

Disorganizing the antitax movement

by Tom G. Palmer

How to Fight Property Taxes, by Dan Lewolt. National Taxpayers Union, 34 pp., \$2.00.

Taxes are skyrocketing. Widespread and popular tax strikes have flared up in Illinois, Oregon, Ohio, California, and other states. Popular sentiment about taxes consists largely of an incoherent rage against governments which continue to expand their power at the expense of their productive citizens. The average property owner, in most communities, feels that his back is to the wall; he is faced with a future that bodes only greater and greater predation upon his property and earned income.

This is the kind of sentiment that can give birth to great social change. It is, in particular, a prime opportunity for libertarians—the only advocates of a fundamental philosophical change, advocates of the rights of the peaceful property owner against his rulers. The property owner of today is the serf of the modern centralized state. He is condemned to toil in order to pay enormous taxes for the privilege of owning property which he purchased or transformed by his own labor. In return for this serfdom, the small property owner is manipulated and controlled; his children are kidnapped and taken to state-run “educational centers,” where their values are warped and their minds are wasted; he must pay for inefficient “services” which he has no power to refuse; he must support an every-burgeoning and callous bureaucracy which serves only its own interests—when it is not service the interests of the mighty and powerful. While the feudal serf was forced to relinquish one-quarter of his produce to his lord, the modern serf must hand over nearly half of his income to the new class of rulers and bureaucrats.

While all productive members of society (and many who are not productive—e.g., poor people forced onto welfare by government regulations) are victims of the predation of the state, few are as susceptible to truly revolutionary sentiment as the oppressed home owner, one of the largest segments of American society. As the political power of the state increases, he sees his own economic power to determine the course of his life decrease. The connection between cause and effect is too obvious to be overlooked.

The need, then, for organizational tools to create an effective grass-roots movement

against state power is greater than ever before. A widely distributed booklet of strategies and tactics might do much to direct the taxpayer's incoherent rage into productive channels—i.e., toward the reduction of government power. One would expect the National Taxpayers Union, run by libertarians, to take the lead in supplying this urgent need. One would be wrong.

The NTU has published a booklet purporting to fill this gap, misleadingly entitled *How to Fight Property Taxes*. But the political slant of the author is hardly libertarian or radical; it is an apologia for establishment statism. One should not blame Lewolt, the author, for not being a libertarian; that would hardly be just. However, the libertarians at the National Taxpayers Union should be ashamed for putting their sanction on a set of policy prescriptions which are so shockingly statist.

The book does contain one merit. Nine pages of the book are devoted to a commonsensical discussion of the mechanics of appealing one's property value assessment. This useful information, available from any walk-in tax advisor, hardly offsets the great damage which this book may do to the future of the antitax movement.

Lewolt's political prescriptions for fighting property taxes include: taxation of church property and elimination of exempt status for other groups; increases in the income and sales taxes; increases in the budgets of tax collection agencies so that they may “more equitably” gather in the loot; salary increases and more government-financed training for the “underpaid” (!) and unprofessional assessors; and adoption of the view that “you are not out to defeat the system— you are out to get the people who make it run so badly.”

I would have expected this sort of thing from John Gardner's Common Cause, but not from a libertarian antitax group like NTU. Of course, had I considered NTU's previous publication of Robert Poole's *Cut Local Taxes* (reviewed by this author in the January-February 1977 LR), a manual intended for use by bureaucrats in defusing antitax sentiment, I might not have been so horrified. However, their present release succeeds in the difficult task of making Poole's work read, in comparison, like Lysander Spooner's fire-breathing *No Treason*.

Lewolt's book reads like a semi-egalitarian tract trying to cash in on an incoherent but essentially libertarian hatred of taxation. “[O]ne of the causes of soaring property taxes,” we are told, “is the increasing amount of property exempted, or excused from paying, property taxes.” In

particular, exempt church property stands out as a juicy plum just waiting to be plucked by the state. After all, says Lewolt, “with assets that run well over \$100 billion in the United States alone, many churches can hardly plead poverty.” Further, if churches were to lose their “tax benefits” (!) “[t]hey would have to stop spending money on unnecessary church structures and begin to concentrate their plans on community usefulness and spiritual goals” (emphasis added). In short, the argument for looting one of the few institutions which are largely free of political control amounts to an appeal to malicious envy: “they can hardly plead poverty,” they should be forced to act in the manner which Lewolt feels proper, and they should be made to suffer like the rest of us.

Lewolt tries to escape the charge that taxation may lead to government control of religion (as it has over so many other social institutions) by referring to taxes imposed on churches as “user fees” for government-provided services like fire and police protection. He even goes so far as to state that this would “establish a principle for keeping state control of religious activity at a minimum. If political authorities in the future were to seek to favor or destroy any religion through taxation, the ‘user pays’ concept would keep them in bounds.” This is very wrong-headed. If an individual or group is unable to refuse a service, then it is not a service, and the involuntary charge made for it is not a fee. It is robbery. I might also mention in passing that the American state has recently given us a clear demonstration of its willingness to use its power to persecute unpopular and undefended religious minorities, namely the eccentric “Moonies,” who are presently being deported or incarcerated (and “deprogrammed”) for their beliefs. Taxation of church property would be a grave blow to the principle of separation of church and state, and hence to the notion that the state should not automatically exercise control over any institution in society.

