. 27, 1943), Printed Matter; PETER H. ODEGARD PAPERS (available in Franklin D.

tion between taxes and weapons purchases was easier to convey than the function of income taxation in draining excess purchasing power. In 1943, OWI staffers questioned the efficacy of the anti-inflation justification. There was a fear that too much inflation talk would cause fear and panic buying in anticipation of future price increases. One staffer concluded:

It is only important to get understanding on the subject in order to get better support for price control rather than control rationing, the payment of taxes, the purchases of War Bonds, etc. It may be that we can get better and quicker acceptance of all the controls on inflation by other appeals than by attempting to explain the complexities and problems.²³⁸

Not long after the "We're just little people" advertisement appeared, OWI, based on polling results, concluded that Roosevelt's seven-point economic stabilization program should be trimmed back to four points. Taxing to control inflation was among the casualties.²³⁹

V. THE PROPAGANDA OF ROUTINE

Not all World War II income tax propaganda was justificatory. A good deal of it seemed intended explicitly or in more subtle ways to portray taxpaying as a relatively simple, routine and not particularly onerous burden of citizenship. This sort of message appeared in the Donald Duck tax film, *The New Spirit*. Within the initial segment, Donald Duck expects his income tax return to be a crushing burden. Yet he finds with the assistance of an animated pen and ink bottle that filling out his return on his \$2,501 salary is relatively easy and that he owes the government only \$13.²⁴⁰ The film's message is that Donald's income tax payments are for a worthy cause—beating the Axis—and are insubstantial. This same message was driven home by Treasury and OWI propaganda stressing

Roosevelt Library, Hyde Park, N.Y.). "Exposure [to anti-inflation messages] has been ineffective on [the] question of personal willingness . . . to pay higher taxes." *Id.*

238. James G. Rogers, Jr. to James Allen (Mar. 10, 1943), Allen, James; January to July 1943; General Records of Assistant Directors James Rogers and William Lewis, January to July 1943; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.).

239. See Highlights of a Survey to Determine People's Attitudes Toward the Inflation Problem (undated), Economic Stabilization-General; Program Guides and Publicity Materials for the Economic Stabilization Campaign; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.); Review of the Economic Stabilization Program, (Jan. 1, 1944), Economic Stabilization-General; Program Guides and Publicity Materials for the Economic Stabilization Campaign; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.).

240. See R. SHALE, *supra* note 189.

that Americans enjoyed lower tax burdens than their Allies.²⁴¹

Often, the tax messages made no mention of the war or of inflation. Instead, the messages were exhortations for compliance with income tax deadlines²⁴² or for super-compliance. One of the most frequently mentioned themes was “file early.”²⁴³ The refrain was so familiar that the *Washington Evening Star* ran a cartoon of Secretary Morgenthau as a rooster crowing “File That Income Tax Now” with the caption “Better Early Than On Time.”²⁴⁴ Year after year of such messages would make the March 15 deadline for tax returns a very routine and memorable part of one’s existence.

If the tax deadline reminders built memory by repetition, a new structure for paying taxes—the withholding payments—made the income tax payment itself less noticeable and less painful. This notion can be found in a 1943 Treasury Round Table on the transition to the withholding system. Previously, Americans paid one year’s tax liability in

241. BATTLE STATIONS FOR ALL, *supra* note 114; WAR GUIDE SUPPLEMENT IV FOR ACTION MAGAZINES, (Dec. 10, 1942), *supra* note 145; Ducas, *Wartime Taxes* (Dec. 7, 1942), *supra* note 144; Address by Randolph Paul before the Annual Convention of the Iowa Bankers Association, Des Moines, Iowa (Oct. 27, 1942), *supra* note 210; Address by Randolph Paul before the Cornell University Law School (Dec. 11, 1942), *supra* note 230; Information for Film “Short” on Taxes, *supra* note 196. The effects of higher income taxation in Britain were summarized for Morgenthau’s benefit in Roy Blough’s memorandum to the Secretary (May 21, 1942), 530 MORGENTHAU DIARIES 212 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.). Data comparing death, estate, gift, and excise taxes in the United States, Britain and Canada can be found in Roy Blough’s memorandum to the Secretary (Oct. 31, 1941), 456 MORGENTHAU DIARIES 214-18 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.). Sometimes the lower excise tax burden in the United States could prove to be an inspiration. President Roosevelt suggested higher liquor and cigarette taxes after a discussion with Prime Minister Churchill about the relatively heavy excise taxes levied by the British. Telephone conversation between Henry Morgenthau, Jr. and Randolph Paul (May 28, 1943), 638 MORGENTHAU DIARIES 37 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.).

