

**PRESIDENT**  
Gordon Larson  
215-672-3137

**VICE PRESIDENT**  
Mary Hurly  
215-420-7472

**SECRETARY**  
Bob McQue  
215-394-8401

**TREASURER**  
Rose Torgerson  
215-672-1416

**PAST PRESIDENT**  
Rudy Stroh  
215-443-5782

**CB1 DIRECTOR & COLOR GUARD LEADER**  
Jack Robbins  
215-444-0140

**CB1 DIRECTOR**  
Jerry Wright  
215-674-2328

**CB2 DIRECTOR**  
Josie Larson  
215-675-5290

**James Morgan**  
215-682-0187

**CB3 DIRECTORS**  
Keith Lawrence  
215-444-0116

**Don Leyboldt**  
215-833-2956

**SGT AT ARMS**  
Frank Gorman  
215-674-1418

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Herb Craft  
215-672-2960

**CHAPLAIN**  
Chuck Donnelly  
215-675-3307

**SHIRTS / MEMBERSHIP**  
Don Lawrence  
215-572-5654

**PROGRAM**  
Bob Swan  
215-674-1935

**VALET SERVICES**  
Russ Neiger  
610-930-3077

*Ann's Choice Residents and Guests are invited to attend Veterans Group Programs and Events- (Meetings are open to ALL with no charge)*

## NEXT MEETING: March 19, 2019 at 7:30 pm, Ann's Choice PAC

The March meeting of the Ann's Choice Veterans Group will be at 7:30 pm in the PAC on Tuesday, March 19, 2019. The Bucks County Tour of Honor organization will present a program about their events to honor veterans.



Bucks County Tour of Honor will be holding an all-expense paid trip for Vietnam era veterans on Monday, April 29, and a trip in the fall for World War II and Korean War

era veterans. The mission and sole purpose of Bucks County Tour of Honor is to transport United States Military Veterans from the Bucks County area to Washington DC to visit memorials, buildings and other places that promote and represent the ideals of the United States of America.



The Bucks County Tour of Honor experience leaves from Parx East and includes stops at Arlington National Cemetery at the Tomb of the Unknown Soldier for the Changing of the Guard and Wreath Laying Ceremony, Air Force Memorial, Korean War Memorial and World War II Memorial. The trip to Washington DC is followed by a "Welcome Home" celebration, dinner and entertainment hosted by Parx Casino.

## Veterans Group Meeting Tuesday, April 16, 2019 in the PAC

The April program will feature a presentation by Carl LaVO who is an award-winning journalist and former editor of the *Bucks County Courier Times*. Mr. LaVO's program will be about the ill-fated "Yellow Bird" airplane built by the Keystone Aircraft Co., headquartered in Bristol Township, Bucks County in the late 1920's.

## Program Committee Volunteers

The Veterans Group Board is seeking a few volunteers to help plan the monthly programs during the year. We have a program at each Veterans Group meeting in January through April, June, September and October. We have resources and contacts from previous meetings which can be used again for future meetings. And new ideas for program topics are always welcome. Contact Gordon Larson (215-672-3137) or Mary Hurly (215-420-7472).

## Volunteer and Service Opportunities

There is a continuing need for help with the program to drive veterans to the Horsham VA Center. Volunteers do not have to be veterans themselves in order to assist veterans getting to their appointments. Call Judy Wright at 215-674-2328 for information about the program or to schedule a ride.

Volunteers are also needed to help with the Deployable Flags Program to line our streets with flags. For more information or to volunteer call Jerry Wright at 215-674-2328.

## Veterans Group Website

Save this link as a favorite to access previous issues of the newsletter: <https://www.anns-choice-resident-activity.org/all-other-sections/service-groups/veterans-group/>  
Note: this link is to the Ann's Choice resident website.

## The Legacy of World War II in Income Taxes

Tax Day is one occasion in which history offers little consolation. As you tally up your withholding and deductions, it may not help to know that you're also paying into a system created to fund World War II.

When the modern income tax was introduced in 1913, it was constructed as a tax merely on the very top earners and was essentially irrelevant to most Americans.

