

Fantasy Free Economics

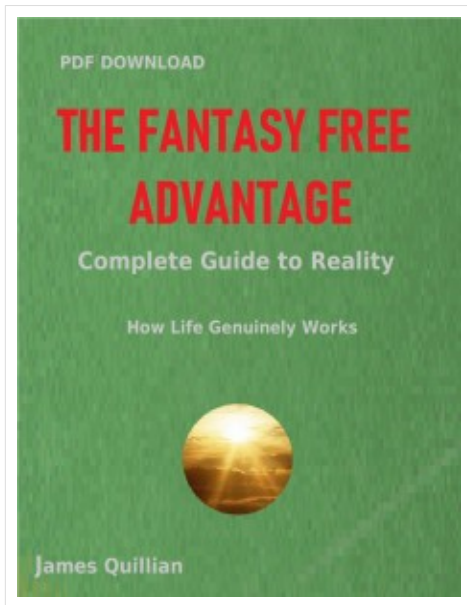
Have Dignity

Make Good Trades

Own Your Own Tools

Taxation With The Illusion Of Representation

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There are two ways to look at people and institutions. The first way is to go by the official definition of an entity. The fantasy free advantage instead goes by the way people and institutions function. In the United States according by definition, we have taxation with representation. The way taxation works in real life is that there is no representation. We do in fact have a system of taxation without representation.

The following is all that is written about taxation in the United States Constitution.

*The Congress shall have Power To lay and collect Taxes, Duties, Imposts and Excises, to pay the Debts and provide for the common Defence and **general Welfare** of the United States; but all Duties, Imposts and Excises shall be uniform throughout the United States;*

A lot of mileage is gotten out of the phrase “general welfare.” In real life, that means there is no upper limit on taxation or spending. Just about anything can be deemed as being for the general welfare. All of the sinister actions taken with the corona virus certainly fall into the category of “for the general welfare.”

Good for the overall population certainly is the ostensible expectation. Multitudes of actions accomplished through government. The TARP program was certainly passed for the general welfare of the nation. The TARP program saved the richest people in the world from loss. GDP rose and rose while the rich spent money like crazy and everyone else lost ground.

The Affordable Care Act makes everyday people, as much as slaves to the healthcare of the healthcare establishment. It fixes doctors big time. It structures the situation so that doctors have only one method of getting paid to work. Patients and doctors have no personal contract between each other. Hospitals and doctors are commandeered to carry out state – initiated mandated treatments and healthcare initiatives passed down by pharmaceutical companies and insurance companies. Prices of healthcare services are guaranteed to be as high as possible and keep rising. The death rate began rising as soon as the plan was fully in operation. It continues to rise. So, Tarp and Affordable care are in the general welfare category. There is one question. Where is the welfare?

Look at the outcomes of programs like these and ask two questions. Would the assumed inputs under any circumstance generate the actual outcomes of these kinds of laws? Would these bills have been passed in a country where citizens had even a minimum level of representation?

TARP was passed in the face of complete opposition by the overall population. Affordable care was passed so rapidly folks had no time to figure out what was wrong with it. How much representation do Americans have? You decide.

The constitution cites the function of taxation to be that of paying bills. Is our tax code used for anything else? It is used as a tool for stimulus. It is used to manage human behavior.

What does taxation have to do with spending and paying bills? Citizens rebel against a tax increase? No, problem, just borrow the money. Who needs to tax when money can be grabbed almost out of thin air?

Is anyone interested in fixing the tax code? In case anyone ever is, I know how to fix it. First, don't get bogged down with fairness and other un-resolvable issues. Like my other solutions, it so simple it is guaranteed to get dismissed. **All that is necessary is to tie the level of taxation to the level of government spending.** The budget goes up, then so do taxes. Say goodbye to complaints about high taxes. Government spending would plummet. Taxes for everyone would drop.

It would work like this. We have endless wars in the Mid-East. Is that worth paying for? No, thanks , the citizens would say. How about paying for the Department of Education? It is not hard to notice the level of education of Americans has not stopped dropping since its inception. Do we need it? Or, perhaps, do we need to get rid of it?

As the tax code is now, when a new bill is on the table, voters have no idea as to what their cost will be.

The biggest issue preventing a genuine reform like I suggest is, the majority of Americans would have to give up on opportunities to reap where they don't sow. For all but the extremely wealthy, that is a pipe dream anyway.