
GROTON HISTORICAL SOCIETY

Newsletter

Volume 26 Issue 2

Groton, Vermont

05046

Spring 2013

100 YEARS WITH THE INCOME TAX

**GROTON HIGH
SCHOOL
ALL-CLASS REUNION
June 29, 2013
11:00 am to 5:00 pm
Groton Community
Building**

2013 OFFICERS

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Form 1040, income tax return is one hundred years old this year. Income Taxes became legal when the 16th Amendment to the Constitution was ratified in 1913, which reads “Congress shall have the power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several states, and without regard to any census or enumeration.” The federal government attempted to enact a country-wide income tax in 1894. However, in 1895 the Supreme Court held that a tax based on receipts from the use of property to be unconstitutional.

Earlier, President Lincoln introduced the income tax in 1862 to help pay for expenses incurred during the Civil War. This first tax was 3% on annual incomes between \$600 and

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\$10,000 and 5% on annual incomes above \$10,000. This tax was repealed in 1872.

In 1913 under President Woodrow Wilson the newly legalized Income Tax was 1% on net income over \$3,000 plus additional surtaxes up to 6% for higher incomes. In 1917 the War Revenue Act raised the top tax bracket to 67% to help fund World War I. The top rate reached 77% in 1918 and was reduced to 56% in 1922. President Calvin Coolidge, a Vermont native, reduced the top rate to 25% in 1925, where it remained until 1932 when the top bracket was raised to 63% in an unsuccessful effort to get out of the Great Depression (WWII ended the Depression). The income tax was increased under President Franklin D. Roosevelt reaching 88% in 1942.

The Revenue Act of 1942 not only increased the rates it also increased the number of citizens subject to the tax. In 1943 Congress passed The Current Tax Payment Act, which requires employers to withhold taxes from employees wages and remit them quarterly. During World War II the top income tax bracket reached 94% (1944 and 1945), and more than 60 million people paid income taxes (about 1/3 of the population). Tax rates for the highest bracket remained at 91% through the Presidencies of Truman, Eisenhower, and Kennedy. Under President Lyndon Johnson the highest rate was reduced to 70% and it remained there, with only slight variations, under Presidents Nixon, Ford, and Carter.

President Ronald Reagan reduced the highest tax rate to 50% in 1982 and to 28% in 1988. The rate of the highest tax bracket increased under President George H. W. Bush to 31% in 1992, costing him re-election. In 1993, President Bill Clinton, signed the "Revenue Reconciliation Act" to reduce the Federal Deficit, increasing the highest tax bracket to 39.6% where it remained until 2002 when it was reduced to 35% . under President George W. Bush, and in 2013 it was increased again to 39.6% under President Barack Obama .

The first, known, written record of taxes dates back to ancient Egypt. At that time, taxes were not collected in the form of

money, but rather as items such as grain, livestock, or oils. Taxes were such an important part of ancient Egyptian life that many of the surviving hieroglyphic tablets are about taxes. Although many of these tablets are records of how much people paid, some describe people complaining about their high taxes. And no wonder people complained! The taxes were often so high, that at least on one surviving hieroglyphic tablet, tax collectors are depicted punishing peasants for not having paid their taxes on time. Egyptians were not the only ancient people to hate tax collectors. Ancient Sumerians had a proverb, "You can have a lord, you can have a king, but the man to fear is the tax collector!"

Nearly as old as the history of taxes - and the hatred of tax collectors - is resistance to unfair taxes. For instance, when Queen Boadicea of the British Isles defied the Romans in 60 AD, it was largely because of the brutal taxation policy placed upon her people. The Romans, in an attempt to subdue Queen Boadicea, publicly flogged the queen and raped her two daughters. To the great surprise of the Romans, Queen Boadicea was anything but subdued by this treatment. She retaliated by leading her people in an all-out, bloody revolt, eventually killing about 70,000 Romans.

A much less gory example of resistance to taxes is the story of Lady Godiva. Although many remember that in the legend, Lady Godiva of the 11th century rode through the town of Coventry naked, most probably do not remember that she did so to protest her husband's harsh taxes on the people.