242. MAGAZINE WAR GUIDE, Feb. 1945, *supra* note 144; *Robert St. John Radio Program* (Feb. 5, 1945), Radio 1945 Taxes; Program Guides and Publicity Materials for the Economic Stabilization Campaign; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.); *The Right to Happiness* (closing commercial) (Feb. 8, 1945), Radio 1945 Taxes; Program Guides and Publicity Materials for the Economic Stabilization Campaign; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.); *Perry Mason* (OWI announcement), (Feb. 5, 1945), *supra* note 166; *Eddie Cantor Program* (OWI Plug), (Feb. 23, 1944), *supra* note 221.

243. See, e.g., *Burns and Allen* (first spot—revised) (Feb. 5, 1945), *supra* note 164; Bo Brown Cartoon (Jan. 29, 1945), *supra* note 134; Colin Allen, (Jan. 29, 1945), *supra* note 134; Bo Brown Cartoon (undated), *supra* note 134; Advance Bulletin of New Posters, (Feb. 1944) *supra* note 110; Simon O. Lesser, Program Manager to Joseph D. Nunan, Jr., (Apr. 18, 1944), *supra* note 131; Allocation Schedule for War Information Messages, Week Beginning Feb. 21, 1944, (final) *supra* note 163.

244. *Better Early Than On Time* (Mar. 6, 1942), 505 MORGENTHAU DIARIES 113 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.).

quarterly installments during the following year. In the Round Table, an actress portraying "Mrs. Charles Anderson, who is employed in a war industry," expresses enthusiasm when Assistant Treasury Secretary John L. Sullivan explains that withholding will take care of all of her income tax: "Say, September 15th is going to be a red letter day for us. Before this my husband used to have a quarterly payment to make; but this time . . . September 15th will be just another day in our family."²⁴⁵ David Brinkley has described the revolutionary and routinizing effects of withholding:

When people became accustomed to paying taxes as they had always paid for automobiles—on the installment plan—Congress and the president learned, to their pleasure, what automobile salesmen had learned long before: that installment buyers could be induced to pay more because they looked not at the total debt but only at the monthly payments. And in this case there was, for government, the added psychological advantage that people were paying their taxes with not much resistance because they were paying with money they had never even seen. The term "take-home pay" now entered the language.²⁴⁶

By implementing an unobtrusive means for the collection of a direct tax, the U.S. government succeeded not only in financing World War II, but also in sustaining the income tax on a mass scale after V-J Day.²⁴⁷

While withholding eased the actual collection of income tax for most taxpayers, it was based, as it is today, on an approximation of tax liability. Annual tax returns were still required to determine the exact amount of tax owed, and the amount of any additional payment or refund. Even the income tax forms were enlisted in the effort to sell Americans on the income tax.

Tax propagandists did not underestimate the importance of "warm" or, at least, "palatable" forms. Tax Court Judge Marion J. Harron, one of three women federal judges, told women's page editors that "[t]he root of worry about a tax form is fear. . . . Prepare your return now—not with fear but with faith in the form of the return."²⁴⁸ During 1943, the year in which the conversion to current tax payments occurred, some taxpayers

245. *Treasury Round Table on the September 15 Declaration* (Aug. 26, 1943), *supra* note 152.

