

The Chicago Tax Strike of 1977

by Murray N. Rothbard

In recent months, a mighty property-tax strike has been sweeping the northern suburbs of Chicago, and, for once, the ideological and organizational leadership of the rebellion is being provided by libertarians.

It all began with a recent massive property reassessment in the northern quadrant of Cook County, Illinois. The reassessments suddenly boosted property taxes by very large amounts: most raises were in the 50–65 percent range; other tax bills increased by as much as 300 percent. When the property-tax bills were sent out, the citizens of the North Shore reacted with shock and anger. At first the reaction was outraged but inchoate: phone calls bombarded the Cook County Assessors Office. Complaints also deluged the *Chicago Tribune*, which initiated public knowledge of the firestorm of grievance by printing some of the complaints in a front-page article. Many of the letters were a cry from the heart, asking, in effect, where is the leadership, where is the organization, that can organize and redress my grievances? Thus, one outraged taxpayer wrote, "I bitterly resent the government trying to steal my house from me, and that's what they're doing." Another poured out his frustrations in the *Chicago Tribune* article: "I just don't know what to do. It's frustrating as hell. I hear people talk about a revolution, but I don't know how to revolt."

As soon as the article was published, libertarian activists from the Libertarian Party of Illinois and the National Taxpayers United (the Illinois affiliate of the National Taxpayers Union) saw their opportunity and seized it. A meeting was arranged in Evanston between representatives from the LPI and NTU, and an Evanston resident quoted in the *Tribune* article. The meeting formed a Taxpayer's Protest Committee, with Leonard Hartman, the quoted Evanston resident, at its head. James Tobin, 31-year-old economist and bank auditor and Illinois NTU head who was to become the principal leader of the tax rebellion, urged an outright tax strike; he was ably seconded by Milton Mueller, chairman of the Libertarian Party of Illinois.

The committee decided to call a "town hall" type meeting in Evanston to see if the property taxpayers would be willing to go along with an outright tax strike — a refusal to pay the assessed taxes. Notice of the meeting ran only in the early editions of the *Chicago Tribune*; largely, the organizers relied merely on word of mouth.

The committee expected about 50 people to appear at the meeting, which was held on the night of August 3 in the Evanston Public Library. Instead, 200 citizens showed up. Harmann, without a libertarian background, argued for a legal protest: paying the taxes while protesting and appealing the assessments. But James Tobin far better expressed the radical spirit of the meeting by calling for an open tax strike. "We all know we've had big taxes thrown on our backs," Tobin charged. "And now it has come down to what we're going to do about it. Are we going to let city hall control our lives, or are we going to make enough noise for them to listen to us?" It is particularly gratifying to me that my *Conceived in Liberty* was brandished aloft by Tobin as he explained why it was not "unpatriotic" to refuse tax payments, giving examples from the book of early American tax revolts. Tobin asserted that "We've gotten to the point where we are afraid

of our government, afraid of what it can do to us. It's time somebody stood up and pointed the finger!"

Tobin also presented a well-thought out set of demands for the tax strike. The demands included

- a. extending the August 15 deadline for property-tax payments by three months;
- b. freezing assessments at the old rate, so that taxes do not go up along with government-created inflation;
- c. no increase in tax rates without a publicly announced referendum;
- d. allowing small groups of taxpayers to obtain referenda for reducing tax rates; and
- e. full amnesty for the tax strikers.

The sentiment of the crowd was overwhelmingly in favor of the tax strike, which was only opposed by two persons. Typical of the sentiment was the charge by a German immigrant in Evanston that when he attempted to challenge the increased assessment, the assessors told him that he had to wait until he received his bill; but after he received the bill, the office told him that he would have had to challenge the assessment *before* the bill was sent. "These are Nazi tactics!" the man charged.

The organizers passed the hat at the meeting and raised over \$400 for printing and for an advertisement in a local paper. More important was the excellent publicity generated by the meeting: a *Tribune* article, a page-three article in the *Chicago Daily News* replete with pictures, and coverage by two TV stations and several radio stations.

As the rest of the North Shore was leafleted, meetings burgeoned in other townships, such as Glenview, Palatine, and Wilmette. The *New York Times* gave full coverage, plus photographs, to a later meeting in Evanston, held on August 18 at the First United Methodist Church. The meeting of 350 homeowners "shouted their approval" as Jim Tobin charged that "Taxes are immoral," and nationwide TV coverage showed "Taxation Is Theft" placards being brandished at these Illinois tax-protest meetings. Tobin told the cheering throng that "you can never call a tax fair when you are forced to pay against your will. It's immoral to force me to pay for educational facilities when I don't have any children to send to school. It's immoral to force the elderly and retired to pay for schools that are no use to them." In this way, Tobin escalated the analysis, and raised the libertarian consciousness of his listeners by widening the attack to the public-school system itself — the "consumer" of the bulk of all property taxes across the country.

In its August issue announcing the strike, the *Illinois Libertarian*, the newsletter of the Libertarian Party of Illinois, concludes its informative article by saying that

How effective the strike will be is dependent upon many unpredictable things. But by any standard, our efforts thus far have been extremely rewarding, and if the politicians aren't paying attention they'll be sorry. The strike may not cripple the county government or even come near it, but even so, thousands of people have either taken actions or been exposed to ideas which question the very legitimacy of government.

But, in a sense, this thoughtful conclusion underestimates the impact of the Illinois tax strike. For the later *New York Times* article indicates clearly that the politicians have indeed been paying attention, and are scared stiff. The pattern of the New Jersey income-tax protest movement of last year is repeating itself, with politicians scrambling to cover their flanks.

Thus, when Tobin and a throng of protestors showed up at the governor's office in Chicago to demand a special session of the legislature to redress the grievances, the "discomfited" Governor James Thompson promised to consider the request, and "expressed sympathy with the group's aims." At the August 18 Evanston meeting, several government officials showed up to try to explain the tax increase. They were received with "jeers and boos", but despite that, "the officials gave sympathetic responses and some concessions to the taxpayers'

demands."

Thus, George Dunne, chief executive officer of Cook County, pledged at the meeting to support a move in the legislature to roll back property taxes. The same pledge was made by the counsel for Thomas M. Tully, the Cook County assessor. The counsel, Dan Pierce, agreed with the protestors that he doesn't understand why the county's budget is so high. "There's no question that the taxes are too high," Pierce conceded; he particularly didn't understand why school-district budgets had doubled in the last seven years of Cook county, at a time when school enrollments were declining.

Thus, libertarians have leaped to discover and give voice to the antigovernment and antitax grievances of their fellow citizens. Not only have they been mobilized for libertarian action and educated in libertarian ideas, including opposition to the public schools and the idea that taxation is theft, but the politicians have begun to knuckle under to their vociferous demands and actions. Politicians, scared for their jobs and scared of the voters, will buckle under pressure. This has already been demonstrated in Illinois.

Finally, the tax rebellion shows the great importance of libertarian activists and organizations — such as the LPI and NTU — already being *in place* to take advantage of and take the lead in mass protests and mass movements.