

The Reluctant Activist, or Not Only Can You Fight City Hall, You Can Actually Win

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The person who says it cannot be done should not interrupt the person doing it. ~ Chinese Proverb

"That will be thirteen ninety-nine plus a dollar and one cent for tax," said the clerk at Orchard Supply Hardware. I handed him my Visa card. After leaving the store with my wife on a beautiful Saturday morning in Monterey, the world looked suddenly rosier. I felt a profound sense of freedom. The reason was that I had paid \$1.01 in tax, rather than the \$1.04 I would have paid had the tax rate been 7.75% instead of 7.25%. The word for what I felt was eudamonia, a word I remember from my college study of Aristotle for a feeling of well-being. I felt a love for my fellow Monterey County residents, or at least 38% of them. I felt that in the politicians' rush to take away our freedom, my allies and I had slowed it down and surprised the hell out of a ruthless, well-funded juggernaut. In the process, I discovered how even a fairly badly organized small group that is willing to make a moral case, take the offensive, and not back down when attacked can beat a much bigger group that thought it had the moral high ground and didn't. Why, you might ask, would I get this excited about paying an outrageous tax instead of an even more outrageous tax? Had I, a man who believes that taxes should be close to zero, gone off my rocker? Maybe, but that's not how I see it. Let me explain.

Four days earlier, Tuesday, December 2, 2003, the votes on the all-mail election had been counted. The issue on the ballot: should the sales tax rate be raised from 7.25% to 7.75% to fund Natividad hospital, a government-run, mismanaged (but I repeat myself) hospital? That wasn't the ballot language, of course. The government officials who put the sales tax proposal on the ballot would never try to sway voters. No. Instead, the "Impartial Analysis by County Counsel" stated that the tax would "avoid life-threatening reductions in Natividad Medical Center's healthcare delivery system." No bias there. Just the facts, ma'am.

The mail-in ballots had been sent out in the second week of November. Our

county, Monterey County, had been decided on by the state government as a testing ground for getting rid of the secret ballot and replacing it with a mail-in ballot that would allow the local government officials who counted them to know how every single person voted.

This was new territory for both the pro-tax and anti-tax sides. The anti-tax side had to ask itself: how do we spend our \$4,000, all in voluntary contributions, and our time, through November? The pro-tax side had to ask itself: how do we spend our \$450,000, much of it collected from union members who had no say in how their money was used, on signs, incessant scare advertising on TV, and massive get-out-the-vote phone banks. And apparently some on the pro-tax side asked themselves, "How much time should we spend stealing the anti-tax side's signs every night." Almost 1,000 of our "No on Q" signs were stolen during the campaign, a fact we were to state often on talk-radio interviews.

I had come to this fight reluctantly. Not that I favored the tax, but rather, that I, like you, have a life. I have a wife I'm deeply in love with, and a daughter about to go off to college. I've been working on an academic article and a second edition of *The Concise Encyclopedia of Economics*. And there's a certain amount of time in the week that I want to use to goof off – surf the TV, surf the web, take walks through the neighborhood. Was I willing to commit to thinking about this issue, writing letters, and talking to people for about five hours a week?

Four things had tipped me. First, I had had one highly successful experience with activism in Canada in 1968 when a small band of us persuaded/threatened one of Prime Minister Trudeau's closest political allies to back down from a proposal he had made to institute a peacetime draft. See the full story.

Second, I hate it when people are attacked unfairly and I especially hate it when my friends are attacked unfairly. In the summer, Jane Heider, the wife of Lawrence Samuels, a libertarian who led the "No on Q" campaign, had written a cogent letter to the *Coast Weekly*, the local left-wing newspaper. Here's her letter:

As one of the anti-tax protestors at the June 24th Supervisor's meeting, I have to comment on Squid's comments [SquidFry, June 26–July 2]. First, my understanding of Lawrence Samuels' and John Tresch's remarks was not that

Natividad should be closed, but that its services should be contracted by the County to some private organization specializing in hospital management rather than in bureaucracy.

But the question of efficiency is secondary – my objection is more fundamental: tax money should not be used to run a hospital at all.

At the meeting we heard quite a bit about sick people who had been helped by Natividad. We were told repeatedly "no price is too high to save a life," and Squid makes it clear that anyone who feels otherwise is politically incorrect.

But the amount we donate to help other people should be a personal choice. The County Board of Supervisors has no moral right to take tax money from some people and use it for others, even if they do have a public forum to discuss how much they will take.

And how did the Coast Weekly summarize her statement of principle? They titled her letter, "Let 'Em Bleed." The next week, the Coast Weekly ran a letter attacking Jane for being selfish and not caring about the poor people who needed health care at Natividad. The response made me mad. Jane wasn't being selfish. In fact, she was taking time from her busy day to defend the rights of hundreds of thousands of county residents. The truly selfish person (I know, I know, Ayn Rand insisted on her peculiar use of the word "selfish", but I think she was wrong) is the one who wants the government to forcibly take other people's money and use it on ends that the person advocating force agrees with.

The third impetus was that on a Saturday morning in September, when I was driving in my neighborhood, I saw people walking door to door with clip boards and "Yes on Q" signs. "Holy cow," I thought, "these people are serious." The first thought, actually, almost dissuaded me from getting involved. But the second thought, which took a little longer, was, "They must not think they have it in the bag. And it probably wouldn't take much clear reasoning to at least get people to see some of the huge problems with a tax increase." Had the vote for a tax increase required a simple majority, I wouldn't have bothered fighting. But, under California's constitution, tax increases for specific spending programs, other than school bonds, require a 2/3 vote. It should be possible, I thought, to get 33.4 percent of the voters to oppose a permanent sales tax increase.

The fourth and final impetus was that the aforementioned Lawrence Samuels had invited me to be on his side in a debate on Measure Q to be held November 11, Veterans' Day. (I still call it Remembrance Day, the term used in my native Canada. I like Canada's term better because it gets us to remember war and think about whether we want more or fewer of them. Fewer wars means fewer veterans.) The debate was sponsored by the League of Women Voters. That's an interestingly-named organization. You don't have to be a woman to join, and so the name seems odd. Given the positions they take on things, they would be more honestly labeled the League of Leftist Voters, or, if you still want to use the acronym LWV, Leftist Women Voters. But the LWV is not like some other liberal groups. My impression of them over the years, admittedly at a distance, is that they have a basic sense of fairness in debate, and that, because they love politics, they love controversy and debate. I love debate too and, even more, I love debating in front of hostile audiences. It's a real challenge to win them over, or, more realistically, to get them to think about things they've never thought about.

I was hooked.

My plan had simply been to do a little prep for the debate and not much else. But, talking to Lawrence one day, I noted that the number of pro-Q letters in the Monterey Herald seemed about double the number of anti-Q letters, not a good sign. The number of "Yes on Q" signs was roughly 4 times the number of "No on Q" signs, but that didn't disturb me as much because it mainly reflected the massively higher budget and manpower of the "Yes on Q" side.

"That's what I've been telling you, David. People like you need to write letters. I've been telling you this for over a month."

"But Lawrence, I have a daughter starting private college in January and I've got to pay full tuition, which means I need to be making free-lance income and doing my regular job," I whined.

Lawrence made an offer. He would write a letter and I could edit it to my style and put my name on it. The next day Lawrence's draft arrived and, although I

didn't disagree with anything in it, it didn't reflect what I would have wanted to write. So I sat down and wrote my own letter, sending it to the Salinas Daily Californian and the Monterey Herald.