246. D. BRINKLEY, *supra* note 85, at 219.

247. The withholding system, as finally enacted, was directed to wage and salary income, which would constitute almost all of the income of the new income taxpayers. *See* Current Tax Payment Act of 1943, Pub. L. No. 78-68, 57 Stat. 126 (1943). Although Secretary Morgenthau also suggested withholding on bond interest and dividends, these receipts, which are more characteristic of upper income taxpayers, escaped collection at the source. *See* R. PAUL, *supra* note 51, at 330.

248. OWI FORTNIGHTLY BUDGET FOR WARTIME. EDITORS OF WOMEN'S PAGES (Feb. 5, 1944), *supra* note 131, at 2.

were required to file an estimated tax declaration either because of the transition to current payment or because of income not subject to withholding. Repeated radio announcements about the September 15th declaration stressed the simplicity of the form. An opening message on "A Women of America" put it colloquially: "But shucks . . . anyone obliged to fill out the estimate form will find it easy to do. In many cases, the whole thing can be completed in five minutes."²⁴⁹

Two other radio messages hint at the somewhat strange history of the five-minute estimated tax declaration form. On "World News Parade," listeners were told that "the revenue department is doing wizardry in simplifying the bookkeeping under the none too lucid law passed by Congress."²⁵⁰ A public service announcement during "Confidentially Yours" noted an alternative to the simple form. "[T]here are more detailed forms available from your local collector of Internal Revenue if you want to make a more exact estimate of your income than is possible on the simplified form."²⁵¹

The September 15, 1943 declaration form originally required fifty-five computations and took Assistant Secretary Sullivan one and one-half hours to complete (with the assistance of two others).²⁵² Secretary Morgenthau saw this as a potential public relations disaster for "the Treasury or Morgenthau, or Roosevelt."²⁵³ His view was that the people were in "a state of irritation"—"they have open wounds; they are sore; they are mad."²⁵⁴ He "wondered whether somebody around here couldn't think of some way of bending the law to make this thing more palatable."²⁵⁵ A committee of three Treasury officials and Judge Oppen of the Tax Court proposed a solution to the dilemma, a simplified form for lower bracket taxpayers based upon a table that "would generally err in favor of the Treasury." Because this was only an estimate, however, a refund could

249. *A Woman of America* (government message) (Aug. 24, 1943), Taxes-Radio; Program Guides and Publicity Materials for the Economic Stabilization Campaign; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.).

250. *World News Parade* (Aug. 29, 1943), *supra* note 165.

251. *Confidentially Yours* (Aug. 31, 1943), *supra* note 173.

252. Group Meeting (9:15 a.m., July 13, 1943), 648 MORGENTHAU DIARIES 63-65 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.). See Taxpayer's Work Sheet (undated), 648 MORGENTHAU DIARIES 147 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.).

253. Taxes Meeting (3:20 p.m., July 13, 1943), 648 MORGENTHAU DIARIES 123 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.).

254. Taxes Meeting (3:00 p.m., July 29, 1943), 652 MORGENTHAU DIARIES 193 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.).

255. Taxes Meeting (3:20 p.m., July 13, 1943), *supra* note 253.

be paid when the return was filed the following year.²⁵⁶ Wealthier taxpayers, or those desiring more exactitude, could use the original fifty-five calculation form, an option that was mentioned in only one out of the fourteen radio messages in OWI files for the September 15th declaration.²⁵⁷ This episode illustrates a desire to make payment of the income tax as simple and non-irritating as possible even if the law had to be bent a little in the process.²⁵⁸

If tax propagandists could succeed in this endeavor, the income tax could more easily become a part of the routine of domestic life, as represented by George Burns sitting in his home doing his income tax return.²⁵⁹ The War Writers Board expressed this desire for routinization most vividly. "Paying taxes can be compared to daily shaving. It's never any fun, but you get used to it. and very few men choose the only alternative, which is raising a beard."²⁶⁰ The income tax became a mass tax not only because of rationale, but because of routine. The habit of income taxpaying was encouraged by suggestions that compliance was easy, the design of simple, warm, even law-bending forms, but, most especially, by the withholding system.

