

TAXATION IS THEFT

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If a thug were to accost you in the street and demand your wallet or purse, you wouldn't hesitate in knowing what to call it - theft!

If a group of thugs were to demand at least one third of your income every month and threaten dire consequences if you didn't accept their offer of "protection", you wouldn't hesitate in knowing what to call it - theft!

Yet you are robbed every day. Every month at least one third of your income *is* taken from you forcibly, without your consent. It is taken by the government. And yes, even if only a few realise it, that too is theft!

For just how does government differ from a mugger? Why is the state's "protection" racket different from that of any other gangster? Both conform to my dictionary's definition of theft - the seizure of individuals' property without their consent. The only difference is that the government is less honest than its private competitors in crime. At least a thief doesn't claim to be committing his crime for your own good, to be performing a desirable social service in "the public interest".

IS TAXATION NECESSARY?

But is taxation necessary, as most people believe? Do we need to pay taxes to enjoy such services as medical care, roads, postal deliveries, railways, police protection, and so on?

Imagine a local tradesman driving all his competitors out of town at gunpoint. He then regularly robs his neighbours but, "in return", does deliver some groceries (of very low quality) and performs a few tasks (very badly) like mowing their lawns. His "customers" would feel sceptical about the value of the services the tradesman was so graciously providing, and which at the same time he was preventing anyone else from supplying.

So it is with government. Why can't we be allowed to keep our money, and purchase whatever goods and services we desire from those who offer to supply them? What has

the government got to be afraid of if it feels that it alone can provide these numerous services it currently monopolises? Competition would show up what a rotten deal state services were, and destroy the myth that there are "public" goods which can be provided only by state monopoly.

Red tape, inefficiency, featherbedding, sky-rocketing prices and plunging quality - these are the characteristics of all state services, from the Post Office and railways to the police and law courts.

A free market can provide all those services which have for so long been seen as the province of the state. Among the many facts you *won't* have been taught by the state education system is that throughout history there are numerous instances of private enterprise supplying everything from roads, schools and hospitals, to currency, police protection and law courts.

Yet repeatedly the state, to erect and preserve its own bungling monopolies, has crushed by force any successful and efficient competitors who have truly served the public.

WHAT ABOUT THE NEEDY?

But what about those in need? Isn't taxation justified to help the poor, the aged, the sick, and all those who can't help themselves? Most people would feel sceptical if the thief who was robbing them claimed he was performing a moral act because he needed the money. Would you feel morally obliged to co-operate with his forced re-distribution of wealth? What is the difference when the government does this on a massive scale, when it hands out your hard-earned money to anyone who it proclaims in need?

No, even those who truly can't help themselves do not have a right to help themselves to the contents of your pocket by virtue of their need. For how can you be considered free if you have no right to all the fruits of your labour, to distribute as you wish? If everyone "in need" has the right to be supported by you, whether you consent or not? Helping others at your expense is a choice which should be made by

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you alone. And such a choice is made by millions of people every day, without being forced into it by the state.

No one has the right to point a gun at you and demand your help, your money, whether it be an individual or a government. There would be far fewer needy people if the government allowed us to keep our money and make our own provision for sickness and old age; if it ceased to devalue our money and our savings by inflating the currency; if it stopped making us pay through the nose for its services and allowed us free choice, and if it no longer stifled prosperity and economic growth by its perpetual meddling and bestowing of privileges such as subsidies and protective tariffs.

The so-called welfare state is a con-trick. It perpetuates the poverty which the free market would ultimately eradicate. The few who really can't help themselves would be assisted by the many voluntary charities resulting from the natural co-operation and benevolence which abound in a society based on production, not predation.

WHO PROFITS?