Here's what I wrote:

The proponents of Measure Q, a 1/2 cent sales tax increase, are seriously misleading the public. In literature they are handing out, they call Measure Q "a temporary half percent sales tax." It is not temporary. Measure Q's own language says that the sales tax "shall remain in effect for not less than ten years." Moreover, even after 10 years it will not end automatically. Only the Monterey County Board of Supervisors can vote to end it. Given that their vote to put the tax increase on the ballot was unanimous, and given their refusal to consider other options for improving Natividad, how likely are they to repeal the tax in 10 years? Politicians who vote to cut sales taxes are about as rare as the bald eagle.

The proponents often present Measure Q as a pro-community measure. It is the exact opposite. A real community is one in which people give their own money to help worthy causes. But a tax increase is a forcible extraction of your money. When governments take over such causes, we as individuals reduce our giving. Measure Q is a loud statement of government distrust of its citizens. I'm voting NO.

/signed/

David R. Henderson

This was my standard formula for writing a good letter. Start by saying that the other side is seriously misleading the public. Who will not want to read on when they see a statement like that? Of course, you shouldn't say they're misleading people if they're not, but clearly they were. Second, lay out what they're saying and why it's misleading. Third, explain other problems with it, for example, how their proposal undercuts the very virtues or values they claim they want. Fourth, if and only if it's applicable, tell how the other side's proposal is based on mistrust of humans, which it usually is. Fifth, end with the bottom-line conclusion, namely the vote. Many people would end by saying, "Vote No on Q." But I've never liked people telling me how to vote. And so I don't want to do the same to others.

One of the items Lawrence gave me to help me prepare for the debate was the Grand Jury report done on Natividad in 1996 that had talked about the financial mess it was in then and had advocated privatizing. I looked through it and found

it somewhat helpful. One day, Ron Pasquinelli, a man who had been head of the Monterey Peninsula Taxpayers Association for decades, called me up because Lawrence had told him I had a copy. So I copied it and arranged to meet him at my downtown office. He proved to be a delightful gentleman and so I offered to treat him to coffee at the Starbuck's near my office. On the way to Starbuck's, I asked him, as a veteran of many anti-tax campaigns, whether he thought we would win. "Let me tell you a story," he said. This was his story.

Back in 1974, the state government had been collecting a tax that went to Sacramento. A proposal was made to allow each county to keep that tax revenue instead of having it go to Sacramento. But to keep that tax revenue, each county had to vote, by a simple majority, to do so. My organization looked at it and realized that this was not a new tax but, instead, was just a shift of revenue from the state government to the local government. And so we said we had no problem with it and sent out a mailing to our members telling them that we recommended a "yes" vote. Well, you should have heard the firestorm. I had long-time members calling up and saying, "You've sold out; you shouldn't be advocating higher taxes." I would patiently explain the facts to them and they would calm down. But when the votes came in about 30% of the people had voted against letting the county keep the revenue. They must have thought it was an increased tax. So that tells you that there are at least 30% who will vote against any new tax and it's probably higher than that because some people who voted yes were anti-tax too but had the right information.

"So if 30 to 40 percent of people will vote "no" when they see the word 'tax'", I asked, "how come the signs don't mention the word 'tax?' All they say is, 'No on Q. Stop Bad Management.'"

"You're right," said Ron, "but it's too late now. We've made our signs."

"Yes, but they're being stolen every night," I replied, "and so the next time you place an order, you should have signs that read, 'No on Q. No new taxes.'" Later that day, I called Lawrence and made the suggestion to him and he ran with it. Within a few days, "No new taxes" signs were showing up all over.

Over coffee, Ron told me that his strategy was to send out a letter to a list of about 10,000 voters in the Monterey Peninsula and hope that a large percent of them would vote no. That was the extent of the campaign he would run. I

promised to send a check for \$200 to his organization and left our meeting encouraged by his story but concerned about having only a one-time mailing. But I had a life to live.

A few days before the debate, Lawrence asked me if I wanted to go on an afternoon talk radio show with him and a conservative host named Karen Grant. The station was KION 1460 AM, a Clear Channel station. I said I did. That day, she was broadcasting from the top of the tallest hotel in Monterey, and so we got to make our case with a beautiful view of the ocean and the Monterey Peninsula. She told us that she had invited people from the "Yes on Q" side but that they had declined because they hadn't received enough notice. I had hoped they would show up so that we could have a dry run before the November 11 debate. That they didn't have enough notice seemed strange to me at the time. Here was a side that I thought would outspend us 20 to 1 (and ended up outspending us 100 to 1) and that sent troops of people door to door and they didn't have spokesmen who could show up with only a few hours notice? I didn't wonder then – but I should have wondered – whether they had such a weak case that they just weren't prepared to contend. Their ad campaign on TV had started and it was pure scare tactics: they talked about how people would die if Natividad closed. But what they never tried to establish was that Natividad would close. Maybe, I wondered, they had little evidence to back up their claims.

Anyway, the interview went well, and we got to say, on the air, that people on the other side were stealing our signs and that Lawrence had contacted the Registrar of Voters and the District Attorney. Lawrence pointed out that it had to be people on the other side, rather than police or pranksters, because they always left the "Yes on Q" signs in place. At the show's end, Doug Moschetti, a KION morning talk show host who had been listening, invited me to call in to his show some morning if I wanted to discuss the issues further.

When the event ended, Lawrence and I made plans to meet on the morning of November 11 with the editorial board of the Monterey Herald. They wanted to have both sides present their case so that they could decide what position to recommend in an editorial. So on the morning of November 11, Ron Pasquinelli, Lawrence Samuels, and I showed up at the Monterey Herald building. On the other side was Maria Giurato, a Salinas City Council member. She looked familiar: I had seen her picture on the front page of the paper a day or two

earlier. She was a county welfare worker who was touting a plan to replace food stamps with cards that looked like credit cards in order to remove the "stigma" of being on welfare. The other two on her side were Dr. John Clark, a doctor at Natividad, and Mary Ann Leffel, a local banker who is also head of the Board of Trustees of Natividad. The questioners were Executive Editor Carolina Garcia and Managing Editor Laurel Shackelford.

The ground rules were that everything was on the record, that each side would get 5 minutes to present its case, and that the two editors would follow up with questions. One of our side's main criticisms was, as mentioned in my above letter to the editor, that the other side was claiming as temporary a tax that had no sunset clause. Carolina Garcia put the hard question to the other side: why is there no real sunset clause? Maria answered by laying out why they needed a revenue stream for 10 years. I started to point out that Maria hadn't answered the question, but Carolina held up her hand to stop me and asked Maria, "But why is there no sunset clause?" Carolina Garcia was clearly doing her job.

Then Maria replied, "Isn't it interesting how upset people get about taxes when they're going to help a heavily Latino population?" I found it odd that Maria would try to play the Latino race card with someone whose name was Carolina Garcia. I thought Carolina would ignore it and continue, but she backed off.

The tough question they asked us was, "What if you thought Natividad would close without a tax increase? Would you favor the tax increase?" It was the right tough question to ask. Interestingly, no one at the debate later that night, even though the audience was 90% against us, thought to ask it that clearly. But more on that later. I can't remember what Ron answered. But I have a policy that has rarely failed me. If someone asks the tough question and you think your honest

answer might turn them to the other side, answer it quickly and succinctly and then go on to lay out alternatives. You get points for being forthright and then they're more willing to listen to your alternatives. Lawrence seemed to have the same policy. He said he wouldn't support a tax increase because the government shouldn't be running a hospital and some private party would likely take it over and run it better. I answered that a tax increase is wrong because it takes people's money without their consent.

