

Proposition 13: What Now?

Howard Jarvis

[An address to the Association of Physicians and Surgeons delivered in Denver, Colo., on Oct 6, 1978.]

[California's Proposition 13, passed by voters in June 1978, is a landmark constitutional amendment that caps property taxes, limits annual assessment increases to a maximum of 2%, and requires a two-thirds majority vote for new state and local tax increases.]

[Howard Jarvis is the man who made Proposition 13 a household word. He fought long and hard to put a ceiling on state spending by California politicians. He is now fighting nationwide to spread the word to ordinary citizens to fight high taxes by putting a halter on high roller spending by the "servants" of the public.]

[Andrew Schlafly writes: Howard Jarvis became a national hero and spoke at our same annual meeting when Ronald Reagan spoke. Jarvis mentioned the Gipper in his talk. Hollywood possibly "discovered" Jarvis based on his talk to us, because soon afterwards he was given a cameo role in *Airplane!*, considered by many to be the funniest movie ever. Jarvis is the passenger in a taxicab driven by the mentally disturbed star, who parks it curbside and then runs to board an airplane. But the driver first returns to the cab to start the meter running indefinitely, at Jarvis's unwanted expense.]

Proposition 13 was a successful operation.

I had the distinct honor of getting hit in the face with a pie the other day. He hit me with a lemon meringue pie, and I prefer banana cream. Those things happen in this world of ours.

Sometimes I wonder where I am. Tonight I go to Dallas, then Los Angeles, New York, then Los Angeles, Phoenix, Boise, Salt Lake City, Las Vegas, etc. All in about a week.

Let me tell you about Proposition 13. It didn't come easy. We started in 1962. We were able to do it, because at one time California had a governor with great foresight. He had written into the California Constitution the right of people to petition the government. Now 25 states have adopted that same kind of proposition, so that the people can control their state governments. One of the things that I'm doing across the country is to try to get those states who do not have it to adopt it.

Because the American citizen really has two basic rights, and that's about all. The right to vote and the right to petition the government. Now if the state doesn't permit the people to petition their government, they're denying the people one of their basic American rights.

We started this thing in Texas about six weeks ago. They have 800,000 signatures now. So, they're going to have that right in Texas. I would suggest that each of you find out if your state has this right. If it doesn't, start plugging for it because you've got to have it sooner or later.

Proposition 13 was a successful operation. The patient

lived. And the patient is now bigger than ever.

Of course we had all the opposition that they could muster. They told more lies about 13 than had ever been heard since the world began. And, as you heard a little while ago, Gov. Jerry Brown, up until 8 p.m. the day the polls closed, said it was a devastating thing, would gut California, a very big disaster. Senator Cranston said the same thing. Lots of other politicians said the same thing. At 8:10 p.m. they said it was the greatest thing that ever was. I grew up in Hollywood, and I know something about "Hi, Ho, Silver," but he couldn't turn around as fast as these politicians.

I've had a lot of experience with politicians, and I don't exactly believe everything they say. I'm a little bit skeptical, because I have an idea they're lying to me, and I've found there's a lot of precedent for that. We had three amendments before this one. We got 300,000 signatures the first time, and about 300,000 signatures the second time. The third time we came within 1,400 signatures of qualifying it for the ballot. And in California it takes 500,000 signatures. We were so disgusted... [that] we didn't start on the present one until the next day!

Because we had decided when we started this tax fight that we were never going to quit, never, ever!

The welfare system operates under a phony name called social justice when its real objective is to redistribute the wealth of the United States. That's what it is. They care very little for those people they think they're trying to help with welfare. Look at the budget, and look at what happens and you'll see that the redistribution of the wealth of this country is behind the cockeyed, paranoid government that we have today.

I was in Senator Russell Long's office a couple of weeks ago. He put his arm around me and said, "13 is the best thing that ever happened to this country. I want to tell you something, Howard. This federal government is completely and totally out of control. Completely and totally. We haven't the slightest idea of what we're doing. We don't know how much money we take in and how much we spend, what the agencies spend, and what they do." And, he added, "We have to get this stuff under control, and we don't have very long to do it."