VI. CONCLUSION

The central problem faced by those who oversaw the conversion of the income tax from class tax to mass tax was establishing the legitimacy of that conversion. In the years before World War II, the income tax had more significance as a means of punishing and coercing "economic royalists" than as a revenue source. During the war, mounting federal expenditures and a concomitant increase in the power of the federal government

256. *Id.* at 127.

257. See, e.g., *Lady Esther Screen Guild Players* (OWI announcement) (Aug. 30, 1943) Taxes-Radio; Program Guides and Publicity Materials for the Economic Stabilization Campaign; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.); *Stella Dallas*, (income tax estimate conclusion) (Sept. 3, 1943), *supra* note 170; *The Adventures of the Thin Man*, (government message) (Aug. 27, 1943), *supra* note 172; *Snow Village*, (closing commercial) (Aug. 23, 1943), *supra* note 169; *Young Dr. Malone*, (Aug. 31, 1943), *supra* note 171.

258. See notes 254-55 *supra* and accompanying text.

259. *Burns and Allen*, (first spot) (Feb. 5, 1945) *supra* note 164; *Tax Declaration*, OI-8 (Local Station Announcement Plan), Taxes-Radio; Program Guides and Publicity Materials for the Economic Stabilization Campaign; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.); *Tax Declaration* OI-5 (Local Station Announcement Plan), Taxes-Radio; Program Guides and Publicity Materials for the Economic Stabilization Campaign; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.).

260. Writers' War Board, *Sure as Death and High Taxes*, *supra* note 140.

were made possible by a mass income tax. The depiction of the income tax as a weapon to be used against the wealthy minority had to be abandoned in an era in which average Americans became income taxpayers for the first time.

The coercive elements implicit in the tax pronouncements of government officials during the 1930's were similarly unsuitable for the new mass income tax. The public officials charged with the implementation of a mass income tax recognized that consent needed to replace coercion as the dominant theme in public relations efforts. Media campaigns were designed to justify the mass tax, while the mechanics of tax law were altered to make a much larger system administrable. By V-J Day, the mass income tax had become a continuing feature of American life and an engine for a greatly expanded federal government.

During the 1930's, income taxation was directed at the wealthiest Americans with taxable returns covering no more than the top five percent of citizens. The tax was justified as a means of combating an "unjust concentration of wealth and economic power."²⁶¹ The tax took on a punitive cast when it was enforced, at least for a time, by publicity of certain information from taxpayers' returns and when the tax affairs of the nation's wealthiest citizens were paraded before Congressional hearings.

In converting the income tax from a class tax to a mass tax, tax officials faced a problem in making such a tax legitimate. Because income taxpayers had been portrayed as members of a despised class during the years before World War II, there was little in the rationale for the income tax during the 1930's that justified income taxation of average Americans. Further, efforts to redistribute wealth by tapping the resources of middle income taxpayers had proved unsuccessful during the 1930s²⁶² and did not provide a promising justification for a mass income tax. Indeed, tax propagandists during World War II carefully distanced the mass income tax from social or domestic programs.²⁶³ Finally, as the United States became involved in World War II, the coercive nature of income taxation during the 1930's became more inappropriate. It was important in a war for the survival of democracies that the income tax be seen as the people's choice and not an obligation imposed by a harsh and powerful government.

Considerable effort was expended by top Treasury and OWI officials, up to and including Secretary Morgenthau, in addressing these problems.

261. 79 CONG. REC. 3389, 3394 (1935).

262. M. LEFF, *supra* note 14, at 102-19.

263. See *supra* notes 205, 206 and accompanying text.

Taxation is, by its nature, coercive. Yet World War II tax propagandists utilized the themes of consent and individual choice. These themes are not immediately obvious in World War II income tax propaganda, yet on closer inspection, they are both recurrent and essential. In many of the propaganda messages, citizens chose enthusiastic endorsement of the tax system over their previous skepticism. In the tax film *The New Spirit*,²⁶⁴ Donald Duck is quacking, squawking, and clearly irritated about filling out his tax return. A few minutes later, he is driving from Hollywood to Washington to deliver his tax payment in person. In such depictions, the taxpayer freely acknowledges the wisdom of taxpaying usually after accepting one or more of the official justifications for the tax.²⁶⁵