Outside the Herald building after the meeting, the six partisans stood around and chatted for a minute. Mary Ann Leffel invited me to join the Board of Advisers of Natividad. I got slightly interested. "How many hours a year would I have to spend?" I asked.

"We meet 5 or 6 mornings a month," she replied. My interest vanished. But I took another tack. In our conversation with the editors, Mary Ann had said that the mix of patients at Natividad was changing, that increasingly their patients, instead of being Latino farmworkers, were low-wage workers from retail outlets and other firms on the Monterey Peninsula that were no longer providing health insurance for their employees. I have a solution that would go a long way toward solving that, I said. Get rid of the state insurance regulations that are pricing employer-provided insurance out of reach for employers of low-wage workers. "See," said Mary Ann, "that's why we need you on the Board of Advisers. You'll come with ideas."

It didn't ring true. If I was being invited to help them strategize about dealing with Sacramento, maybe. But it looked like too indirect a way to get to where I wanted to go.

Late that afternoon, I drove to the debate with my friend Tom Lee. I had met Tom at a men's retreat in January 1991. Within 5 minutes of meeting him and seeing his independent mind at work, I predicted that we would be friends. I was right. I had asked Tom to go with me both for moral support and for physical support. The moral support part is obvious: the audience would likely be full of people who wanted the tax increase. In fact, by my estimate, going by "Yes on Q" buttons and by nasty derisive laughs, over 90% of the audience wanted the tax increase. But also, I had once spoken at a labor union strike rally in San

Francisco, on stage with a member of the Irish Republican Army and Dolores Huerta, a woman who was later to head Cesar Chavez's United Farm Workers union, and I knew how violent the rhetoric could get. If the rhetoric ever affected actions, I wanted protection. I wanted, frankly, to have a big man – Tom is six feet tall and I'm 5'5" – walk in with me.

When we arrived, Lawrence was already at a "No on Q" literature table with about four or five allies holding signs. But to get to them we had to walk by

about 50 or so people all carrying candles and many carrying signs saying "Yes on Q." I had expected the candles because a few days earlier I had received an e-mail from an antiwar group I've contributed money to, the Peace Coalition of Monterey County, urging people to show up with candles and support this tax. Tom and I entered the building where I met Mark Carbonero, a local radio personality, who would ask the questions after they had been vetted by the officials of the League of Women Voters. Carbonero was with the local radio station KION and so I expected that he would be an ally. He was. The forum was to be carried live on KION and would be heard by an audience that would be much more opposed to the tax than the people in the room. I knew I needed to remember that fact, no matter how nasty the audience got. If I knew I was talking to someone who actually cared to listen, then I could more easily handle hostility.

I gave him a quick bio and entered the room where the forum would be held. I saw five of my students there, which was heartening. It's always good to have allies in the audience. Our opponents were two doctors at Natividad named Mark Tunzi and Melissa Larsen. I decided to call them by their first names, a practice I usually follow with my own doctors. It's important to remind them, and the audience, that doctors are just as human and just as fallible as the rest of us. Lawrence came in slightly late. It turned out that one of the TV stations had wanted to interview him, but every time he tried to answer, many of the Yes on Q people shouted so that his answers could not be heard. So by the time they found a quiet area to do the interview, we were running late.

The ground rules were that a question would be addressed to either our side or the other side, a question written by someone in the audience or e-mailed. Given the composition of the audience, that meant that if the LWV chose randomly, about 90% of the questions would be hostile to us. The LWV could have seen

itself as the entity that made sure the questions were roughly 50/50. I'll leave you in suspense about what they did. Then each side had 2 minutes that it could allocate between its two members in any way it wanted. The other side then had 2 minutes to respond. Of course, that gave an advantage to the people who went second, and so the side that went first was alternated. But you can probably predict how each side adjusted to this rule. Early on, when our side had the last word on one of the questions, Melissa used her turn on the next question to answer that one but also to respond to what we had said in response to the

previous question. So the next time we were in the same situation, I told the audience that I would do what Melissa had done – both answer the current question and respond to the previous one.

Also, the audience was told, in no uncertain terms, that no one from the audience could ask questions except by writing them out. They were also told not to applaud, cheer, or boo. When that rule was announced, I looked at a libertarian/conservative political consultant in the audience whom I had met some months earlier, and he looked back at me and shook his head. I smiled back, thinking that he was probably thinking what I was thinking. People, especially liberals, complain about how apathetic Americans are about politics and about how little they go out and participate in forums. Then when they do go out, they're told they can't act like humans. Imagine how many people would go to a football game if they couldn't cheer or boo.

There is one thing, though, besides being willing to hold the debate, for which I give the League of Women Voters huge credit. They had two attractive ladies at the front, an older one with a stop watch and a younger one with a bunch of signs, who would hold them up at the appropriate times so that each side would stop on time. And both sides complied. This was refreshing. I've been on countless panels with others and we're all told in advance that we have x minutes to speak. I prepare my speech in advance and hone it to x minutes. Many of my fellow panelists, especially if they're academics, go as much as x plus 10 minutes. I've found this to be uncorrelated with their political views – libertarians are as bad as liberals. It was refreshing to have this equal allocation enforced.

The first question went to us. "How," asked the questioner, "would a free market work for medical care?" I whispered to Lawrence that I would take it. I pointed out that the United States had not had a free market in medical care for about 100 years and that, therefore, things would look much different than they do now. Insurance companies would not be regulated and, therefore, would offer insurance to those who wanted bare-bones coverage with high deductibles. Doctors would be free to enter contracts with patients that specified in advance the liability that they would take on and, therefore, huge malpractice premiums and expensive defensive medicine would be much less common. I've forgotten what else I said and what the other side said. I've forgotten a lot of the evening.

What I remember is that about the first three questions covered issues I had been prepared for and that I did most of the talking for our side.

I guess the audience noticed I'd done most of the talking too, because a woman about 5 rows back suddenly stood up and said, "How come we're just hearing from the hired gun from outside the area. I want to hear from the local guy on that side." My wife, Rena, was at home listening to it on the radio. When I got home that night she told me that she heard a short period of silence (the woman was not miked up) followed by a loud outraged "What?" from me. "No one hired me to come here," I answered, "and I've lived in this area for 19 years. I came here at my own expense and I could be at home enjoying the evening with my wife. And you're breaking the rules, lady. We on the panel are following them. I expect you to follow them too." I was glad it happened. The whole incident pumped me up and gave me energy, which I sorely needed because I had, mistakenly, decided not to eat dinner beforehand.

The major other audience reaction was laughter, sometimes at Lawrence and often at me, which got louder and longer as the evening progressed. This could easily have been predicted. Think about it. You're in the audience. You don't like what someone's saying. You're not allowed to boo him after he says it and you're not even allowed to applaud or cheer when the person on your side disagrees with him. So what do you? They can't realistically tell the audience not to laugh. So the audience laughs. And as more and more people figure out the game, they laugh louder and longer. I found this hard to take after a while; ridicule gets to me. But now that I've had the experience, I think I'll be stronger next time.

Charley Hooper, my friend and co-author of our forthcoming book, *Making Great Decisions in Business and Life*, gave me a different take when I told him the next morning how it had gone. "Laughter's a good sign," he said. "It's often people's first reaction to a new idea that contradicts what they believe."

"If that's so, Charley," I said, "we changed a lot of minds."