Now it's one thing coming from me and another thing coming from Russell Long, who's chairman of the Finance Committee of the U.S. Senate. He is probably the most powerful man in Washington, including Carter. But he sits there at his desk, and he tells you this. I have to pay some attention to that. Because I think, if anybody should know, he should.

God knows, President Carter doesn't even know what city he's in.

We ought to understand that equality in the Constitution rests on liberty. This is the name of the game—liberty. The equality in the new egalitarianism that we have in Washington rests on coercion.

Just think. Last year they introduced 8,000 bills—8,000 bills in Congress. In California in one session of the legislature, they introduced 3,800 bills. And every one of those bills prevents

you from doing something. Just imagine. I tried to understand 10 out of the pile. I'm supposed to know something about it. I couldn't understand it. I didn't know what the bill was for. It's impossible to tell in the bureaucratic legalese that they're foisting upon this country. All mostly invisible. I find that quite frequently political bodies will pass laws that they know are unconstitutional.

They know in advance that they're unconstitutional. Then they say, "Well, why don't the taxpayers sue us?" And that's a hell of a job. I was in one suit in California. It took five years. Because you see most of the judges are in the club, too. And if they can find a technicality upon which to throw the taxpayer out..., they do it. They resolve all the technicalities in favor of the government, all of them. So, we have a problem in the judiciary, a very serious problem.

We have to understand that the redistribution of the people's wealth is the goal of the welfare state. They are determined to do that.

Now our [Declaration of Independence] says, "We hold these truths to be self-evident." The truth of liberty, individual freedom.... Our job today is to make them more than self-evident. Because they're clouding them over and we need to brush those clouds away.

I walked into the leadership of the House, Tip O'Neill, Jim Wright of Texas, and John Brademas of Indiana. O'Neill said to me, "Do you have any idea how much you've shaken up this Congress?"

I said, "I hope so. You've just got the tremors; the shock wave is coming!" So, I went around and saw a lot of Congressmen. They were all in a severe panic that day. I could have sold 40 gross of Valium if I had them. The politicians think, "My God, maybe the people will stick their noses in this government."

That is the biggest fear they have. That John Q. Public will find out what they're doing. And the smokescreen to keep that hidden is all over this country. We broke it open in California. We broke it wide open. California's 13 is an accomplished fact, and it was joy to my ears that I heard last week the *Los Angeles Times*, which is one of our main enemies, has agreed. They used to write cartoons about me that were uglier than I—and that's hard to do. *Time* magazine said I had a face like a mudpie. It made my wife sore. She said, "It's more like a sand dune."

But we were having elections in California as you were having them all over this country, when 30% of the people go out to vote—28% to 30%. The politicians thought they had us by the ears. We, that is, the bureaucrats and the public employee unions [thought] we got the 30% sewed up. We're going to really fix these people. So, they were just sailing along.

Well, we won it. 2 to 1. It was an avalanche. I endorsed about 150 candidates in these municipal elections in California, and 90% of them won. So, you're going to have a lot of politicians in California looking for workmen's compensation. And that's a good place for them. Because, God knows if anybody else will give them a job. I don't know what they can do.

One fellow said to me, "Well, as you know, public employees are first of all the most highly educated, and secondly, the most constructive, third, the most loyal, fourth, the most industrious, and fifth, the very best employees in the country." So, I said, "Private industry can't find people like that anymore, so they ought to get a job in 20 minutes." Someone will say, "You must have said that facetiously." I'm not sure what "facetious" means,

but I didn't.

The State of California had 880,000 employees—880,000. Ten years ago, Los Angeles County had 42,000 employees. Population's gone up 2%. They now have 89,000 employees. The last figures I've got, some 4,000 had been severed from the [State's] payroll. Out of 880,000. And to hear some of the politicians talk that's worse than the Japanese attack on Pearl Harbor. They think this is a catastrophe....

