

Nygaard Notes

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Give Us Back Our Money!

Last December the Minnesota Department of Management and Budget announced that Minnesota was projecting a state budget surplus of \$7.7 billion for the 2022-23 fiscal years: the largest budget surplus in the history of the state. In February the projected surplus was revised upward to \$9.25 billion.

Minnesota Public Radio reported that Democratic Governor Tim Walz “suggested the money could be used to provide Minnesotans with paid family and medical leave, improve child care and health care, lower the cost of energy, and possibly create a family leave program for workers.”

Republicans have other ideas. And they’re not just ideas about different places to spend tax money. No, the disagreement here is about who has the authority to decide, in the first place, how the money is used.

A Republican state congressman named Jeremy Munson introduced a bill this past March that he called the “Give It Back Act,” which would take the surplus money and “give it all back to taxpaying Minnesotans by October

2022. Said Munson, “Democrats want to spend the money on more wasteful projects. We want to return money to Minnesota families so they can spend it on things important to them. Let’s not forget, it’s their money in the first place.”

Note that Munson is not calling here for the government to spend the money on “less-wasteful” or “non-wasteful” projects. He’s saying that the money is the property of individuals (or “families”), and therefore only individuals have the authority to decide how it is spent.

That’s a pretty extreme argument, if you think about it, and Munson is hardly alone among Republicans when he makes it. Minnesota’s most influential right-wing “think tank,” the Center of the American Experiment, put out a 32-page paper in February entitled “It’s *Our* Surplus, GIVE IT BACK! The Case for Permanent Tax Cuts for Minnesotans.”

Are Republicans right when they defend the individual’s right to decide what is done with his or her money? Well, that depends on a general agreement about whose money it is in the first place. ♦

No, It’s Not Your Money

It’s a subtle form of propaganda, indeed, that forms the basis for the claim that all the money that people count as income—before taxes are withheld, that is, or “pre-tax” income—is actually “theirs.” In a 2014 blog post for the Tax Justice Network, philosopher Philip Goff looks at the moral basis for the anti-taxers’ claim that tax revenue should be refunded to taxpayers because “Let’s not forget, it’s their money in the first place.” But... is it?

Goff begins by acknowledging that “This feeling that your pre-tax income is ‘your money’ is difficult to shake. It’s hard not to see the pre-tax figure on your payslip as representing what’s really owing to you for the work

you’ve done, and hence to feel that the state is taking away from you something that is yours by right.” But, he adds, “There is no sense in which you have a right to your pre-tax income.” What!? Well, listen as he first makes the obvious point: “You clearly don’t have a legal right to your pre-tax income, as you are legally obliged to pay tax on it.”

Then he makes a less-obvious but more important point: “So if there is a general right to one’s pre-tax income, then it must be a moral right. But it is implausible to suppose that each person has a moral right to his or her

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Greetings,

I've been thinking a lot about how contentious our public square has become. You know, "polarization" and "incivility" and January 6th and "insurrection" and all the rest. I don't think it's just craziness; I think we are arguing about some pretty important stuff. You can say we disagree about First Principles. Or about The Dominant Narrative. Or about which ideas achieve Cultural Hegemony. Whatever you call it, the concept of "common sense" has gone out the window, and good riddance, I say. One person's common sense is another person's nonsense; so it has always been.

Still, every society has to have some sort of agreement on what makes us a society. Without some sort of shared assumptions about who we are and who we want to be, every decision will be contested, and the resistance to authority will likely include violence. It already includes violence.

But, if the old ideas are being questioned, and new ideas are arising to take their place, then it really matters who gets to be in on the decisions about which way we go. The people currently at the top of the power pyramid have a lot to lose, and the rest of us have a lot to gain. It won't be easy. When I aimed my search engine at "civil war in the united states 2022," the Internet came back with nearly half a BILLION hits. This is no joke.

I'll be talking about this general issue a lot in the coming months, I think. This issue of the Notes is just another installment in the ongoing journey. Thanks for coming along with me!