Perhaps the most famous historical incident relating to the resistance to taxes was the Boston Tea Party in Colonial America. In 1773, a group of colonists, dressed as Native Americans, boarded three English ships moored in Boston Harbor. These colonists spent hours smashing the ships' cargo, wooden chests filled with tea, and then throwing the damaged boxes over the side of the ships. American colonists had been heavily taxed for over a decade with such legislation from England as the Stamp Act of 1765 (which added taxes to newspapers, permits, playing cards, and legal documents) and the Townsend Act of 1767 (which added taxes to

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Excerpts from
THE CIVIL WAR
(As Recollected by an Ordinary Soldier)
By
Seth N. Eastman M.D. (1843-1913)

In observance of the sesquicentennial of the Civil War another excerpt from Dr. S. N. Eastman's story is given here. The first five excerpts about his experiences in the Civil War were in previous newsletters and covered his enlistment at St. Johnsbury, basic training at Montpelier, deployment to Washington, D. C., involvement in the battle at Lee's Mills, their advance on Richmond, and his capture by the rebel forces.

The relief of Richmond had been accomplished, but at fearful cost. I was by the roadside when the whole army fell back in a hurry. I saw the trains that carried the wounded back to Richmond, and the blood was dripping from the bottom of the wagons in a lot of cases, and the helpless wounded would scream with pain as the wagons would roll over the rough roads. Also, they were in a hurry as they expected pursuit, but they did not know what a chicken-hearted man the Union commander was, or they would not have hurried. They found out about him later, however. After their army and their wounded had gotten safely by, they turned their attention to their wounded prisoners, of which I was one. Up to this time we'd had no care or attention and had lain in our bloody clothes for five or six days, and our wounds had become maggoty, and the helpless ones were in horrible condition. The rebel physicians used turpentine on a feather to drive the maggots out of the wounds, a little would work very effectively on any kind of wound. My wound was maggoty and one application of the turpentine drove all the maggots out. I was careful to keep them out after that because I could help myself and had no broken bones. I could walk with a crutch with difficulty, and all such were gathered and loaded onto flat cars and taken to Richmond and put in the Libby Prison or

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paper, paint, and tea). The colonists threw the tea over the side of the ships to protest this practice of "taxation without representation."

Unfair taxation was one of the major injustices that led directly to the American War for Independence. Thus, the leaders of the newly created United States had to be very careful as to how and exactly what they taxed. Alexander Hamilton, the new U.S. Secretary of the Treasury, needed to find a way to collect money to pay the national debt, created by the American Revolution. In 1791, Hamilton, balancing the need of the federal government to collect money and the sensitivity of the American people against taxes, created a "sin tax," a tax placed on an item society felt was a vice. The item chosen for the tax was distilled spirits. Unfortunately, the tax was seen as unfair by those on the frontier who distilled more alcohol, especially whiskey, than their eastern counterparts. Along the frontier, isolated protests eventually led to an armed revolt, known as the Whiskey Rebellion.

Alexander Hamilton was not the first man in history with the dilemma of how to raise money to pay for war. The need for a government to be able to pay for troops and supplies in wartime had been a major reason for ancient Egyptians, Romans, medieval kings, and governments around the world to increase taxes or to create new ones. Although these governments had often been creative in their new taxes, the concept of an income tax had to wait for the modern era.

Income taxes (requiring individuals to pay a percentage of their income to the government, often on a graduated scale) required the ability to retain extremely detailed records. Throughout most of history, keeping track of individual records would have been a logistical impossibility. Thus, the implementation of an income tax did not occur until 1799 in Great Britain. The new tax, viewed as a temporary one, was needed by the British to fight the French forces led by Napoleon. The United States faced a similar need during the War of 1812. Based on the British model, the U.S. considered raising money for the war

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through an income tax. However, the war ended before the income tax was officially enacted.

The idea of creating an income tax resurfaced during the Civil War. Again considered a temporary tax to raise money for a war, Congress passed the Revenue Act of 1861 which taxed income. However, there were so many problems with the details of the law that income taxes were not collected until it was revised the following year. In addition to adding taxes on feathers, gunpowder, billiard tables, and leather, the Tax Act of 1862 specified that the income tax would require those earning up to \$10,000 to pay three percent of their income and those making more than \$10,000 would pay five percent. Also notable was a \$600 standard deductible. The income tax law was amended several times over the next few years and eventually fully repealed in 1872.

