

THE

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INQUIRER

Vol. 2, No. 4
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\$1 a year

46 260 KEARNY STREET SAN FRANCISCO 8 CALIFORNIA DO 2-1569

BENEFIT AND BURDEN: BASIC TAX LAW

Lamar Childers, Business Representative of the Alameda County Building Trades Council, speaking on the Oakland sales tax at a School meeting June 11, said that taxation according to "ability to pay" was really taxation according to "benefits received," because high incomes reflect benefits received from society. Mr. Childers did not enlarge upon this point as this writer for one wished he had. "Ability to pay" and "benefits received" are usually thought to be opposites.

In law, the term "benefits" does not mean benefits of use, such as the benefit of walking a paved street, or the benefit of life protection by the police, or the benefit of attending a public school. These benefits are equally available to all citizens. One citizen cannot sell them to another. The term "benefits" does not mean use-values such as these but exchange values which can be turned into money.

Thus when the question is asked: "Should taxes be levied according to 'benefits' received?" it is not benefits of use which are meant, but pecuniary benefits, which are reflected in exchange values.

In law, the term directly corresponding to "benefits" is "burdens." Wherever in civilized life pecuniary benefits are received (apart from gifts) burdens are shouldered. For example, if in a contract or sale you fulfill your part of the bargain, you confer a "benefit" upon the other party.

SEE INSIDE PAGES FOR ANNOUNCEMENTS OF

TWO MEETINGS ON VITAL ISSUES THIS MONTH!

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OAKLAND Y.W.C.A.

15th & WEBSTER

ROOM 104

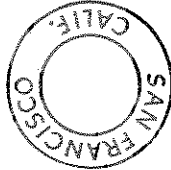
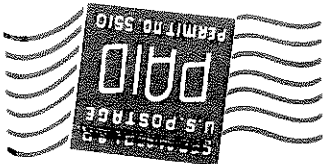
The other party is then under a "burden" to complete the exchange.

When one receives from the agent of the people a title to hold an area of land, it is on the condition, express or implied, that in return for the exchangeable benefit of land value received from the community, the holder shall shoulder a corresponding burden of taxes. The burden of supporting the government should naturally be commensurate to the exchangeable value received from the government, for the benefits received, if capitalized, automatically create ability to pay. Thus taxes according to benefits received are really taxes according to ability to pay. Benefit confers ability.

If the land holder, in city or country, refuses to capitalize the value received by putting his holding to use, and then alleges his inability to pay taxes, he is really expressing his unwillingness to pay. He wants to claim the capitalizable benefits of possession without shouldering the corresponding burdens. He wants to hold the exchange values of the community but he does not want to pay for them. He has made a contract with the government and does not want to perform his part of it. This is breach of contract. According to equity and law, he should not be allowed to retain his benefit, for then labor must shoulder an arbitrary tax burden. Such an unjust arrangement violates the "equal protection of the laws" guaranteed by the United States Constitution, and invades the fundamental rights of man.

—CHARLES MacSWAN

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Sec. 34.65(e) P.L. & R.

HENRY GEORGE SCHOOL OF SOCIAL SCIENCE
 4629 KEARNY ST. SAN FRANCISCO 8 CALIFORNIA

THE ! N O U R E R

BELLEVUE HOTEL, GEARY AND TAYLOR, SAN FRANCISCO
 Jade Room

THURSDAY, OCT. 14, 1954--8:00 P.M.

The public is invited to a panel discussion on:

PROPOSITION 2

The proposed Constitutional Amendment
 authorizing a \$100 million State
 bond issue for aid to school districts.
 To be voted on November 2.

P A N E L :

OSCAR ANDERSON, Ph.D., Coordinator, Division
 of Educational Management, San Francisco City
 College. The services of Dr. Anderson were
 obtained through Senator Nelson S. Dilworth,
 signer of the argument for Proposition 2 in
 the Voters Booklet.

ROBERT TIDEMAN, Author of the argument against
 Proposition 2 in the Voters Booklet.

Admission Free

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