

Lesson 25: The Powers of Congress I

(Lesson Time 32:21)

[for Sunday, June 28, 2015]

Reading: *The Making of America*, pages 371-379

Chapter 15: The Powers of Congress I

Pre-lesson questions for homework study and review: [*Supplemental* notes are bracketed]
[287 Constitution Provisions “principles” in text.]

The Necessity to Tax

- o Nearly lost the Rev War
- o Articles too Weak – could not tax
- o Government fails without ability to tax

1. NAME SIX VALUABLE LESSONS ABOUT TAXATION WHICH THE FOUNDERS HAD LEARNED FROM THEIR OWN EXPERIENCE. (PAGES 372-73)

Provision 76 – Congress may collect taxes

- o Lessons learned about taxing:
 - 1 Taxing states is impractical
 - send in army to collect
 - 2 [Two kinds of taxes -] **Direct** taxes are against people
 - more painful and forceful [not voluntary]
 - 3 **Indirect** taxes are on things
 - easy to collect
 - more discretionary
 - 4 Duties on imports should suffice the fed gov [needs alone mostly.]
 - 5 No imports (are usually allowed) in crisis [also higher demand for money]
 - must tax people
 - 6 taxes should be on basis of population not wealth

Two Successful Presidents

- o Thomas Jefferson
 - repealed excise tax [tax on sales, for example]
 - abolished the IRS-type collection
 - sold public lands
- o Andrew Jackson
 - sold public lands
 - paid off national debt
 - gave excess back to people

Government's appetite for money

- o insatiable
- o only controlled by wise representatives

2. WHY DID THE FOUNDERS CONCLUDE, NOTWITHSTANDING THEIR EXPERIENCE WITH ENGLAND'S KING GEORGE, THAT THE NATIONAL GOVERNMENT MUST HAVE A BROAD POWER TO TAX? (378)

[They cannot function without that power to support their functions.]

3. THE ORIGINAL CONSTITUTION IMPOSED ONE EXCEPTION AND TWO QUALIFICATIONS ON THE FEDERAL GOVERNMENT'S POWER TO TAX. WHAT WERE THESE? (378)

[Exception: Goods exported from (the individual) states cannot be taxed. Qualifications: (1) Direct taxes to be levied ONLY by apportionment according to population; and (2) Indirect Taxes (on goods) are to be levied uniformly throughout the country.]

4. GIVE SOME EXAMPLES OF HOW THE FEDERAL GOVERNMENT'S POWER TO TAX HAS BEEN USED TO JUSTIFY ITS REGULATION OF THE PRODUCTION, PACKAGING, AND DISTRIBUTION OF SOME GOODS. (379)

Taxation leads to abusive regulation

- o Regulating packaging of taxed articles:
 - tobacco, margarine
- o Regulating sales of taxed articles
 - drugs, firearms
- o Regulating illegal activities
 - gambling
- o Regulating to point of suppressing
 - machine guns

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Part Two, The Making of America:

Name: _____

QUIZ - LESSON 25

1. THE FOUNDERS LEARNED BY SAD EXPERIENCE THAT IN ORDER FOR A NATIONAL GOVERNMENT TO SURVIVE, IT MUST BE GIVEN THE POWER TO ASSESS AND COLLECT

_____.

2. WHY DID THE FOUNDERS REJECT THE IDEA OF ASSESSING THE STATES?

3. WHAT IS A DIRECT TAX?

4. WHAT IS AN INDIRECT TAX?

5. WHAT KIND OF REVENUE SOURCES WOULD BE SUFFICIENT IN PEACETIME ACCORDING TO THE FOUNDERS?

IS THIS A DIRECT OR AN INDIRECT TAX?

_____ - _____

6. WHY WOULD THIS NOT BE PRACTICAL DURING AN EMERGENCY SUCH AS WAR?

7. WHAT ALTERNATIVE DID THE FOUNDERS ALLOW FOR?

ON WHAT BASIS WAS THIS TO BE ASSESSED?

8. HOW MUCH MONEY DO GOVERNMENTS GENERALLY SAY THEY NEED?

9. WHAT IS THE BEST SOLUTION TO LIMITING BIG SPENDING BY GOVERNMENT?