When they stopped the NASA operation in California, 61,000 lost their jobs. Nobody said a word. They didn't say anything when they cut off the B-1 bomber—55,000 jobs gone! No, that didn't bother anybody.

So, today we've made the public employee a sacred cow in this country, and we have to do something about it. Because I'm sure that all over this country there's this same kind of cancer growing, as it is in California. The public employees' unions are going to elect our representatives, so who...represents the rest of us? The answer is nobody. Now that's how strong they are.

Now I ran for a couple of offices that I didn't want. One, I ran for the Board of Equalization because I was asked to do so by the Reagan campaign. I ran to help the governor. And it's a good thing I did. He's a very fine governor, and I'm glad you're going to hear him today. I ran for mayor and got a platform to talk about taxes....

When you're a candidate, you're a duck, and you'll go with the other ducks. You go to a meeting, and each fellow has six minutes or so to talk. I was in Santa Barbara and spoke for seven minutes about taxes and one minute about Reagan and I sat down. Some guy in the back held up his hand and said, "Well, Mr. Jarvis, aren't you on the ticket? Isn't your name on the ballot?"

I said, "Yeah, I think so." He said, "Well you didn't say anything about it." I said, "Well I'm interested in taxes and the governor. My name is on the ballot. I won't object if you vote for me." That's exactly what I said, and the whole audience stood up and cheered.

So, I hired a guy and took him with me all over the state. Believe it or not, I didn't spend any money and got 1,505,000 votes. I lost the election by 400,000 and some votes. On Sunday, Mrs. Jarvis and I went to the church and put in a dollar and thanked God for America....

Politicians talk, and all they talk about is themselves—what a great guy I am! Well, he's the same kind of joker who lives down the block from you, and just because you elect him to Congress doesn't mean he's any smarter. He gets more money than he ever had in his life. In 1965 it used to cost us \$62,000 for a Senator or a Congressman, for his salary and his office. Know what it costs today? \$1.7 million. We used to pay \$40,000 for a legislator in California. Today—\$700,000!

So, you see where the gravy train is, and you see why so many people who can't do anything else jump for it. It's the best job they have ever had in their lives. Don't let them kid you because that's what it is. And so, after 13 passed, we decided from the lessons we learned from 13 that we could do something on the federal level. One of the things that happened from 13 was that I did some broadcasts on the BBC. Little would you think, or did I ever think, that after 13 passed that I would do radio and television broadcasts in Italy, France, Belgium, Holland, West Germany, Norway, Denmark, Sweden, Australia, New Zealand, Argentina, and Japan. Who'd believe that? That's exactly what I've done. And every country wants me to come over there tomorrow.

Well, this is really another shot that's going around the world. Now the politicians on the public payroll and especially the tremendously competent public lawyers, they all said I didn't know how to write an initiative, that it was vague, nobody could understand it. One fellow said one sentence didn't have a verb in it. They went on about this stuff over and over and over again. Finally, all the payrollers got together. They did very well until they got up to the Supreme Court, which threw them out....

So, it proves I was a better country lawyer than all those public lawyers put together, and they didn't like that very well. Some kind of a smudge on their records. We have a left-wing Supreme Court out there. I don't know whether they held it constitutional because it was right or whether they didn't have the guts to buck five million people. Because if they held it unconstitutional, there would be more vacancies on that court on the third day of November. Because the people of California are stirred up. They proved it could be done—76% registered, and 76% voted.

If anybody tells you that it's a John Birch Society or racist amendment, as George McGovern said on *Good Morning, America*, they're wrong. McGovern said, "I think this is a racist amendment." Then they asked me, "What do you think about that?"

I said, "You know George; he's a boob; he's always been a boob, and he will always be a boob...." He didn't have an answer. Because if he had answered, I'd have South Dakota in our camp too.

So, on the basis of what we learned about 13, and of all the build-up of the momentum that has spread all over this country, we took four other states.