Nygaard

Money *from page 1*

pre-tax income, for that would imply that the distribution of pre-tax incomes the market happens to throw up is perfectly just, and this is clearly not the case. There is no justice in the fact that the pre-tax income of a City banker is many hundreds of times the pre-tax income of scientist working on a cure for cancer. This is just an accident of the way our market economy is structured. To hold that each person has a moral right to their pre-tax income would be to hold that the market economy just happens to deliver to each person exactly what they deserve, and this is clearly not the case."

Anticipating what is likely a common response to his argument, Goff addresses it as follows: "No doubt you have worked hard for that money; no doubt you have made a contribution to the public good; you have special talents that others lack, etc. But others also work hard/are talented/make a contribution, and the market has not taken these morally significant factors into consideration in working out what to give to whom. For better or worse it's almost certainly not fair that you have what you have relative to what others have got."

"It's the responsibility of law makers, then, not to respect pre-tax incomes, but to *disrespect* pre-tax incomes. Insofar as the market fails to yield a just distribution of incomes, the state should work to correct that distribution. Of course, to some degree the scope for such correction will be limited by economic realities. The pragmatic argument between right and left as to the relationship between tax levels and incentives to work or invest is a perfectly sensible one. But it is crucial to distinguish the pragmatic argument of the economic right—'We must lower taxes in order to encourage investment'—from the moral argument of the economic right—'We must lower taxes in order to give people more of their money'. The former argument is based on an empirical claim which stands or falls with the data. The latter argument is based on the wholly confused notion that there is something morally significant about the distribution of incomes the market happens to have thrown up.

"Your pre-tax income isn't the money you deserve; it is the money the amoral market has gifted you. A government may have cause to respect the whims of the market as a matter of practical necessity. But the state has no moral reason to respect the whims of the market. The only legitimate bar to redistribution is economic reality. Any politician who thinks it a good thing, in and of itself, to give people more of 'their money' is confused."

Confused? Maybe. Maybe confusing would be more accurate. Nothing like an accusation of theft to fire up The Base, after all. ♦

Yours. Mine. Ours?

People on the so-called Right and the so-called Left argue about a lot of things, but a favorite argument is about taxes. The Right says that the government has no right to take “my” money and make it the property of Uncle Sam. The Left says that taxes are a necessary evil, and that I should agree to give some of “my” money to Uncle Sam so The Government can do good things for the taxpayer.

Notice here that both sides agree on the terms of the debate. That is, they agree to disagree about whether the money I pay in taxes rightfully belongs to the taxpayer or the government. But a third possibility remains out of the question, as it is nearly unthinkable in the US thought system: What if that money, or some share of it, belongs to all of us? The omission of this third option is important, and is not random. I think it can best be understood by stepping back and looking at what we might call First Principles.

First Principles

The dictionary defines First Principles as “the fundamental concepts or assumptions on which a theory, system, or method is based.” I’ve talked at various times in these pages about the First Principles of the United States—I talk about Thought Systems and hegemonic ideologies, but First Principles is another way to say it—and I’ve suggested an alternative to them. I’ll summarize briefly here.

The fundamental concepts or assumptions on which the United States is based, which I call a “worldview” or “ideology”, I have described as INDIVIDUALISTIC and COMPETITIVE, or IC. The label I use to represent an alternative worldview/ideology is SOCIAL and COOPERATIVE, or SC.

The IC worldview, or ideology, that has long prevailed in U.S. society, like the capitalist system at its core, is based on the concept of EVERYONE FOR THEMSELVES. It assumes that society is composed of individuals competing with others, each one trying to get ahead, to get as much as possible for him or herself.

In contrast to this selfish Everyone for Themselves ideology, the SC worldview has a vision of the world—the world as it is and the world as it could be—in which everyone is WORKING TOGETHER FOR THE COMMON GOOD.

Let’s think about taxes with this in mind. In the IC world, taxation is illegitimate on the face of it. The Government has no right to take my money, or your money. No matter what they spend it on, the act of taking “my” money is wrong. Libertarians, in fact, often simply call it theft.