I still do think that much of the laughter was ridicule. But there was at least one moment when I think what Charley said applied. Someone had asked what the medical care situation would look like if Natividad were privatized, an option we were advocating. I said that you couldn't say what it would look like, just as

you can't say for sure what any industry will look like in a few years. I said that one of Friedrich Hayek's main contributions to economics was his insight that no central planner can plan an economy well because the information required to plan it exists in little bits in millions of minds and can't be integrated in one mind. That, I said, was why socialism failed so spectacularly. That's also, I said, why no one can predict how an industry will evolve. When I finished, the audience howled with laughter, but it didn't seem to be the ridiculing kind.

There were other great moments too. At one point, Melissa Larsen said that increasing the tax and giving the money to the hospital was "the compassionate thing to do." I responded, "No, it's not. It has nothing to do with compassion. If you gave your own money to the hospital, that would be compassionate. But taking other people's money without their consent is not compassion; it's coercion." When I said that, there seemed to be a one- or two-second silence. And no laughter followed. I think the silence happened for two reasons. First, probably 90% of the audience thought the tax increase was compassionate and I had given them something new to think about. Second, probably 90% of the audience thought their pro-tax side had the moral high ground and I had just come along and cut it out from underneath them. I had also prepared an answer to a question I had expected to come up, the question, "Don't people have a right to medical care?" I give the extended answer in my book, *The Joy of Freedom: An Economist's Odyssey*, and I had planned to draw on that answer. (The short answer is, "No.") But the question never came up. I'm wondering now if the reason is that the other side was afraid to raise it because Lawrence and I might take away their moral high ground there too.

The discussion went back and forth and the main things I remember are the highlights where we did well. Mark Tunzi, the doctor on the other side, stated that government had been involved in medical care for a long time. I agreed with him and pointed that the first major modern intervention in medical care was by Otto von Bismarck, who implemented socialized medicine so that he could keep the middle class dependent on the government. One other highlight was the question, "Isn't it true that the sales tax is a regressive tax?" That question was written by my friend Tom Lee. Melissa Larsen answered that it was not regressive because it would take more money from higher-income people. I responded that it absolutely is regressive. A regressive tax, I pointed out, is one

that takes a higher percentage of income from lower-income people. Sales taxes, gasoline taxes, and cigarette taxes, I pointed out, are all examples of regressive taxes. The reason is that lower-income people spend a greater percentage of their income on items subject to these taxes. If Melissa was claiming that higher-income people would pay more than lower-income people, I said, she was right. But higher-income people would pay a lower percent of their income than lower-income people.

There was one young, well-dressed Hispanic looking man near the front of the room, sitting with a very attractive lady. Whenever I speak, I like to look at the people I'm reaching and so I look for people who smile. It helps me focus and do my best to reach people. I quickly spotted him as a smiler, but also quickly figured out that he seemed to be smiling in a ridiculing way. After about the 3rd time, I was sure of it. The LWV had scheduled a 10-minute break a little over halfway through. During that break, I went up to the guy and said, "I'm really glad you're enjoying the things I'm saying." He held up his hand, opened his mouth, and said, "But . . .," and then stopped. I think he was about to say that he was smiling to ridicule me, but that his professional ethics (I think he was a doctor) got in the way of admitting that. After the break, I noticed that he and his lady friend were sitting far back in the room.

Next installment: The outcome of the campaign and how we knew it before anyone else did.

(This is the first of a three-part series.)

How To Stop a Tax Increase

(Part 2 of 3)

In my earlier piece on January 2, I told how I reluctantly became involved in the fight against a 1/2 cent increase in the local sales tax to fund Natividad, a badly

managed government hospital. Lawrence Samuels, the person who encouraged me to help him out, was my co-debater on a panel with Mark Tunzi and Melissa Larsen, two doctors from Natividad. This narrative picks up where the earlier one left off, telling of our November 11 debate at a forum packed heavily with supporters of Measure Q, the sales tax increase.

Over and over again, people asked versions of the question, "What happens to health care for uninsured people when Natividad closes?" Lawrence and I kept answering that we couldn't know that it would close and that if it did, it would probably turn into a private hospital. In retrospect, I think this question wore me down. What I should have done each time is answered the question completely and then each time gone on to raise another point against Measure Q so that questioners in the audience would see that there was a cost to their side from asking the question.

I wondered why the same question kept coming up again and again. I think I found out when we took a 10-minute break. A few people came up during the break and said that they had written out questions that were much more critical of the tax increase than the questions being asked. Two people told me that they had written out questions about how we could justify using taxpayer money to provide medical care for illegal aliens, a group that is thought, correctly or not, to be a big part of the reason Natividad keeps losing money. My friend Tom told me that he had asked how much doctors at Natividad are paid. What I should have done, next chance I got, was answer quickly whatever question was asked and use the remaining time to point that the illegal-alien question had been raised with me at the break and then give my answer. I think I normally would have thought of that. But I hadn't had dinner, and I'm the kind of person who doesn't do well without regular meals, and I didn't think of it.

I did think of something, however, that was almost as good. After about the sixth time the question, "What do you do about medical care for poor people when Natividad closes down?", I said:

We've answered that question about five times now and I'll answer it again quickly. It's unlikely to close; it's more likely to be privatized. I want to point out to the audience, though, that the League of Women Voters seems to be very selective in the kinds of questions they're letting through. I talked to people

during the break who told me they had written out questions that were more critical of Measure Q and that those questions haven't been asked.

After that, the ratio of critical questions to friendly questions seemed to switch from about 9 to 1 to 7 to 3. So maybe my method worked even better than raising the illegal alien question would have.

It's interesting how, when people get to a certain comfort level, some of their true beliefs emerge. Late in the debate, that happened with Melissa. She said that we should face the fact that free markets in medical care don't work and that we need ultimately to move to "single-payer health care" (the modern euphemism for socialized medicine.) I pointed out to the audience that Melissa had just lifted the veil a little and given us a peak. I said:

If that's the true agenda, then I can tell you it doesn't work. I'm from Canada and what we've learned is that socialized medicine doesn't mean that everyone gets medical care. It means that everyone is told they'll get medical care but they have to line up to get it. Canada's socialized medicine is really a form of price controls, with the price of every hospital stay and every doctor visit set at zero. As a result, no patient takes account of cost when choosing whether to get medical care. Doctors and hospitals are paid, of course, but the pay is set by government. The result is a perpetual shortage. Canada's socialized medicine is popular with most Canadians because most Canadians are healthy. But talk to people who have had serious medical problems and you get a very different picture.

I told of months-long waits between diagnosis and surgery. I also told the story, that I tell in my *The Joy of Freedom*, about the people in one southern Ontario town who had to wait 3 months to get a CT scan while people could get their dogs scanned within 24 hours of making an appointment. People were not allowed to pay for scans, I explained, because the Canadian government "cared" so much about people. But because the government didn't "care" about dogs, their owners were able to pay \$300 to get them in.

At about 7:30 p.m., about 3/4 of the way through this 2-hour event, I felt my mental and physical energy nosedive. I was hungry and no longer able to think as quickly as I usually do. So I stalled by asking them to repeat questions – and I deferred more and more to Lawrence, whose energy seemed boundless. One

particularly important thing I remember him saying was in response to a question from the audience about what the money would be used for if Measure Q passed. The two pro-tax doctors said that they didn't know, that when the Measure passed, they would have to sit down and figure it out. Lawrence jumped on that point like an ant on honey. "You've been accusing us of not knowing what will happen if the Measure fails and now you admit that you don't know what will happen if the Measure passes," he said.

