



**A Real Live Tax Revolt**

**Guest: Jim Tobin**

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***Jim Tobin is the founder of Taxpayers United of America.***

**WOODS:** I came across this piece by Murray Rothbard called “The Chicago Tax Strike of 1977.” It appeared in the *Libertarian Review*, which he edited, in 1977. And it’s an article at least in good portion about you. So I want to talk to you. I decided I wanted to talk to this guy. So let’s start right from there, and then we’ll bring it up to the present. What exactly was the Chicago tax atriike of 1977, and what did it have to do with you? How were you involved?

**TOBIN:** Well, I started a taxpayer group in ’76 after getting fed up with the double-digit inflation and double-digit unemployment and realizing the government was causing it, not the private sector. So I said, you’re going to have to fight this thing. And huge property taxes hit the north quadrant, which includes ritzy suburbs in the north and northwest sections of Cook County. We set up a meeting in Evanston and started a property tax strike in Evanston by a vote, I think it was about 220 to 2, and I asked people in the audience to set up meetings in other cities in Cook County in the north quadrant, northwest quadrant. But as I was doing that, just before I was calling the vote for a property tax strike, I had Murray Rothbard’s *Conceived in Liberty* in my hand: Volume III—*Advance to Revolution*. I had just finished reading it earlier in the year, and I said such things as, America was founded as a tax revolt, and I wanted to get them all fired up to strike. Well, they were already upset because they had huge increases of between 100 and 500% in their property taxes. But asking them to vote for a strike and withhold their property taxes was pretty hardcore stuff in those days. I was concerned about it, but I decided to go for it. We had another gentleman arguing we pay under protest. Well, the vote was almost unanimous, and people in the audience then set up meetings in other suburbs where we had strike votes in Palatine and Wilmette on the North Shore and also Arlington Heights, I think.

And almost everybody voted to withhold their property taxes, and the Cook County Board was alarmed at this and all the media attention it was getting in the Chicago area and Illinois, and even the network TV, and the *New York Times*, and in my office I still have a copy of a newspaper article from the *Chicago Daily News*—me holding Murray Rothbard’s book, and the headline is “Rebels Vote Not to Pay.” I love that headline. And we started the tax strike. We had a list of demands, and two months after the deadlines of paying taxes, over 100,000 people still had not paid. They didn’t have an exact amount of people not paying, but they were alarmed

enough to cut the property taxes for all the homeowners in Cook County by 6%, which turned out to be \$60 million for Cook County. So we had a list of demands, and several of them were actually met by the legislature in Springfield. They used to be able to run property tax increases any day, including Christmas Eve, and pass them. It was getting so bad, and we were giving it such bad publicity, that two years later the General Assembly in Springfield stopped that. So since 1979 they have to have property tax referenda on regular election days—no more than twice a year, usually once a year, and they can't have them on Christmas Eve anymore or on a Saturday morning in August and only have the polls open until noon. That's how crooked the government schools are in Illinois. They are rotten to the core. And I am talking about the suburban schools, not Chicago, which at the time was worse than the nation and probably still is one of the worst government schools in the nation.

So that's how I started out in 1977. And then we started fighting property tax increase referenda over the years, and we basically held them back until 1989. Then they hit another part of the county with huge property tax hikes. So I did a similar thing in 1989, and we were having tax protest meetings all over, and we started a statewide petition drive for binding amendments and mandate a supermajority vote in Springfield to raise taxes, and people were showing up at our meetings, and then we would announce where the next protest was. Normally it was me announcing it, but it had a life of its own. One event picked up nationwide publicity and resulted in the repeal of one of Ronald Reagan's many tax increases in 1989. In fact, in 1988, Reagan and the Congress passed a tax increase on seniors. Well, that's stupid, but they would have got away with it if it weren't for the activity against the tax increase by the seniors, and the main event—it was going on around the country, but the main event—the most important, single event happened in Chicago in August of 1989, and we have it on our website.

We have TV coverage and the whole production on our website [taxpayersunited.org](http://taxpayersunited.org)—just search for 25th anniversary—where taxpayers who had been attending our tax protest meetings surrounded Rostenkowski. I call him Rostenkowski. He was chairman of the House Ways and Means Committee at the time—Daniel Rostenkowski. And they had a meeting at the Copernicus Center in the northwest side of Chicago in late August of 1989, and Rostenkowski had a little meeting powwow in the back with some wired up people, but he wouldn't talk to the 250 people in the audience. He walked out, refused to talk to them about this tax increase they wanted repealed, and they surrounded his limo, and they wouldn't let him move, and so he had to eventually run down the street away from the senior citizens, being chased down the street. This was picked up by network TV news the next day nationwide. This was August of '89, and December of 1989 the U.S. Congress and President Reagan repealed their tax increase on seniors. It was, according to the National Taxpayers Union, the first time a federal entitlement program was repealed by Congress, and I am very proud of that, and I am proud of the old geezers who fought those guys. And I hope we have the guts to do that again and do that and more. That was not lost on Rahm Emanuel. He saw what big property tax increases did in his neighborhood. He lived there at that time. He, of course, is now mayor of Chicago, and he and

other Chicago politicians are petrified of raising property taxes again like they used to in the '70s and '80s in Cook County. They really worry about that, and they are trying not to do it, but the reason they want to do it, of course, is to pay off these ridiculous, lavish, gold-plated government pensions.