While it took us 5 years to qualify in California, in the next 60 days four other states will qualify this amendment, and it will be on their ballots in November: Idaho, Michigan, Oregon and Nevada. Michigan started late and was short; in 2½ days I got them 180,000 signatures. So, you see in the next six or eight months there's going to be five or six more states in our camp.

John Q. Public can do it, but he has to have the will.... He has to understand our political system. That's the only difference between us and tyranny. He has to understand that if we don't take charge of it, we're going to have a tyranny before long....

You know the press doesn't tell us what is happening in Washington. The press hardly ever goes to an important committee meeting. With that they've been able to keep a blindfold on the whole country. If people really knew what was going on there, we'd have a revolution tomorrow. And it wouldn't be with pens. If the public really understood what's being done to them. Our job is to wake the country up. Our job is to say that the purpose of a free country is to enrich the people, not the bureaucrats. Our job is to say that public officials should not retire on tax-paid-for pensions. We've got them all over California. If you look under some rocks in these other states, you'll find some there, too.

I looked at an elderly guy with \$307 Social Security a month, then looked at a mayor of Los Angeles with a \$55,000 salary and \$2,800-a-month pension, and the treasurer of California with a \$52,000 salary and a \$2,100-a-month pension....

We have had introduced into the Congress a bill, H.R. 14234. I understand by the end of this week we'll have 100 co-sponsors of that bill. This bill forces government to reduce

federal spending \$100 billion in four years. That's \$25 billion a year. The federal budget is now in excess of \$500 billion, so that's 5% a year. Federal income tax reduced \$50 billion over four years [would be] a \$12½ billion a year cut. And that's just the beginning. We want to reduce the capital gains tax to 14%, because the two most successful industrial countries in the world, Japan and Germany, don't have any capital gains tax.

I was for abolishing the capital gains tax. I think we should. But my advisors said, "Look, all you'll do all over the country is get a yowl that that's just for the rich, and we'll have a hell of a time getting it through." So, for the first time in my life, I made a little compromise. You have to do that once in a while, I guess.

Do you know that the government borrows 80% of all the money that's borrowed in this country? That only leaves 20% to finance the advancement of this industrial nation. And there's no way that that 20% can provide the jobs and the new products that'll furnish jobs for these kids that come out of school. We're that close to something very serious in this country. So, we are going to index the income tax. It's in this bill.

Now indexing income tax is complicated, and I don't have the time. It would take a week if I understood it myself. But at least basically [a person who gets a \$50 salary raise doesn't go into a higher tax bracket]. And there's enough money in that budget and that tax to reduce the federal debt 2% a year.

The interest on the federal debt now costs every man, woman, and child in this country \$700 a year. And if we can do this, ladies and gentlemen, it's a first step.

We learned some political lessons in 13. We learned that you have a right to force a candidate to say yes or no on an issue. We asked him if he was for 13. If he said, "Yes, but," we said, "Defeat him." The only people we got elected said yes, and we elected 90%. So, I tell you what—this bill is in the Congress now, and we're going to try to tell people all over the United States [to ask] their candidate for Senate or for President or for Governor or anybody else...one simple question: "Are you for this bill or not?" If he doesn't say yes, go out there and beat him if you can.

The H.T. Wainright Company is around 100 years old and is highly rated. I went into the Hanover Bank in New York, and the vice president called me over and showed me a report that he had received on his desk that morning from the Wainright Company [stating that] in 10 years 13 will increase the personal income of the people of California \$125 billion. You see it isn't a disaster when you do something for the public. It's only a disaster for politicians. We're going to revitalize the economy of that state to where it should be.

And so, I hope that all of you (I know this is a conservative group of people, and I was listed to the right of Goldwater at one time) will join us in pooling our marbles if we're going to win. We all have to row the boat in the same direction, because although we all came in on a different ship, by God we're all in the same boat today.

The only way to cut the budget is not to give the politicians the money in the first place. You see when they have a constitutional amendment wrapped around their necks they have no choice. Seven million bucks is going to go into the hands of the people of California every year from now on.

We also learned that although taxes and death are inevitable, being taxed to death is not inevitable, and we don't intend to let them do it to us.