In the SC world, some of the wealth generated in a society is neither “mine” nor “yours,” but rather is common property. It’s OURS. Our air. Our water. Our land. Taxation, in this world, can be thought of as a pooling of resources, as a redistribution of wealth so that it can serve all of us. We can pool our resources to address climate disruption, for instance. We can pool our resources to provide health care for all. We can pool our resources to support new parents as they try to raise healthy children in healthy communities. There is a long list of social problems that demand social responses, of which taxation/resource-pooling, is one.

In the SC world, taxes represent a claim on the wealth generated by the members of society. Not only are taxes in the SC world *not* theft, they perform a redistributive function that begins to address the organized theft that is capitalism. This is what Philip Goff was talking about in the previous essay when he said, “It’s the responsibility of law makers, then, not to respect pre-tax incomes, but to *disrespect* pre-tax incomes.”

As radical as that may sound, the transition from IC to SC goes even deeper. As one example, consider our legislative bodies. As it is now, legislators are elected to represent the district or state that elected them. Why do we not have a legislature of “at large” legislators, legislators who are elected to address the needs of society as a whole? Surely Climate Disruption demands such a Social and Cooperative approach, as do numerous other problems that, addressed selfishly, are unsolvable. Make your own list!

The two ideologies, or First Principles, that I am offering here for consideration—INDIVIDUALISTIC and COMPETITIVE on the one hand and SOCIAL and COOPERATIVE on the other—can be seen as two very different, and irreconcilable, ways of looking at the world. The struggle between them is at or near the root of the political polarization that characterizes modern USAmerican life.

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Ours? *from page 3*

The issues of the day—climate disruption, racial reckoning, economic inequality, deteriorating infrastructure, public health—are all social problems, demanding social solutions.

As it becomes increasingly clear that we can't continue on the familiar paths, the IC worldview of EVERYONE FOR THEMSELVES, which has been dominant in the

United States virtually since its founding, is increasingly being challenged the SC alternative of WORKING TOGETHER FOR THE COMMON GOOD.

Wow, I'm talking about some pretty big issues here, am I not? But this issue is, in a sense, just an introduction to a discussion of even bigger issues! Issues like Freedom, Democracy, Coercion and Consent. I'll discuss those issues—and who knows what else?!—in the next Nygaard Notes. ♦

“Quote” of the Week: “*The Decisive Questions of America's National Existence*”

In a remarkable book called “Taking Sides: Clashing Views in United States History, Volume 1,” there appears a discussion of the question “Was Reconstruction a ‘Splendid Failure’”? “Splendid failure” was the phrase used by W.E.B. Du Bois in his 1935 book “Black Reconstruction.”

Why Du Bois said that is worth thinking about, but not right now. Here is the amazing historian Eric Foner, writing in 2007 in response to the above question:

Building upon the findings of the past twenty years of scholarship, a new portrait of Reconstruction ought to begin by viewing it not as a specific time period, bounded by the years 1865 and 1877, but as an episode in a prolonged historical process – American society's adjustment to the consequences of the Civil War and emancipation. The Civil War, of course, raised the decisive questions of America's national existence: the relations between local and national authority, the definition of citizenship, the balance between force and consent in generating obedience to authority. The war and Reconstruction, as Allan Nevins observed over fifty years ago, marked the ‘emergence of modern America.’ This was the era of the completion of the national railroad network, the creation of the modern steel industry, the conquest of the West and final subduing of the Indians, and the expansion of the mining frontier. Lincoln's America—the world of the small farm and artisan shop—gave way to a rapidly industrializing economy. The issues that galvanized postwar Northern politics—from the question of the greenback currency to the mode of paying holders of the national debt—rose from the economic changes unleashed by the Civil War.

Central to this issue of Nygaard Notes is one particular question of America's national existence, which is, in Foner's words, “the balance between force and consent in generating obedience to authority.”

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