**WOODS:** I want to get to the pension thing in a second. For the sake of everybody listening, I want to make sure we understand that what you're describing when you're talking about a tax strike, you're not just talking about people signing a petition saying taxes are too high, or in November I'll vote for a referendum. You're talking about people who are willing to say: we're going to stick our necks out and simply not pay. I can't imagine that happening today. There are a lot of people in the Tea Party who wear funny hats and go out and hold signs, but when push comes to shove, I'm not sure we have what it takes compared those people in the '70s. What do you attribute that to? That is such an unusual occurrence.

**TOBIN:** I can tell you my own experience in Chicago. I will tell you my own experience. When the Tea Party was first set up in Chicago, instead of asking me to set it up, running the real taxpayer group and being involved in the taxpayer movement since 1976, they asked Republican types to set it up: Dan Proft, who was running for governor, and the Heartland Institute in Chicago. It's a 501(c)3. They set up this first Tea Party meeting in April of 2009, and so apparently they—"they" being the people who controlled this thing—didn't want to work with real tax fighters. They didn't even invite me to speak. And in fact, my executive director has approached the Tea Party, several of them in the Chicago area in recent years, and they don't want me to speak. I don't know. I guess it's because I'm a real tax fighter, and I really know what to do. I have talked to Tea Party groups—real Tea Party groups. There are some in Stephenson County, Illinois, for example. But a lot of them are controlled by the politicians, unfortunately, and they don't want to have anything to do with property tax strikes or supporting independent candidates or third-party candidates who really want to cut taxes as opposed to tax-raisers running as—like the current governor of Illinois, Pat Quinn, Mr. Reformer, a friend of the taxpayers. What a crock of BS. He was elected as a reformer, and he raised the income tax 67% four years ago. It's a four-year surcharge. He was running on the taxpayer movement back in the '70s, and I was telling people then he's a fraud. He's a fraud, and these poor, old ladies who supported him, ah, they thought he was so nice, and you know, he had this line of blarney he threw around, you know, an Irishman—I can call it what it is: B.S. That's Irish for blarney—or English for blarney. And he is now governor of Illinois, and he's having the race of his life running against a Republican who is running on the platform of rolling back the income tax—the full 67% income tax hike that Quinn passed four years ago.

But that's the reason why is many of these Tea Parties are really not for real, unfortunately. But fortunately, there are real taxpayer groups around like ours, Taxpayers United of America. I know how to start a property tax strike. And if Rahm Emanuel decides to raise property taxes—a huge way to pay off the pensions here for his lazy bureaucrats—I know what to do. I just hope

that there are enough taxpayers around that have the intelligence to give us a call and work with us and not let the politicians and the bureaucrats take over our movement.

**WOODS:** I'm sure you're right about the reason: the fact that you're breaking the rules. You're saying, look, we're just not going to pay. Well, that's not what the *New York Times* wants you to do when you're objecting to taxes. You're supposed to write a letter to the editor. You're supposed to basically roll over like a good loser, and you just won't do that.

**TOBIN:** Not only did we say we weren't going to pay; we put our homes at risk. I was right out there in the front doing it, and there were others as well, and all those people not paying their property taxes alarmed the Cook County Board, and that's why they cut property taxes \$60 million that first year in 1977. It wasn't because we were being polite and appropriate. And another thing is, at the meeting I would say things like most politicians are liars, tax thieves, or crooks. That's how I would start it out, and I'd focus on attacking the government schools. Public schools? What are you talking about? Government schools. And since that time we've, of course, accumulated data on the salaries and the pensions of the government schools, and they are outrageous. The average pension in Chicago for teachers, retired teachers, according to the *New York Times*, is \$73,000 a year. That's what they pay these retired teachers for doing nothing, and they all retire in their 50s and 60s. That's the average retirement pension for a teacher who had been on board for 30 years, according to the *New York Times*—\$73,000 a year. That's ridiculous. That's even ridiculous for paying a full-time salary for Chicago, which is one of the worst schools in the nation, and for an eight-month work year to boot.