In retrospect, I think we made four main mistakes. First, it was obvious to Lawrence and me, both from the way most people in the 200+ audience seemed to know each other and from the high percentage of the audience wearing "Yes on Q" buttons, that 80+ percent of the audience were either hospital employees or families of hospital employees. But that wouldn't have been at all obvious to a radio audience. We should have pointed that out, and not just once but two or three times. Second, a related point is that we should have pointed out how well-funded the other side was and pointed out why: they were a special interest with jobs and pay directly at stake, whereas we represented the general interest of the taxpayer. Moreover, the two doctors on the other side were leading members of the special-interest group. Third, we should have used the term "tax increase" whenever mentioning Measure Q and, in fact, we should have used the term "permanent tax increase." Fourth, we should have done more research, although, with our budget, that was hard to do. Specifically, though, we should have checked public documents to find out the salaries of the two doctors on the other side. I suspect that their salaries exceed mine and I'm positive they vastly exceed the salaries of over 80 percent of the voters, and that fact would have been nice to know and might have useful at some point in the debate.

After the event ended, a woman from a Spanish-language TV channel interviewed me, asking me what I think should happen if Measure Q failed and Natividad closed. I looked at her annoyed and explained that we had no basis for claiming that Natividad would close if Measure Q failed.

That evening, after dropping off my friend Tom Lee, I got on the freeway and drove home at 80 miles per hour in a 65 mph zone, while playing rock music loud on my car stereo. I had a delicious feeling of freedom: whatever the outcome of the vote, I could still drive fast as long as I had my radar detector and I could still listen to the music I want. I was reminded of May 21, 1979, when I

testified against a revival of the draft in front of U.S. Senator Sam Nunn of the Senate Armed Services Committee. After Tom Palmer, now of the Cato Institute, and I had both testified, we were walking outside in the beautiful late springtime in Washington, and Tom said, "It's proposals like this [Nunn wanted to bring back the draft] that remind me how much freedom we still have."

The late evening news showed pictures of the forum and one of the stations had an interview with both sides, with Lawrence Samuels representing our side. Until that point, our side had not been heard from. But the news played it as, "Controversy rages about Measure Q, the sales tax increase for Natividad." Later, Lawrence pointed out that this headline was a tremendous achievement in itself. If people always just see one side, he pointed out, many won't even think to question it but will go along with it. But if they hear that there's controversy, many will want to know more and will pay attention to both sides.

The next Sunday morning, November 16, I went outside to get my morning Monterey Herald, and noticed a huge front-page story, "Natividad's Shot at Recovery Unclear." The subtitle was, "Troubled Hospital Looks to Measure Q to Nurse it Back to Health." "Oh, no," I groaned. I was sure this article would lay out how important Natividad was and how it was absolutely vital that it get the new tax revenue.

Then I read the article. It turned out to be a straight news story that gave the history of Natividad back to 1953, pointing out that it had always been badly managed and had always been a huge drain on the county government. Later, when a reporter from the Herald asked us on election night what were the most

important factors in our victory, Lawrence and I answered that one of the most important was the Herald's exposé of Natividad. I have to remember this when I give Lawrence and others and me credit for defeating the tax. Without that Herald exposé, who knows how the vote might have gone. That gives me some hope, because journalists looking for material on government boondoggles can find it and make a difference. But it also gives me fear, because what if Alex Friedrich, the author of the story, had decided not to do such thorough research?

From that day until the December 2 election, I tracked the letters in the Salinas Californian and the Monterey Herald, and noticed that the letters were running

roughly 60/40 in favor of Measure Q. Given that the ratio of signs was roughly 4 to 1, that all of the TV and radio advertising was pro-Q, and that the Measure Q was budgeting over \$400,000 for the campaign while the various small groups on our side spent about \$4,000, all of it for signs, I found this heartening. Also heartening was that almost none of the names of the letter writers was familiar to me and that many of them were making the arguments we had made in our debate and in our letters. I'll never be able to verify this, but I feel in my bones that Lawrence's and my outspoken, unapologetic case against the tax increase was making it safer for non-activists to write letters critical of the tax.

One other device we used effectively was talk radio. During the next few weeks, I called Doug Moschetti's morning talk show a number of times when I had some new thought about Measure Q or when I wanted to respond to the arguments of the pro-taxers.

During the debate, I noticed that the other side had quit claiming that the tax was temporary, even though the campaign leaflet I had been handed at a local store had stated that "fact" in a prominent place on the flyer. That told me that we had been effective; they would no longer be making that claim. But once you have that kind of victory, there's a temptation to go on to other issues because that one is resolved. That does make sense in an academic seminar; it makes no sense in a political debate. Once you've won an important point (and if it isn't important, there's no sense in trying to win it), then you remind people of that fact. You do this for two reasons. First, people who had mistakenly accepted the other side's view might still accept it if they're not told the truth and, if no one is talking about it, they're not being told the whole truth. You can't assume that voters are following the issues as closely as you are. Second, it undercuts the credibility of the other side. "They misled us about this," voters might say to themselves, "so I wonder what else they're misleading us on." So I called Doug Moschetti's show at 7:30 a.m., which I judged to be close to peak driving time, and pointed out that, by their silence, the pro-tax side was admitting our point. And, just to drive it home, I pointed out that there was no automatic end to the tax after 10 years.

The other claim in the flyer that I went after was the statement by a paramedic who was an official in a local union that, "Measure Q has some of the strictest watchdog requirements ever established." I quoted his statement, making sure I referred to him as a union official and not as a paramedic, and then pointed out

to the radio audience that I had read through the whole Measure and had found no meaningful watchdog requirements. Measure Q would have set up an 18-member advisory board, but the board had no power.

Finally, I had noticed that the pro-tax people had used, over and over, the following line: "It's only 5 cents a day for the average person." I told Moschetti how much the pro-tax side was using the "only 5 cents a day" argument. Then I said:

A standard problem in ethics classes is the following. You're a hotshot software engineer at a big bank. You figure out how to take a penny from the bank account of each of one million people. If you do so, you'll be \$10,000 better off and they won't notice. Assume you can do it so that it won't even mess up their bookkeeping. Do you?

"No," said Moschetti adamantly.

"Exactly," I said, "and I would bet that the vast majority of your listeners would answer no. So what's the difference in principle between an individual stealing a penny from each of one million people and the government taking 5 cents a day from each of 400,000 people?"

I noticed that every morning during that campaign, my newspaper reading style differed from before the campaign. Instead of going through the newspaper in a leisurely way, I would check for stories about Measure Q and Natividad and then turn to the letters section to see who was saying what. At about 6:30 one morning, I read a letter from a couple who claimed that opponents of Measure Q were modern-day Scrooges. I pictured 10,000 to 20,000 people reading this letter and finding it convincing. I could imagine some of them saying, "Well, after all, the holiday season is approaching. I should be generous and vote for Measure Q." So I called up Doug Moschetti at KION and arranged to get on at about 7:30 a.m.

On the air, I quoted the couple's letter and then pointed out that they missed the point of Charles Dickens's *A Christmas Carol*. In laying this out, I drew on a theme in my book, *The Joy of Freedom*:

Think about what happens when Scrooge wakes up after his horrible nightmare and realizes that he doesn't like the way he has been. Does he say, "Oh, boy, now I can vote for tax increases to help others?" No, he actually decides to give his own money. Or think about when he goes to the window and yells out to the little boy on the street to go to the butcher shop and buy a turkey for the Cratchits. Does he say, "Oh, and collect a tax from everyone on the street to pay for it?" Of course not. He realizes that he can change and that the way to be generous is to use his own money, not to vote to take other people's money.