But although it is important to reject resolutely the morality of coercive altruism invoked to justify taxation, it is equally important to realise that this morality constitutes an ideological disguise for certain fundamental economic and political interests. It is not the needy who do the taxing; it is the state. And it is the state and the powerful groups which support it who profit from taxation, not the ordinary people. One's suspicions ought to be aroused by the fact that if aiding the poor were really the motivation for taxation, giving them cash directly would seem the obvious form of help. Forcing everyone, rich and poor, to receive a standardised, state-monopolised product, is really cumbersome. A system of cash payments to the poor is favoured by liberals like Milton Friedman and the Institute of Economic Affairs. Yet socialists and public sector unions recoil in horror!

State monopoly provision of welfare and social services provides politicians and bureaucrats with power over the mass of people. In some cases it enables them to practice other direct invasions of freedom. The reluctance of any government to denationalise the Post Office has not a little to do with its enormous machinery of letter-opening and phone-tapping.

State education in schools and universities also enables the state to instill a common ideology into the population, an impossible task if private schools run by individuals and groups with differing viewpoints competed for customers. Likewise the state ensures mass loyalty to itself by giving the impression to people that it is "their" state, one which looks after its citizens by providing free services (the "social wage" as some Labourites like to put it) they would otherwise not receive.

And there are those big and small businesses, financial and agricultural interests, who are ceaseless recipients of subsidies, grants and contracts from the state. Welfare statism is simply the mask which conceals the reality behind interventionist governments - the struggle for privileges and subsidies at the expense of consumers and taxpayers.

Since the poor as a whole pay enough in taxes to buy their "free" services, the real beneficiaries of taxation are predatory economic interests (and, of course, parasites employed by the state machine - the welfare workers, statist academics, civil servants, etc.). In the political struggle in

California over Howard Jarvis's tax-cutting Proposition 13, big business and financial interests almost universally opposed the proposition.

In fact, taxation is identical to so many other state interventions in the economy allegedly designed to help the poor - it actually does the reverse. Instead of) redistributing wealth", taxation *freezes* wealth. While the wealthy might indeed lose a little, the poor proportionally lose far more. Taxation thus hinders individuals and new enterprises from accumulating wealth and capital, and hence challenging or displacing established businesses. Even where some wealth may be given to the poor immediately, taxation so distorts the market that in the long run there is less to go round for everyone.

Businessmen rarely favour *laissez-faire*. They generally support (even initiate) interventionist economic policies traditionally considered "socialist". While the position is less clear regarding taxation, we certainly have evidence that the most sophisticated business and financial interests support income tax as a means of maintaining their own relative economic position against competition.

The rich (and most definitely the "super-rich") are able to protect substantial proportions of their wealth by complicated avoidance schemes: charitable foundations and other means. It should come as no surprise that the Rockefellers pay less income-tax than the average American worker, or that the Vestey's paid almost no tax on a large chunk of their vast wealth.

WHO LOSES?

The idea that the rich are taxed to provide for the "poor" is a naive fallacy. That the majority can profit significantly from the expropriation of a small minority needs only a little elementary arithmetic to reveal its actuarial absurdity. Moreover, Central Statistical Office figures show that people with low-to-middle incomes receive in social benefits about as much as they actually pay in taxes, rates and social insurance. And this doesn't take into account indirect taxation and the hidden tax of inflation.

The majority of people are thus mulcted of their money, which is partly returned to them by the state in the form of "free" and increasingly shoddy services far inferior to those they could have purchased in a free market. The shoddiness of state services like the National Health Service is an inevitable consequence of the political, economic and social forces embodied in them. Once the dignity of the cash nexus is removed between buyer and seller - patient and doctor - then the former gets treated as a bothersome supplicant by the latter. This is exacerbated by the fact that in the absence of the cash nexus the middle-class doctor tends to misunderstand or be contemptuous of his "lower-class" patients. Middle-class patients are generally treated better, and have the requisite skills to manipulate the system for their own ends.

The provision of "free services" creates an unlimited demand which overloads the system. People suffer and even die unnecessarily as the queues for operations get ever longer. Rationing by waiting list replaces rationing by market price.

Who profits and who loses? The mass of ordinary working class people have everything to gain by the abolition of taxation; the economic and political parasites have everything to lose.