**WOODS:** I want to pursue this issue, but I do want to say just one quick thing related to all this. You're in good company, because back in 2007, during the presidential race, a group called Iowans for Tax Relief was having a forum, a candidates' forum. I'll give you one guess as to which candidate was not invited to address the Iowans for Tax Relief. You want to take a shot at that one, Jim?

**TOBIN:** Ron Paul.

**WOODS:** You're darn right. Here's a guy who would actually get rid of the taxes. We can't have him. We want the politicians who are just going to give us a shell game where maybe they'll mix the taxes up a little bit in terms of the form of the tax, but the amount is not going to be decreased. As I say, you're in good company, my friend.

According to what I have here, you guys at [taxpayersunited.org](http://taxpayersunited.org) have a track record of defeating over 400 various local tax increases, and fighting the state income tax. How did you get so good at it? Are there certain tactics that have been successful for you that if you were to tell me they wouldn't ruin it for you guys in the future?

**TOBIN:** Well, I do want to let people know how I do it. In fact, we're having educational forums in other states about how to fight taxes and fight the pensions. We have 10 states set up for next year. But there's a methodology and a way to do it. I've done it often enough. But fighting

the property tax increase referenda, the key thing is to get the voter turnout up—create a tax “vote no” flyer. Make it really simple. Write it at the eighth-grade reading level. Post the highest 20 salaries and the highest 30 or 40 pensions on the back of the “vote no” flyer, and get the voter turnout up, as we did in South Berwyn during this polar vortex back in March. We handed out 10,000 flyers to all the businesses and homeowners in South Berwyn, Illinois. Come election day, 72% of the taxpayers voted no on the \$50 million tax increase, and 79% voted no on the other property tax increase, and of course, a few days after they had someone put a bullet through my metal garage door.

**WOODS:** Whoa!

**TOBIN:** I live in North Berwyn. Yeah, that’s how we do things here in Illinois.

**WOODS:** Oh, my gosh!

**TOBIN:** Yeah, I’m glad they missed me, and it was my garage, but yeah, that’s what—well, you know, it’s a lot easier than going out there and fighting a revolution.

**WOODS:** Well, I suppose so, but it’s not as easy as watching TV all day.

**TOBIN:** I’ll tell you, though, when I started that first tax strike in ’77, it was thrilling for me because I had just finished reading Rothbard’s *Conceived in Liberty* series, actually, just volume III. And it was really thrilling for me to actually—I felt like I was involved in the first American Revolution, and I felt like I was doing my part. And I’ve done a lot of things since, and I have another 5, 10, 20 years yet to continue doing this, and hope I can have many more good experiences. If anyone is interested in coming to our educational forums in Oklahoma—next year, Colorado, Ohio, Arkansas, Virginia, West Virginia, Nevada, Pennsylvania, Florida, Louisiana. We’re going to be in those states and having educational forums to show people how to expose pensions—government pensions. Because that’s where 80% of our local spending is going, salaries and pensions. That’s where 80% of the school spending is going, 80% of the city spending, and for most counties, 80% of the county spending are going for salaries and pensions.

**WOODS:** Give me a 60-second summary of how unsustainable the pension system, particularly in Illinois, is.

**TOBIN:** Well, sure. We have over 11,000 state pensioners now receiving more than \$100,000 a year in pensions to do nothing. There are over 78,526 state pensioners receiving annual pension payments over \$50,000. These lavish pensions are funded by taxpayers who get an average Social Security pension of about \$15,000 a year. It’s just simply unsustainable. And that’s just the state pension funds. There are 400 local pension funds in Illinois that hand out pensions like that to another 50, 60,000 on top. It just cannot be sustained. They raised the income tax 67%, pumped \$30 billion into the pensions and the pension unfunded liability is now \$178 billion, whereas it was \$100 billion before the income tax hike. There aren’t enough taxpayers to pay this. They have to cut the pensions. That have to do it one way or the other,

and one of the ways we encourage that is by releasing the pensions. They're on our website—19 states. You can see the top pensions in 19 states by logging on our site, [taxpayersunited.org](http://taxpayersunited.org) or visit our Facebook page, Taxpayers United of America. And if you're in one of those 10 states, and you'd like to come to one of our educational meetings, you should contact us by email or phone.

**WOODS:** Well, Jim, I appreciate your time today. I know we're both pressed for time today, but this should be—if this doesn't get people to go to [taxpayersunited.org](http://taxpayersunited.org), I don't know what would, but how thrilling to talk to you after you were the centerpiece of a Rothbard article back in '77, and then I track you down, and you're still doing exactly what you were doing back then. That is such a great story. Best of luck to you. It's so important what you're doing. Thank you.

**TOBIN:** Thank you, Tom.