In the 1890s, the U.S. government was rethinking its general taxation plan. Historically, most of its revenue had been from taxing imported and exported goods as well as taxes on the sale of specific products. Realizing that these taxes were not applied fairly over the population, the U.S. federal government began looking for a better way to distribute the tax burden. Some thought a graduated-scale income tax placed upon all citizens of the United States would be a fair way to collect taxes, so they enacted a country-wide income tax in 1894. The U.S. Supreme Court decided in 1895 that the income tax was unconstitutional because it was not apportioned among the states in conformity with the Constitution.

To create a legal income tax, the Constitution of the United States needed to be changed. In 1913, the 16th Amendment to the Constitution was ratified. This amendment eliminated the need to base federal taxes on state population by stating: "The Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States, and without regard to any census or enumeration." In October of 1913, the same year the 16th Amendment was ratified, the first legal income tax law was enacted. Also in 1913, the first Form 1040 was created.

FAIR TAXES

Local, county, state and federal governments all need funds to perform their respective responsibilities. Assessing and collecting taxes fairly would greatly reduce the opposition to them. No one likes to pay taxes, but most like the government services they receive. Often those getting the most benefits pay the least, and sometimes no income tax at all. Taxes on businesses increase the cost of their goods or services, so their customers actually pay those taxes through higher prices, in addition to paying their own taxes. Fair competition keeps prices as low as possible and allows the providers to earn a fair income. Providers who sell their products or services below cost will soon face bankruptcy. Lack of fair competition allows unfair prices and leads to as much opposition as that vented toward unfair taxes. Anti-monopoly laws have helped control unfair competition in the past, but they seem to be enforced less frequently now and some firms get “too big to fail”.

The social programs of the 1930s to provide relief for the unemployed have continued to expand through good times and bad, keeping many recipients dependent on government assistance. “Alms for the poor” have historically kept them satisfied enough to prevent revolts against unfair pricing and unfair taxing. Unlike most other countries, the United States believes “All men are created equal” and does not have a class system. Thus those who are “poor” in one stage of their life are able to advance to higher income levels through hard work and ingenuity, becoming less dependent on government assistance, and then the unfair pricing and taxing policies have a greater effect on them.

Finding a **FAIR TAX** to fund legitimate government activities is an age old problem. The more you want governments to do for you, the more taxes are needed. President Kennedy said “Ask not what your country can do for you! Ask what you can do for your Country!” Taxes to control behavior or to redistribute wealth are inherently unfair and the focus for much of the opposition.

Pictures from the Past



1865 Virginia



New Steel Bridge, Opened February 1, 1904.

1904 Wells River Bridge to Woodsville



1920 Groton Rural School—Olga Caruso, teacher



2000 GHS All-Class Reunion

(Continued from page 4) **CIVIL WAR**

into tobacco warehouses that stood near the prison. I stayed in the yard of the prison the first night of my stay, as the guest of the Southern Confederacy. We had something to eat there. I don't remember what, but it was no better than corn bread and water. After this I was confined in a large tobacco warehouse for a week and then sent to Belle Island, which was a sand bar in the James River. No attention was ever paid to my wound except to drive the maggots out. It was very hard to keep them out, however, as I was very filthy and dirty and had nothing to help myself with. There were about six thousand prisoners on this island of six acres, and it was very difficult for me, in my weakened condition, to hobble to the river for baths, consequently I was not very clean, but I was young and soon the wound began to heal and in about six weeks it was all healed up with the ball still in there. No surgeon ever tried to extract it, and it is still in there now as this is written. The wound did not trouble much if I laid still, so I just had to take my chances with the other six thousand. There was very little to eat and no water to drink except that out of the river.

I stayed at this prison until October 13 when I was chosen and paroled not to serve against the southern Confederacy until such time as I had been properly exchanged, which happened a few weeks later when I was given a musket and cartridge box and ordered to take my place in Company B, 6th Vermont Regiment of Volunteers and do duty as usual. I am unable to give the exact date of my return to duty, but it was sometime in November of 1862. I was glad to get back to my place in the ranks again, as I was sick and tired of being a paroled prisoner with nothing to do. They would not give me a furlough to go home, as I expect they thought I would not come back again, and they were probably right too. I stayed with the army until the exchange of the prisoners took place.

