Harrison, Trevor W.

2008

[Review of "The permanent tax revolt: how the property tax transformed American politics" by Isaac William Martin]

Department of Sociology

https://hdl.handle.net/10133/4870

Downloaded from OPUS, University of Lethbridge Research Repository
Book Review/Compte rendu


The post-war period of expanding social programs and government regulation of the economy today seems very distant. Beginning in the late 1970s, the view of government as a positive force gradually receded from public consciousness, replaced by a ritual genuflection to the invisible hand of the market. Though Margaret Thatcher’s UK government had a hand in this transformation, most of the (dubious) credit must go to the Republican presidency of Ronald Reagan, first elected in 1980; in particular, to his administration’s successful efforts at reducing taxes, and hence, government spending.

Martin traces the roots of this profound change to an anti-tax crusade, begun in the early 1970s, focused upon the property tax. In an argument that is as appealing as it is novel, Martin contends that the revolt against property taxes was not based — as right-wing political commentators have argued — on taxes being too high, but rather against tax reforms of the period that, while increasing “the fairness of the property tax also exposed taxpayers to new income shocks” (p. 4). Martin goes on to elaborate on this argument:

By modernizing and standardizing tax assessment, the reformers did away with traditional and informal tax breaks that dated from the late nineteenth century. Local tax assessors had dispensed these informal tax privileges unevenly and often arbitrarily. But most homeowners received substantial benefit from them. When they were swept away, homeowners fought to restore them in a new and permanent form. (pp. 4–5)

Martin’s argument is even more complex, however. He demonstrates that fractional assessments — “the custom of taxing people on only a fraction of the value of their taxable property” (p. 6) — while often inconsistent, acted as a kind of “hidden social policy,” providing protection against sudden economic downturns. In effect, the system of property taxation acted to supplement America’s formally “small and stingy” welfare state (p. 8), thus protecting Americans (as other forms of welfare do elsewhere) from market uncertainties.
Martin goes on to show how the property tax revolt was co-opted by the right, who wanted to shrink the role of government and who saw promoting tax limitations as a means of starving government; and how the Republican Party was transformed into a tax cutting party under Reagan, a transformation that has continued into the current Bush administration.

Ultimately, Martin’s book is a study in unintended and unanticipated consequences from which he draws three broad, but counter-intuitive, lessons. The first lesson is that Americans in fact want their government to protect them from the market. The tax revolt was an effort at defending the “invisible welfare state” (p. 15). The second lesson is that good government can cause social protest. The tax changes that led to the revolt were aimed at modernizing the system; in the eyes of taxpayers, however, the changes were less fair than the arbitrary system that had existed before. The third lesson is that America’s fragmented political system, designed to block policy change, in fact does the opposite, giving “protesters and other political outsiders many access points to the policy agenda,” thus allowing them to promote sometimes dramatic policy changes (p. 19).

Martin’s book is an altogether solid piece of political analysis. Most impressively, he presents clearly and simply arguments that are often very complex and technical. The book is methodologically sound and interesting throughout, merging theory and technical analysis with concrete detail, and a general analysis with depictions of some of the key individuals involved in the events. In a final useful chapter, Martin compares tax revolts in other countries, showing that such revolts in themselves are not unusual, the uniqueness of the American case lying solely in the right’s ability to mobilize it for their own political purposes. Indeed, while he does not use the term, Martin’s book tells us much about how political cultures are transformed and the role of policy entrepreneurs in the process.

Canadian scholars familiar with anti-tax lobbyists on this side of the border — the Fraser Institute with its annual “Tax Freedom Day” and the Canadian Taxpayers Federation, along with its provincial wings — will find considerable resonance with the Canadian experience in Martin’s book.

Finally, one may note the book’s auspicious timing. As I write, the sub-prime mortgage crisis in the United States has already resulted in more than one million foreclosures, with many more individuals in straitened circumstances. Private home ownership no longer provides a buffer against the capriciousness of market forces, with the result that calls for
increased government regulation and support are on the rise. Might a revolt against the tax-cutters and free-marketers be on the horizon?

UNIVERSITY OF LETHBRIDGE

TREVOR W. HARRISON

Dr. Trevor Harrison is currently Professor and Chair of the Department of Sociology at the University of Lethbridge and Interim Director of the University’s Prentice Institute for Global Population and Economics. His specialty is political sociology. Best known for his studies of populist politics, Dr. Harrison has recently expanded his interests to include international issues. In addition to numerous journal articles, chapters, and research reports, he is the author, co-author, or co-editor of seven books, most recently, Twenty-First Century Japan: A New Sun Rising (Black Rose, 2008). Trevor.harrison@uleth.ca