The decision to use choice as a theme can be explained on several levels. The first level relates to the personnel who oversaw the propaganda campaign. During World War I and in the beginnings of American involvement in World War II, the Treasury Department gained experience in dealing with the public by selling war bonds. Top officials, particularly Morgenthau and Peter Odegard, were very involved in bond sales and had considerable input in the development of the income tax campaign as well. Bond sales, of course, clearly involved an element of citizen choice. To some extent, perhaps, themes of voluntarism crept into the tax campaign as the same people worked on both campaigns or as those working on the tax campaign were exposed to the bond drive messages.

Another explanation for the choice themes may be found in administrative realities. Tax administrators were well aware of the degree to which the new mass income tax was stretching scarce and irreplaceable resources. In fact, the Commissioner of Internal Revenue publicly doubted that a withholding system could be implemented because of adding machine and office supply shortages.²⁶⁶ More internal revenue

264. *The New Spirit*, *supra* note 187.

265. The idea of a consensual tax, as opposed to a coercive tax, is also implied in the surprising infrequency of propaganda threatening penalties for failure to pay taxes. This was a rather noticeable departure from the punitive messages sounded in the "class tax" era of the 1930s. Buchanan Thomas Advertising Co. (Feb. 1944), Taxes-Radio; Program Guides and Publicity Materials for the Economic Stabilization Campaign; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.).

266. Paul to the Secretary (May 19, 1942), 529 Morgenthau Diaries 262 (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.); Cann to the Secretary (Jul. 28, 1942), 554 Morgenthau Diaries 285; (available in Franklin D. Roosevelt Library, Hyde Park N.Y.); Memorandum to Assistant Secretary Sullivan from Acting Commissioner Cann, (Jul. 29, 1942) 555 Morgenthau Diaries 64; (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.); Mr. Sullivan to the Secretary,

agents were always needed.²⁶⁷ With inadequate administrative capacity, the public's willing self-assessment was essential.

The choice theme also provided a basis by which tax propagandists could contrast the United States to its enemies. Sometimes taxation was merely portrayed as preferable to the confiscatory practices of the Axis countries.²⁶⁸ Yet the connection between democracy and taxation was not left at that negative level. The Treasury Round Table with Assistant Secretary Sullivan and actor-citizens²⁶⁹ gave the impression of a government responsive to people's concerns and of citizens willing to be taxed—of a “democratic” tax system.

The choice theme also was consistent with capitalism and economic notions of choice. Roy Rogers and many others reminded audiences that “your income tax money pays for Victory.”²⁷⁰ Rational Americans, as economic actors, could make a wise consumer decision by buying victory with their tax dollars.

If the preferred message was that Americans chose to pay their taxes, the preferred spokesman would be someone other than a government official. Tax propagandists felt they could best convey the idea that taxpaying was related to choice by seeking to disseminate the tax message through popular culture. Club members, union officials, school teachers, newspaper reporters and editors, magazine writers, radio commentators, and entertainers like Danny Kaye, George Burns and Donald Duck were asked to send a government-written or approved message to their audiences as their own, thus enhancing the image of income taxation as the people's choice. Morgenthau applauded the use of one non-government spokesman, Mickey Mouse. “If we can get people to pay taxes with that God-awful Mickey Mouse,” he exclaimed, “we will have arrived socially.”²⁷¹ For Morgenthau, this may have been the ultimate utilization of popular culture to convey the government's message.

While the theme of choice was used repeatedly in messages seeking

(Jul. 30, 1942); 555 Morgenthau Diaries 220; (available in Franklin D. Roosevelt Library, Hyde Park, N.Y.).

267. Paul to the Secretary, (May 19, 1942), *supra* note 266; Cann to the Secretary, (July 28, 1942), *supra* note 266; Memorandum to Assistant Secretary Sullivan from Acting Commissioner Cann, (Jul. 29, 1942), *supra* note 266.

268. *War Tax Film*, *supra* note 196.

269. *Treasury Round Table on the September 15 Declaration* (Aug. 26, 1943), *supra* note 152.