..Income taxes were used as early as 1861 to help fund the increased federal spending during the Civil War. Congress imposed its first personal income tax as part of the Revenue Act of 1861 (3% of all incomes over US \$800). Congress also enacted the Revenue Act of 1862, which levied a 3% tax on incomes above \$600, rising to 5% for incomes above \$10,000. Rates were raised in 1864. Both taxes were repealed in 1872.

A new income tax statute was enacted as part of the 1894 Tariff Act. At that time, the Constitution specified that Congress could impose a "direct" tax only if the law apportioned that tax among the states according to each state's census population (per Article 1, Section 8). In 1895, the U. S. Supreme Court ruled, in *Pollock v. Farmers' Loan & Trust Co.*, that many of the income-related taxes imposed as part of the 1894 Tariff Act were "direct" taxes on property and therefore had to be apportioned. Since apportionment of income taxes is impractical, the *Pollock* rulings had the effect of prohibiting a federal tax on income from property. Due to the political difficulties of taxing individual wages without taxing income from property, a federal income tax was impractical.

By the early 1900s, as much as 30 to 40 percent of the government's income came from excise taxes generated by liquor, wine, and beer. By 1910, the federal government was drawing more than \$200 million per year from the alcohol industry; only external trade tariffs generated greater revenue.

.. But the lessons learned from the attempt with the 1894 Tariff Act to tax incomes helped shape the framing of the 16th Amendment, which passed as a Congressional resolution in 1909, and was ratified four years later.

Article XVI – "The Congress shall have the power to lay and collect taxes on Income, from

whatever source derived, without apportionment among the states, and without regard to any census of enumeration."

Now that Congress could levy a federal income tax, the tax revenue impact of Prohibition was significantly reduced; but World War I helped stir up the pot. When the United States entered the war in 1917, anyone of German heritage was suspect. Since most brewers were of German decent, the Anti-Saloon League used this to equate migrants and drinking with being anti-American. Article XVIII was adopted in January, 1919.

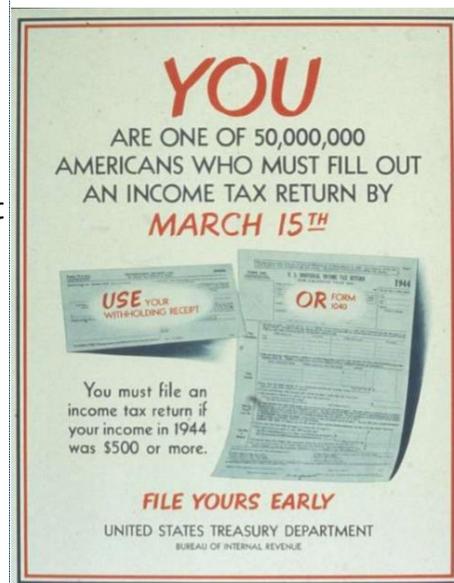
After the Great War and the 1920s, as the Great Depression deepened in the 1930s, income tax revenues plummeted and there was a question about why we were foregoing all that tax revenue and jobs from alcohol sales and production. The adoption of Article XXI in 1933 repealed Prohibition.

The impact of the income tax only on the very top earners and the irrelevance of the tax to most Americans changed in 1942, shortly after Pearl Harbor. The entire nation was mobilizing for war, and money was desperately needed. At the time, the idea of running a deficit was seen as disastrous, says Joseph J. Thorndike, author of *Their Fair Share: Taxing the Rich in the Age of FDR* and director of the Tax History Project. To pay for the war, Congress passed a new Revenue Act that nearly doubled the number of Americans who would have to pay income taxes. TIME called it "the biggest piece of machinery ever designed to separate dollars from citizens."

Though the amount raised was important in the short run, it was the expansion in the number of people paying that fundamentally altered U.S. tax structure. The middle class had pitched in before – paying a tax on a purchase was seen as totally normal –

but most people had never written a check to Uncle Sam. Now that link would be set in stone.