Perhaps the most outrageous of the exhortations which Lewolt offers us concerns those justifiably hated agents of state power, the tax assessor and the tax collection agencies. Approvingly citing Senator Edmund Muskie, Lewolt declares that “the big problem of property tax administration is that most assessors aren't professionals. They tend to be underpaid and lack training. . . . Localities must be willing to invest more of their resources to guarantee efficient assessments. . . . If assessors received more pay and better training, they could serve in a larger role as custodians of a property information system.” Finally, the angry taxpayer is told: “When arguing for

reform in front of local policy making bodies, ask for more adequate funding of property tax administration, because reform is futile without it." In other words, the ripped-off taxpayers must stand up as champions of the very men who take the money out of their pockets, although they are employees of someone else. I hardly think that creation of a more efficient IRS will lead to a freer society. The American revolutionary leaders, most of whom were disgruntled taxpayers fired by the libertarian ideology of *Cato's Letters*, had a different attitude toward the tax man. Anyone who accepted the post of tax collector had his house literally torn down by angry citizens. No petitions demanding higher shares of the loot for tax collectors were sent to King George.

Many of these unlibertarian sentiments would not be so objectionable if, in fact, we were "not out to defeat the system," but rather to "get the people who make it run so badly." However, the libertarians at NTU should be awake enough to realize that this sentiment is hardly in accord with a libertarian worldview. When states (or anyone else) rob people, the act is a crime. Replacing one gang of administrators or beneficiaries with another is hardly an important change from a libertarian perspective. While a booklet aimed at the angry taxpayer who has decided that "it is time to do something" need not set out the entire libertarian dialectic, it surely should not mislead him into channeling his energies into a call for taxing "the other guy." The point of a taxpayers union, national or otherwise, is to reduce or abolish taxes and government controls whenever one can. Extension of taxation to others in order to force them to shoulder "their burden" is hardly appropriate advice for angry taxpayers who are sincerely interested in tax reduction and are susceptible to libertarian influence.

James Tobin, one of the heroic leaders of the ongoing tax strike in Chicago, was asked to write a foreword to the book. He obviously had not seen the manuscript to which his stirring prose would be prefixed, for every sentence of Mr. Tobin's introduction contradicts the material which follows.

How to Fight Property Taxes is, quite seriously, a grave threat to the future of the antitax movement, for it will, if distributed, channel genuinely antigovernment feelings into a disastrous desire to create a "more equitable" tax system—one in which *someone else* pays the taxes. ●

Tom G. Palmer is former head of Young Libertarian Alliance and a frequent contributor to LR.

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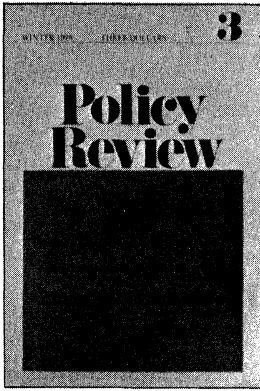
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Expectations and pluralism by Lawrence H. White

Capital, Expectations, and the Market Process, by Ludwig Lachmann. Sheed, Andrews and McMeel, 352 pp., \$12 cloth, \$4.95 paper.

Professor Ludwig M. Lachmann, who has spent the past two years as visiting professor of economics at New York University, has now departed the American scene, returning to his home in Johannesburg, South Africa. But before leaving he has given us a compact and indelible record of his remarkably comprehensive tastes.

Lachmann's writings over the past 40 years have been primarily critical. With a viewpoint unique in the profession and with an erudition all too rare, he has examined the theoretical and methodological underpinnings of modern economic doctrines (neoclassical, neo-Ricardian, "neo-Austrian") to point out how shaky and how delicately poised are their doctrinal edifices. Lachmann chooses to call his own viewpoint "Austrian," but this label is misleadingly narrow, for it is apt to conceal the breadth of his intellectual roots and interests from the reader.

To those schooled in the ultratechnical, formalist approach to economics, the essays in this collection may seem not only broad in scope but diffuse. Lachmann himself has commented that the current state of economics is one in which "the narrower the range of one's speciality the higher the reputation one is able to enjoy." His constant and scrupulous attention to methodological matters alone is enough to mark him a heretic—even a heathen—in the brotherhood of the economics profession.

Walter E. Grinder's extended introduction to the volume does a fine job in placing 17 previously-published essays (two newly translated) into perspective. Grinder accurately identifies Lachmann's "total devotion to subjectivism in economics" as his distinguishing characteristic as an economist, and notes that "the evolution of his understanding and application of subjective concepts over the past four decades is a coordinating theme for these otherwise disparate essays and lectures."

Within the broader theme of the subjectivist approach to economic issues, four noteworthy lines of thought run through these essays: 1) an advocacy of the Weberian *verstehende* method as a theoretical method of economics; 2) an emphasis on the constantly changing, social