My stay on Belle Island as a guest of the confederacy was marked with much misery and suffering. We had no tents or clothing to speak of and no blankets. The sun was very hot in the daytime, and the nights were very damp and cold. The food was dirty poor corn bread of the white variety and ground with the cob and all. The bread was very unpalatable. Sometimes the food was made into

mush or pudding and brought into the prison in carts, shoveled into the cart bodies loose, and the men were put into squads of one hundred men for the purpose of drawing rations, and one of the one hundred had charge of drawing the rations for his squad. The mush for the one hundred I was in was handled on a rubber blanket. Every man had some kind of a dish to get it in, some had tin cups and the others tin cans. Then we could eat it any way we could, as there were no knives, forks or spoons. At times we had soup. When we had this, the soup was measured out of a boot leg. One man would get a boot leg full, then fill it up again for the next man, etc. The soup always had maggots in it, and usually some kind of bad-smelling meat. Sometimes when food was very short for them, they would not send us anything for several days. Of course we were starved all the time; if we weren't we could never have eaten anything. It still makes me sick to think of the food I was obliged to eat at that time, or starve. It was only the young and strong that could stand it. There was much sickness and many died. There was all kinds of fever and no treatment or care. They removed the dead every morning, usually about twenty every twenty-four hours. It is 43 years since that time, but I can remember it as vividly as though it were yesterday. I felt sure I would die in this miserable place, and no-one would know where I died or anything about it. There was no way to let anyone know of my whereabouts, as they would not let us write any letters, so there was nothing to do but make the best of it.

This environment and bad food had a bad effect on me, and I commenced to lose weight and get thin. When I got to that condition, I looked as though I would never be of any use to my country, along with about one hundred others in the same shape, and who were picked out and paroled. We had to walk about twenty miles to City Point on the James River to meet a gunboat that came for us. When we were about two miles from the gunboat, the rebel guards were withdrawn and went back, and the Union Cavalry took care of us. I was so weak and exhausted that I could not go another step and a cavalryman let me ride his horse the rest of the way. Now if there ever was a poor little boy that was glad to get home, it was I. We called it home to get back inside the Union lines again, and under protection of the old flag. Here, for the first time in sixteen weeks,

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we had something decent to eat. We had to be careful and not eat too much. I ate too much the first night on the transport that was taking us to the parole camp at Annapolis, Maryland. My digestive organs were out of order to such a degree that it was a long time before I could eat anything without distress. Arriving at Annapolis the next day, we were immediately sent to the parole camp. I was barefoot, hatless and nearly naked without an overcoat or blanket, and it was fall weather. I had to sit by the fire all night and borrow a blanket to sleep in the daytime. In this condition, I applied to the U. S. Commissary Department for the needed articles to make me comfortable. To my astonishment, I was asked for my identification or descriptive list, and when I could produce neither, they refused to let me draw anything that I needed, and I needed an entire new outfit. I did not enjoy the situation, as it would take at least a week to get the necessary papers, so I decided to go somewhere else and try my luck. There was another parole camp at Alexandria, Virginia, so I made up my mind to go there and seek better treatment. There was a boat going there that day, so I left the camp at Annapolis without leave and went to the wharf and on the boat bound for Alexandria. No one said anything to me, and on arriving at Alexandria, I went directly to the parole camp, but here I was not treated as well as I had been at Annapolis, as I could not draw rations here (at Alexandria) because my name had not been mentioned on the rolls, so my misfortune was doubled. I made applications for blankets and was met with the same answer as the one I received before (at Annapolis). Here, I was among strangers, almost naked, with nothing to eat and no shelter. I was almost as miserable as when a prisoner at Belle Island. I stayed here just one night, and did not sleep a bit because the wind was very cold and I had no blankets. This camp was called "Louse Hill". It was a miserable, lousy place run by "bummers" who were staying here rather than be with their regiment at the front. It was the most heartless, filthy, miserable place that I ever knew the U. S. flag to float over. There were several such places during the war, run by graft and managed by miserable cowards and dirty bummers. All were cleared out later, and the bums sent either to their regiments or to prison.

In the morning, after a very uncomfortable night here, I could lie down on the meadow along the Potomac and see a lot of new tents

that had just been put up, and I knew this camp was made up of recruits, as everything looked so new. I did not know what state they came from, but anything was better than the place I was in, so I decided to pay this new camp a visit, in hope that I might get some of their surplus goods. It was my intention to get equipment by begging, stealing, or any other method I could think of that might get results. If this failed, I was going to Washington D. C., as I was getting desperate. I walked past the guards at the camp, who endeavored to stop me, but I walked on as though I had not heard and walked down the hill. The guard said he would shoot me if I did not halt, and after he said that once or twice, I said go ahead if he wanted to. I was pretty sure he would not as he was a recruit. It was about half a mile to this camp from Louse Hill.