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TIME's coverage of that looming date was headlined *The Ides of March, 1943*. "This week the U.S. citizen faces a hard and stubborn fact of wartime living..." the article began, "the U.S. Treasury on March 15 will demand and get more money from more people than at any time in the history of the republic." Going into tax day that year (about a decade before the big day moved to April), the government expected to receive 40 million returns from citizens—far more than the 26 million that had been filed the year before.

Citizens unaccustomed to paying up left their taxes for the last minute (which you, reader, surely know nothing about) and Treasury Secretary Henry Morgenthau guessed that those late-payers were waiting for some imaginary last-minute government reprieve. Still, there was reason to believe that the nation, if not exactly

eager to pay, was ready to fork over the cash. "If the American citizen does come through," TIME noted, "it will be more because of inherent patriotism than because of sound tax policy."

That patriotism – the moral imperative to at least sacrifice dollars while others sacrificed their lives – was enough to carry the Revenue Act through Congress, just as it had carried taxes like the temporary tax imposed during the Civil War. But after World War II, the 1942 tax structure stuck around. Even under Republican administrations like that of Dwight Eisenhower, balancing the books was prioritized over cutting taxes. Both sides of the aisle were resigned to the fact, Thorndike says, that "the war sort of permanently expanded the size of American government and there really was no going back all the way."

*Adapted from an article in Time by Lily Rothman, April 14, 2016; and from supplementary information from other internet sources.*

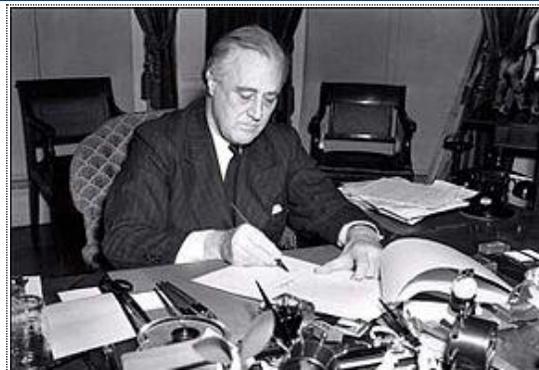
### Lend Lease Program in World War II

On January 10, 1941, Franklin Roosevelt introduced the lend-lease program to Congress. The plan was intended to help Britain beat back Hitler's advance while keeping America only indirectly involved in World War II.

As Roosevelt addressed Congress, the Battle of Britain was in its full destructive swing and Hitler seemed to be on the verge of invading Great Britain. Cash-strapped Britain desperately needed airplanes, tanks and ships. For months Winston Churchill had begged Roosevelt for help, but the president was committed to abiding by American wishes to stay out of another bloody world war.

The Lend-Lease policy, formally titled An Act to Promote the Defense of the United States was an American program to defeat Germany, Japan and Italy by distributing food, oil, and materiel between 1941 and August 1945. The aid went to the United Kingdom, China, and later the Soviet Union, Free France, and other Allied nations. It included warships and warplanes, along with other weaponry. The policy was signed into law on March 11, 1941, and ended overnight without prior warning when the war against Japan ended.

During December 1940, President Roosevelt proclaimed the U.S.A. would be the "Arsenal of Democracy" and proposed selling munitions to Britain and Canada. Isolationists were strongly opposed, warning it would result in American



President Roosevelt signs the Lend-Lease bill to give aid to Britain and China (1941).

involvement in what was considered by most Americans as an essentially European conflict.

After a decade of neutrality, Roosevelt

knew that the change to Allied support must be gradual, especially since German Americans were the largest ethnicity in America at the time. Originally, the American policy was to help the British but not join the war. During early February 1941, a Gallup poll revealed that 54 percent of Americans were in favor of giving aid to the British without qualifications of Lend-Lease. A further 15 percent were in favor with qualifications such as: "If it doesn't get us into war," or "If the British can give us some security for what we give them." Only 22 percent were unequivocally against the President's proposal. When poll participants were asked their party affiliation, the poll revealed a political divide: 69 percent of Democrats were unequivocally in favor of Lend-Lease, whereas only 38 percent of Republicans favored the bill without qualification.