What we had here in this campaign was an informal "Rapid Response" strategy similar to the one Clinton's campaign used in 1992. In virtually every community, there were people who had volunteered to call in to talk shows when they heard the talk going against Clinton, and then balancing the scales with their pro-Clinton comments. What I was doing was seeing what I thought would be the most compelling arguments on the other side, quickly formulating my response, and then going on radio and presenting it. I could imagine 1,000 or so people who read the Herald letter and found it compelling then hearing my comment within an hour and then many of them finding the Herald letter much less persuasive.

One day during the campaign, I received a call from Laurel Shackleford, the earlier-mentioned Managing Editor of the Herald. She asked me if I knew where the Measure Q proponents' estimate of \$22 a year for the average person had come from. She had tried to find out and no one had been able to give her the source or the methodology for the estimate. I told her that I hadn't either, but that my estimate was substantially higher. First, we could probably take their \$25 million estimate as being relatively reliable because presumably it was based on good estimates of what the existing sales tax was bringing in and a further half-percent increase was unlikely to cause a large decline in sales. One nurse who wrote a letter to the Herald cited an estimate that 40% of the revenue would be paid by tourists, leaving \$15 million to be paid by residents. The recent Census data I had checked showed that there were about 407,000 residents in Monterey County. So, dividing \$15 million by 407,000, the average resident would pay about \$37 a year, not \$22. A few days later, the Herald's editorial on Measure Q appeared. It cited my \$37 estimate and, even better, didn't name me. That way, it sounded authoritative in a way that it wouldn't have if it had named an

opponent of Measure Q as the source. After laying out all the problems with the sales tax increase – its lack of a sunset clause, the sorry history of mismanagement, the lack of accountability – the editorial concluded that these problems could be fixed (How? Blankout, as Ayn Rand used to say) and went on to advocate a Yes vote.

In retrospect, our trip to the Herald earlier that month seemed to have been ineffective. But now I'm not so sure. It was probably the fact that we hammered on mismanagement and phony sunset clauses that caused the Herald's editors to cite those facts so centrally in their editorial. And it might even have been because of our emphasis on mismanagement that they chose to run a 3-part series on the Natividad mess. I've come to think of editors of newspapers as politicians. They want to give a little something to everyone. The editors probably knew that a substantial majority of their readers would be pro-Q and they wanted to throw a bone to them by advocating Q. But they also wanted to satisfy a vocal minority and, probably more important to them, carry out the traditional function of a newspaper by reporting important and relevant facts. Thus the facts they cited in their editorial and their decision to run a few stories laying out Natividad's history.

When I had first joined the campaign, I had wondered what, if any, response I would get from my colleagues at the Naval Postgraduate School and from people generally in the community. A number of my colleagues have commented in the past, generally favorably, when I have an article in Fortune or the Wall Street Journal. But local politics is different for two reasons. First, a much higher percent of my colleagues and of my neighbors read or listen to local media than read Fortune or the Wall Street Journal. Second, local issues tend to generate more passion, I think because people feel more in control of local issues and feel hopeless about their ability to control national issues. I'm known somewhat in my town of Pacific Grove for my 10 years of coaching young girls in basketball, which began when my daughter started in 3rd grade and continued long past her participation because I enjoyed it so much. But, other than that, I'm somewhat anonymous in my community. So would people's attitudes to me change?, I wondered.

I'm happy to report that they did. I noticed it first at a Navy school retirement party for a colleague. I went up to say hi to a senior economist colleague, one

whom I've always liked and respected as an economist, but who, partly because he's in a different department, I have not talked to at length for more than a decade. "I want to thank you for all you're doing for us taxpayers. You're performing a real public service," he said.

I beamed and decided to say something that a fellow economist would appreciate. "You're welcome. I've calculated how much money I've spent on this campaign and estimated the value of time I've put into it, and I've already put into it more than the present value of the amount I'll pay in this tax over my lifetime." We both chuckled.

A few minutes later, I approached a senior colleague from the Math department who said approximately the same thing. Although I'm guessing that I have colleagues who disapprove, they were lying low. After the campaign ended, one junior economist colleague in another department e-mailed me his congratulations and said that he thought we should have emphasized the regressive nature of the tax and, therefore, the fact that the tax would have added to the very poverty that the revenues were supposed to solve one of the effects of. I replied that he was right, but that, with a limited budget, we could do only so much. I suggested, though, that for the next sales tax fight, he write such a letter to the paper.

In the community generally, I received an even more positive response. I ran into people in my everyday life who volunteered to me that they liked what I was doing and thanked me for it. After the campaign ended, a number of people

volunteered that they and their spouse had voted "No." One woman who had a daughter attending the same high school as my daughter wrote me a nice note thanking me and when I called her to acknowledge her note, we talked for half an hour. When I called a neighbor about a completely unrelated matter, she told me she had voted No and that she had been an employee at Natividad for 20 years and it was so badly run that it was beyond hope. So one of the most positive unintended consequences was that I felt like more a member of my community and more like a respected community leader.

I also learned a lot about local politics that I hadn't thought about, but that, after I learned it, made total sense. One specific lesson stands out. I had lunch one day

with a group of people, including a prominent local Republican who was a big fan of my book, *The Joy of Freedom*. He thanked me for all my efforts. I accepted his thanks and asked him, "Where are the Republicans on this? How come you guys haven't come out against Measure Q? And how come none of you have contributed any money to our campaign?"

His answer was blunt. "Look at the list of supporters of Q," he said, "and you'll see almost every prominent local politician. Once the local politicians line up almost unanimously on one side, you can't oppose them publicly if you're in a business in which you depend on local government approval to operate your business." I knew he was in such a business, and if I named it, people in my area could quickly figure out the name of the person I was talking to, which is why I won't name his business. But the conversation reinforced my view, that I got when I testified in front of the FDA in 1995 and saw how deferential drug company testifiers were compared to how undeferential I was, that many people in this country no longer have freedom of speech because government officials can use their discretionary power to punish them for saying things the officials disapprove of. In fact, I later heard that one prominent local person who is almost a libertarian actually gave a large sum to the Yes on Q campaign because he wanted local government approval of a big project.

During the campaign, Lawrence also lined me up to be in a discussion with Mary Ann Leffel, the earlier-mentioned person on the other side, on the local public radio station. The discussion was to be taped and condensed, which is not ideal, because the producer can cut the parts that make one side look good and the

other side look bad. Still, it made sense to take advantage of this free publicity. Even if, in the worst case, the editing turned out to be totally biased against our side, we would still get radio time in which people heard someone sensible criticizing the tax increase. As it turns out, the editing was done quite fairly.

Not so the initial question asked of me, though. The questioner first asked Mary Ann her basic case for Measure Q. A fair questioner would have then asked me my case against Q. But instead, because Mary Ann had claimed that without the tax increase, Natividad would probably shut down, the questioner followed up by asking me what would happen if Natividad shut down. I answered that she had no basis for believing it would and that if it did shut down as a government

hospital, it would probably emerge as a private one. Then, in little bits throughout the 30-minute taping, I circled back to make the case that he should have allowed me to make up front in response to a question.

I've done a fair amount of talk radio over the years, and the main reason, I think, that it takes so much energy is that I'm constantly having to be vigilant to make sure that I get across what I came to say, while still being responsive to the questioner. That takes a lot of mental juggling. And although I needed to go to work after the interview, I felt like going home for a nap.

The best point I made was when Mary Ann admitted many of the management failures at Natividad and then pointed out that in the last year, they had cleaned up many of them: they had improved their billing procedures, for example, and had instituted co-pays for everyone who came to the hospital. I replied:

That's tremendous news and, to the extent you were responsible for those measures, Mary Ann, you deserve a lot of credit. But I guarantee that if you had had this tax increase two years ago, with a new \$25-million revenue stream coming from it, you never would have instituted these efficiency measures. The way we're going to see more positive reform at Natividad is if Natividad doesn't get rewarded for past failures.

