PAYING FOR THE WAR
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Bonds were important to the war effort. They were a source of revenue but, as importantly, they served other purposes as well. They encouraged a spirit of sacrifice and participation. And the also helped control inflation by taking money out of circulation (“starving the squander bug”). The two audio clips below—one a song by Bing Crosby, the other a short comedy skit—suggest the ways in which bonds were promoted.

Click here to play Bing Crosby “Buy a Bond”

Click here to play “Selling Bonds” PSA
Bonds were not enough to pay for the war, forcing Congress and the Administration to consider the always unpopular tack of raising taxes.
Within the tax debate, as in other areas of the war effort, there was constant anxiety that the costs or burdens of the war be shared equally.
The Revenue Act of 1942 introduced the modern income tax, in which contributions were deducted from paychecks and then reconciled each year with the filing of taxes.
The government tried to dampen the pain of paying for the war by underscoring that higher taxes were (in the larger context of the war) a smaller sacrifice. War bond sales, in turn, were always pitched as both a way of participating in the war, and of building security for the future. The latter pitch is nicely captured in this “Mr. Hook” cartoon made for the US Navy by Warner Brothers.

[Click here to play “The Good Egg” (1945)]