As it was early in the morning, the men were washing their faces, getting something to eat, etc. A little stream of water ran down the hill and it was lined with men washing their faces and hands, they had soap and towels and I went along the line looking at them. I saw a face that looked familiar, so I stopped to investigate and make sure, and found it was an old chum of mine from Topsham, Vermont! His name was Horace Heath. I was so changed that I could not make him know me, but after a while he recognized me and was glad to see me and said, "Come and see the boys", so I followed him to his row and he told them who I was, and I found about twenty boys from home who had enlisted as recruits and were on their way to the 6th Vermont Regiment. These boys gathered around me as though I had returned from the dead. In fact they thought I was, it being reported at home that I had been captured and nothing more being heard from me. They gathered around me and I told them of my experience as a soldier.

My troubles were all over when I arrived at this camp. They had a surplus of everything that I needed, and they seemed to be eager to relieve my distress. One gave me one article of clothing, another something else, until I was rigged out as a raw recruit.

GROTON HISTORICAL SOCIETY NEWS

Visit GHS Web page at Historical Society on <http://www.grotonvt.com/>

Annual membership dues are payable January first.
Annual dues are \$10 for individuals and \$15 for families.
Lifetime Membership dues are \$100

Membership status as of 13 April 2013:

| | |
|--|----|
| Lifetime members | 12 |
| Dues Paid for 2014 | 7 |
| Dues Paid for 2013 | 20 |
| Dues Paid for 2012 (in grace period) | 27 |
| Dues Paid for 2011 (grace period ends this year) | 8 |
| Complementary (Ross McLeod, VHS, UVM) | 3 |

Your status is shown with your mailing address, please let GHS know if there is an error in our records of your membership status.

All members who provide an email address will be sent a copy of the newsletter. If you want to opt out of getting a printed copy, please send a request to jwbenzie@mchsi.com This will save GHS the cost of printing and mailing. 15 members have opted out of printed copies.

The June meeting will be held Friday the 7th in the Methodist church at 7pm. The program will be about Charles Ross Taggart, "The Old Country Fiddler," which is a living history presentation by Adam R. Boyce. Mr. Taggart mentions Groton quite often...it was where he took the train when he was studying piano in Montpelier, driving by horse and buggy (or bicycle) from East Topsham to the RR Station in Groton. It was also in Groton where Taggart was influenced to become a traveling entertainer, by watching another traveling entertainer, Frank G. Reynolds of Boston, MA. The Historical House will be open prior to the meeting, from 5:30 to 6:30pm on June 7, 2013 for visitors.

Don Smith has posted the Historical Society photos he has scanned and repaired on the GHS web page. Please look them over and provide any missing names, places and descriptions that you can, and send the information to Donald S. Smith, web site editor, at donsmith@donsmitty.com

As reported in the last newsletter, George Hall has completed scanning the Groton History book, *Mr. Glover's Groton*. The Historical Society is now deciding about printing more books or making it available on line and publishing an updated Groton History to expand the 20th century information and add the family records.

Several enquiries about Groton families recently indicates a growing interest in the Groton Family Records. Deborah Caron of Brookfield, MA was looking for information about the Welch family and Dot Hemingway of Cheyenne , WY sent information about the William Heath family of Johnson, VT. William Heath was a third Great grandfather of George Millis, a Postmaster and Town Clerk in Groton. George Goodwin, Flora Kittredge, Robert K. Nelson, Roy Hanchett, and Nelson A. Hooper are also third great grandchildren of William Heath. William's son, Wells Heath married Anna James, believed to be the daughter of Jonathan James and Deborah Batchelder one of the families in the 1790 census of Groton. So far William Heath has not been connected to the other Heath families in Groton.

The more children know about their family's history, the stronger their sense of control over their lives, the higher their self-esteem and the more successfully they believed their families functioned. From *The Secrets of Happy Families* by Bruce Feiler

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Groton High School All-Class Reunion
will be June 29, 2013, at the Groton
Community Bldg. 11:00 am to 5:00 pm