My second-best point came after I made what had become my standard statement that the tax increase was permanent. I didn't expect Mary Ann to challenge it, but she did. She replied, "If Measure Q passes, you can bet that I'll be watching closely to make sure the money is spent well. And if I see that it's not, I'll be going to the Board of Supervisors meetings in nine and a half years and making my views known."

This seemed like a weak argument to me. I replied, "I have no reason to doubt your integrity and from what I've seen, you seem like a person of integrity. But I think you're overstating your power. You can't control the Board of Supervisors. They'll do what they want to do. And the hospital will get so used to that revenue stream that I guarantee that 10 years from now, the Board of Supervisors will think it vital."

Throughout the campaign, day after day, letters on both sides poured in to the two major daily newspapers, the Monterey Herald and the Salinas Californian. And day after day, Lawrence Samuels made sure that the signs that were stolen one day were replaced that evening.

Around the time of the November 11 debate, I made a bet with Lawrence. I bet that we would get 38% of the vote and he bet 40%. On December 2, the evening of which the vote count would be announced, I realized that I had emotionally invested myself in a positive outcome. I confessed to a friend that if the tax increase passed, I would have a tough evening. Yes, I would bounce back the next day, but, still, I badly wanted to win. We decided to have a "victory" party at Tom Lee's house in Seaside and Lawrence invited the press. That morning, I read Lawrence quoted in the paper that we would be having a party at a private home and celebrating with champagne and pizza. I called Lawrence up and said, only half-jokingly, "Lawrence, if you're going to be a regular activist, then you need to spend at least half an hour at the David Henderson school of political rhetoric. We aren't having a party at a private home; we're having a party at a private home in Seaside [Seaside is the lowest-income part of the Monterey Peninsula]. Otherwise, people will think Pebble Beach. And we aren't having champagne and pizza; we're having beer and pizza."

That night, when I got to the party, a local TV reporter was already there. I could tell by the 30-foot tall mast on the truck outside and all the wires leading from the truck to Tom's house. The whole event made me realize what friends who've studied TV news have been telling me for some time: how staged the whole thing often is. Rather than wait around until the results were in, they wanted to have one clip to use if we won and one clip to use if we lost. So that's what they did. Imagine you've just won and now tell me how you feel and why you won; imagine that you've lost and now tell me how you feel and why you lost.

That TV newscaster left and then the party started. Most of the 10 or so people there were small "I" or big "L" libertarians (I'm a small "I" libertarian who's registered Republican) and we had pizza, beer, soda, champagne, and salad as we talked about political ideas, our lives, the campaign, everything. At 8:10, ten minutes after the polls closed, a Libertarian friend in Salinas who was closely tracking the count in the Salinas voter registrar's office, called and said that of the 66,000 votes counted so far (virtually all the votes that had been mailed in up to

the day before), about 62% were Yes votes. I pulled out a scrap of paper and did some quick calculations. A minute later, I announced to room of about 10 people that we had won.

"Why are you so sure?," asked the host, Tom Lee. I started to show him my math and then decided that it would be more fun and more illuminating to show it to everyone. So he got an easel, a big pad, and a black marker from his closet and I laid it out:

Let x be the number of additional Yes votes they need and assume, highly unrealistically, that they have engaged in such massive fraud that all votes yet to be counted are Yes votes. Then let's solve for x .

We know that 66,000 votes have been counted and approximately 40,900 of them (62%) are Yes.

For Measure Q to win, $40,900 + x$ all divided by $66,000 + x$ must exceed 66.6%. Solving, x must exceed 9,000. And, realistically, even the most massive fraud can't cause more than 90% of the uncounted votes to be Yes votes and so x must really exceed 10,000. And, preliminary indications are that there are fewer than 8,000 votes to be counted.

Shortly after, Larry Parsons, the reporter for the Salinas Californian, whom I had come to respect for his even-handed reporting, called and asked if we were ready to declare a victory. We absolutely are, I said, and I told him my reasoning.

"Sitting here in our newsroom, we came up with a number like 10,000 too," he said.

Around that time, a reporter for the Herald, Jonathan Segal, showed up. I asked Jonathan where he was from and we talked briefly about the bizarre politics in my town, Pacific Grove, that were part of what he covered. I've always found it useful to be nice to reporters and to ask them about their background; you probably get marginally better coverage and marginally better respect. I confess, though, that the main reason I'm friendly with reporters is the same as the reason I'm friendly with cops, people in stores, soldiers checking my ID, TSA employees going through my bag when I travel, people I walk by on the sidewalk, and people generally. It's that I like the vast majority of people I run into and, for me,

connecting with people in this way is a huge part of the pleasure I get in life. Let's face it: no one's paying us to be activists and so we'd better look for the sources of enjoyment in it that we can find.

Lawrence broke out the champagne and I passed around copies of the old cadre-building, fun campfire song, "Vive le compagnie." Tom Lee and I have led this at various events; my previous most-fun time I led it was at a lecture I gave at a Cato Institute summer seminar in San Diego last summer, when 100 people sang it out. As we sang, I invited Jonathan to join in, and, of course, he didn't because he probably felt the need to maintain his distance as a reporter. Sure enough, in the Herald the next day, he reported our song – and the champagne.

A little later, Ann McGrath, an attractive reporter from the local NBC affiliate, showed up and, because Lawrence was busy on the phone with a print reporter, he asked me to handle the interview. Ann was covering it as a horse race rather than as a campaign of ideas, which, I have found, is common among reporters. So she asked me, before we went on camera, whether we had won. I told her we had and explained my reasoning, pointing to the pad on the easel. Her cameraman loved it and started doing close-ups of the calculations. She told me that on the way over, they were doing the math mentally and that, by adding increments of 1,000 votes at a time and calculating each time, they had come up with my 9,000 to 10,000 result. Sharp lady, I thought to myself. So I went on camera and said that we had won and that the reason was that even if all of the remaining votes were Yes votes, there would have to be almost 10,000 of them and we didn't think there were that many yet to be counted.

I had promised my daughter to be home by around 9:00 p.m. – it was her birthday the next day – and so about 9:15, I left. I gave a ride to Tory Schwenk, one of the young activists in the campaign, and on the way he told me about his sign-placing strategy. He had gone out late at night every night to replace the signs that had been stolen that day. "Let's say I had put up 6 signs in one place one night," he said, "and the next day all 6 were gone. The next night I would put up 7 in that place. I wanted the other side to feel the futility of it and to say to themselves, 'Gee, the other side must be organized.'" When he told me that story, I flashed to my favorite line from the movie, *Butch Cassidy and the Sundance Kid*, when Butch and Sundance are chased day and night by some nameless guys

who never lose their trail and, when they realize that, they say, in awe, "Who are those guys?"

That night, KCBA, the local FOX affiliate, led the 10:00 p.m. news with the story that the election was too close to call. "That'll teach them to tape the interviews rather than do them live," I chortled to myself, "Wait until they get scooped by KSBW." Sure enough, at 11:00, KSBW, the local NBC affiliate, led the news with an interview of me explaining that we had won, with my trusty calculations in the background, and then Ann McGrath on camera basically making my point in her own words. I must confess that laying those calculations out for the people at the party and for Ann McGrath were, for me, the most pleasurable part of the campaign. What can I say? I'm a teacher at heart.