270. *Roy Rogers Show*, (Feb. 6); Taxes-Radio; Program Guides and Publicity Materials for the Economic Stabilization Campaign; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.).

271. Group Meeting, (9:45 a.m. Dec. 15, 1941); *supra* note 188. Mickey Mouse was eventually replaced by Donald Duck in the tax film Morgenthau was discussing.

to justify mass income taxation, tax propagandists also sought to place the tax beyond justification; to make it so routine that rationalization was not as necessary. The withholding system, by placing responsibilities for reporting and payment on employers, removed critical aspects of the tax-paying process from the majority of taxpayers who were employees and gave them to third parties. This trend was furthered by the opportunity to file a return by answering a few questions on one's withholding receipt (Form W-2) and sending it to the Internal Revenue where the tax due or refund owed would be computed.²⁷² Reminders about deadlines and simple forms were not really directed at individual choice, but rather at developing practices that would make individual choices less important.

The problem faced by income tax propagandists during World War II was legitimating the imposition of that tax on average citizens when it was formerly targeted exclusively at the wealthy. In seeking to justify mass income taxation, public officials struggled with the recent history of the tax as a class tax, with reluctance to implement President Roosevelt's domestic and social agenda, and with the dangers of government controls imposed to enable the country to engage in war. The strategy adopted was an emphasis upon the idea of choice and a contrapuntal effort to minimize taxpayer choice—to make taxpaying something that could be taken for granted.

Both of these currents—choice and anti-choice—may be relevant to the continuation of the income tax as a mass tax after World War II. The choice themes in the income tax propaganda of that era were all tied in some way to the existence of war or wartime inflation. After Japan's surrender, however, America's reasons for taxation were transmuted. "Taxes to beat the Axis" became taxes to meet continuing expenditures of the military and foreign policy of a world superpower. Similarly, use of taxation to control wartime inflation could be transformed into peacetime utilization of taxation to correct or alleviate economic imbalance. Propaganda of the choice variety could theoretically use the cold war and the need for government management of the economy as rationales for continuing individual commitment to income tax payment.

272. MAGAZINE WAR GUIDE, Feb. 1945, *supra* note 144; MAGAZINE WAR GUIDE, SUPPLEMENT XXV, Mar. 1945, *supra* note 144; *Robert St. John Radio Program* (Feb. 5, 1945), *supra* note 242; *The Right to Happiness* (closing commercial) (Feb. 8, 1945), *supra* note 242; *Roy Rogers Show*, (Feb. 6), *supra* note 270; *It's As Easy As "ABC": Your 1944 Income Tax*; Taxes-Radio; Program Guides and Publicity Materials for the Economic Stabilization Campaign; Records of the Office of War Information, Record Group 208; (available in National Records Center, Suitland, Md.); *Ma Perkins*, (closing) (Feb. 7, 1945), *supra* note 219; *Perry Mason*, (OWI Announcement), (Feb. 5, 1945), *supra* note 166.

One would expect, however, to find in the postwar era somewhat less of the choice type of income tax propaganda. If tax propagandists and legislators during World War II were successful in their efforts to make income taxpaying an expected activity for average citizens, there would be less reason to influence choices by the mass of American taxpayers. As the coercive narrowly targeted tax of the 1930's was forgotten and a mass tax became the norm, one would also expect a return to harsh or punitive propaganda directed at those who failed to pay their "fair share." An examination of the income tax propaganda of the postwar period and, particularly, of the Korean War should be undertaken to test these tentative thoughts.

Regardless of the outcome of such consideration of income tax propaganda during the late 1940's and the 1950's, World War II marked a radical change in the income tax. In taking the income tax beyond its narrowly based, punitive roots, World War II income tax propagandists attempted to make the imposition of the tax appear to be the people's choice, while they altered the mechanics of taxation in an effort to make such choice less important. In songs, radio shows, advertisements, newspaper and magazine articles, in newsreels and animated films, the law was changing. "I Paid My Income Tax Today" signaled the advent of a radically different vision of the income tax.