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“Lend-Lease” continued from page 3

Opposition to the Lend-Lease bill was strongest among isolationist Republicans in Congress, who feared the measure would be "the longest single step this nation has yet taken toward direct involvement in the war abroad". When the House finally took a roll call vote on February 9, 1941, the 260 to 165 vote was largely along party lines. Democrats voted 238 to 25 in favor and Republicans 24 in favor and 135 against.

The vote in the Senate, which occurred a month later, revealed a similar partisan difference. 49 Democrats (79 percent) voted "aye" with only 13 Democrats (21 percent) voting "nay." In contrast, 17 Republicans (63 percent) voted "nay" while 10 Senate Republicans (37 percent) sided with the Democrats to pass the bill.

President Roosevelt signed the bill into law on 11 March 1941. It permitted him to "sell, transfer title to, exchange, lease, lend, or otherwise dispose of, to any such government [whose defense the President deems vital to the defense of the United States] any defense article."

The program was under the direct control of the White House, with Roosevelt paying close attention, assisted by Harry Hopkins, W. Averell Harriman, and Edward Stettinius Jr.. Roosevelt often sent them on special missions to London and Moscow, where their control over Lend Lease gave them importance. The budget was hidden away in the overall military budget, and details were not released until after the war.

[editor's comment: With the divisive politics in Washington that we see today, what is the likelihood that such a large expenditure would remain hidden and not subject to extreme scrutiny?]

With the bombing of Pearl Harbor in December 1941, Japan forced the entry of the United States into the war. Roosevelt then recognized the strategic advantage of also supplying the Soviet Union with arms under lend-lease in order to draw Hitler's resources away from Western Europe. This gave the United States a better chance at fighting a war on two fronts while planning for an invasion to liberate Europe. Roosevelt, mindful of the inherent conflict between American democracy and Soviet communism, counted on using U.S. military aid to the Soviet Union as a bargaining chip in post-war diplomatic relations.

Lend-Lease helped the British and other Allied forces win the war. Even after the United States

forces in Europe and the Pacific began to attain full strength during 1943–1944, Lend-Lease continued. Most remaining Allies were largely self-sufficient in frontline equipment (such as tanks and fighter aircraft) by this time, but Lend-Lease provided a useful supplement in this category even so, and Lend-Lease logistical supplies (including motor vehicles and railroad equipment) were of enormous assistance.

Much of the aid can be better understood when considering the economic distortions caused by the war. Most belligerent powers decreased severely production of non-essentials, concentrating on producing weapons. This inevitably produced shortages of related products needed by the military or as part of the military-industrial complex.

For example, the USSR was very dependent on rail transportation, but the war practically ended rail equipment production. Just 446 locomotives were produced during the war, with only 92 of those being built between 1942 and 1945. In total, 92.7% of the wartime production of railroad equipment by the USSR was supplied by Lend-Lease, including 1,911 locomotives and 11,225 railcars which augmented the existing prewar stocks of at least 20,000 locomotives and half a million railcars.

Furthermore, much of the logistical assistance of the Soviet military was provided by hundreds of thousands of U.S.-made trucks. Indeed, by 1945, nearly a third of the truck strength of the Red Army was U.S.-built. Trucks such as the Dodge ¾ ton and Studebaker 2½ ton were easily the best trucks available in their class on either side on the Eastern Front. American shipments of telephone cable, aluminum, canned rations, and clothing were also critical.

By the end of the war the United States had given more than \$50.1 billion (equivalent to \$543 billion in 2016) in armaments and financial support. This was 11 % of total war expenditures of the U.S. In all, \$31.4 billion went to Britain and its Empire, \$11.3 billion to the Soviet Union, \$3.2 billion to France, \$1.6 billion to China, and the remaining \$2.6 billion to the other Allies. The lend-lease program laid a foundation for the post-war Marshall Plan, which provided aid to European nations to help rebuild their economies after two devastating world wars.

From [www.history.com](http://www.history.com) and from articles on Wikipedia.