Then came one of the most shocking things I've seen in local politics. One of the members of the Board of Supervisors vowed that, despite the failure of Measure Q, Natividad would not close. "What?", my wife screamed involuntarily. Throughout the whole campaign, the proponents' main argument was that without the new tax revenue, the hospital would close. Yet here they were – all the Board of Supervisors had supported the tax increase – saying, less than two hours after losing, that it wouldn't. The whole campaign had been built on a lie.

At 7:00 o'clock the next morning, the phone woke me up. It was Mark Carbonero of KION radio. He wanted to set up an interview for 7:15. So I called back and we reviewed why the tax increase had been defeated. I then quoted what the supervisor had said the night before and commented, "I'm used to people admitting that they lied during a campaign. I'm not used to people admitting it less than two hours after they found out they lost."

Then I went out the front door and got the newspaper. The headline blared: MEASURE Q FAILS

The numbers given were 40,436 Yes votes (61.3%), 25,455 No votes, and about 7,000 ballots yet to be counted.

Interestingly, though, the front-page picture was of the losers at their party. The picture of the winners (our small band of brothers and sisters) was relegated to the back of the newspaper. It was like reading that Clinton had won reelection in

1996 and seeing Bob Dole's picture on the front page and Clinton's on the back. No matter. We won.

(Next time: We learn some important facts left out by the pro-tax people, we ally with a new antitax person, and I consider what I learned about activism that will guide me in future political action.)

(This is the second of a three-part series.)

Lessons Learned From Our Successful Fight Against a Tax Increase

(Part 3 of 3)

In the previous two articles, on January 2 and January 9, I told how a small group of libertarians and anti-tax-increase people successfully fought off a sales tax increase proposed by a much bigger group that spent more than 100 times what we spent. I ended with the Wednesday morning after our electoral victory. The narrative begins with the next day.

On Thursday afternoon, I got a call from Lawrence Samuels who had just heard that the Board of Supervisors would hold an emergency meeting the next day to discuss putting a 1/4-cent sales tax increase, with a 5-year sunset clause, on the ballot in March. This time, the people proposing the tax were the local Farm Bureau, which had been our allies against Measure Q. I had had fun in this campaign, but I had hoped I would be out of that business for a while; I was not looking forward to a new one. But we had come this far; it made sense to go over there and make clear that we would oppose them again. So Lawrence and I put together a handout, based on materials we found on the Reason Foundation web site, explaining why privatization was probably a better option for Natividad. Lawrence emphasized to me that the Supervisors would be totally uninterested

in privatization. He had gone to their June meeting, when they were discussing whether to put a tax increase on the ballot, and Lawrence had offered to get the Reason Foundation to come up and give a free consultation about whether and how to privatize. They didn't respond to his offer. Lawrence figured they would still have zero interest, but, he said, the main reason to bring the materials is that you can hand them to reporters and you can also show your good faith in coming up with ideas. One of the standard criticisms the pro-tax people made is that we had no ideas about how to solve Natividad's problems without a tax increase. So we would immediately suggest privatization, which satisfied none of them, but, from feedback I received in the community, did satisfy many people who were on the fence.

On the way to the Supervisors meeting the next day, Lawrence told me that a reporter had asked him how he felt about our allies, the Farm Bureau, switching sides. "Wouldn't it be harder to beat the next tax?," the reporter had asked. Lawrence had answered, "Even though the Farm Bureau was with us, they refused to spend any money on the campaign. We won it without them last time and we'll fight it without them this time." At the meeting I saw a number of the pro-tax people. A few of them told us that they were against the 1/4-cent increase because it wasn't enough. This seemed strange to me; I was always taught that half a loaf is better than no bread at all. In fact, it seemed so strange that I thought they were lying. I said to one of the anti-tax people, "They're just playing Brer Rabbit saying 'Don't throw me into the briar patch.' They'll be in favor of this."

Then the meeting opened and the Supervisors discussed the issue. One of the most articulate was Supervisor Dave Potter, who argued against putting the tax increase on the March ballot. His reasons were interesting, though. The proponents of a tax increase would have "too little time to raise funds and make connections with people," he argued. Another supervisor, Lou Calcagno, argued that they should not decide the issue without hearing testimony from the public because then the public would think that they weren't being listened to. I interpreted this to mean that he believed the Supervisors should at least appear to be listening. Potter also stated (I'm going from my notes now), "We need to do this as a community," "we need to discuss this more," and "we've created an

incredible discussion." When he said those things, Lawrence whispered, "He's running for reelection in March."

After some back and forth among the Supervisors, Potter suggested that they open it up for public comment. He said they wanted to hear from the Natividad people, from the pro-Measure Q people, and from the Farm Bureau of Monterey County (the organization that had come up with the 1/4-cent proposal). I whispered to Lawrence, "Do you notice what group he conspicuously left out?" Then he asked for a show of hands from people who wanted to speak. Lawrence and I thrust our hands into the air, and Potter, to his credit, caught himself and apologized for leaving out "Mr. Samuelson" and the No on Q people.

Lawrence and I were second to speak. Lawrence stated that now was the time to talk seriously about privatizing Natividad and cited some success stories we had read about on the Reason Foundation's web site. He pointed out also that Natividad had had these problems for 50 years and that just giving them more tax revenue would be a way to avoid a real solution. He castigated them for not having put out a Request for Proposals for privatization. Then he turned to me and said, "Doctor."

I took my turn. I expressed my disappointment that the most creativity the Supervisors seemed able to muster was to come up with a smaller sales tax rather than considering other alternatives that would change the incentives at Natividad, alternatives such as privatizing. I agreed with Supervisor Potter that we had had a good discussion. I didn't say, but I should have, that the discussion was totally due to us. I did point out, though, how shocked I was to see one of the Supervisors saying that Natividad would not close without the tax increase. "If he knew that then," I said, looking at him and the other Supervisors, "where was he and where were the other Supervisors during this campaign?"

When I talk, I like to look at the people I'm talking to. But they were all looking down or looking away and, it appeared to me, they were feeling shame. So instead I looked out at the crowd, most of whom were pro-Q but many of whom were willing to look at me. I continued. "For over a month, the proponents of Measure Q ran a campaign based solely on the idea that without this tax increase, Natividad would close. Why didn't any of the Supervisors come forward and say that this was false? If the best you can do with Measure R is

come up with a smaller tax increase, then I guarantee that I'll be a vocal opponent of Measure R."

Then various other people got up to speak. Most were Measure Q supporters, but all of the Measure Q supporters were opponents of the 1/4-cent tax increase. I was stunned. They weren't playing Brer Rabbit after all. But their explanations were interesting. One, a Latino politician named Sergio Sanchez who heads the Salinas Valley Latino Coalition, said that putting a 1/2-cent increase on the ballot in June would be a better idea because then many of the migrant farm workers would be back in town. I made a mental note, "Maybe we should try making our case to some of the Latinos of East Salinas too. After all, only 75% of them voted Yes. What if we could get that down to 70%?"

Mary Ann Leffel, the Measure Q supporter mentioned earlier, said that given that 62% of the people had voted for Q, it was a community effort." I wondered how this woman whom I had gotten to like could implicitly define 38% of the people as not being part of the community.

The speech that moved me the most was from a female truck driver named Jackie Murray who explained that she was having trouble breathing because she had never got up in front of such a body before. She said she was taxed to the hilt and that she still manages to pay her own health insurance and resents being forced to pay for other people's.

I admired this woman and wanted to show it. So when she finished and sat on one of the chairs on the side of the room, I went over and sat beside her and introduced myself. I wanted to get to know her so that I could have an ally in future battles; I also wanted to tell her a bit about how government makes her health insurance more expensive.

Jackie had on her work clothes and I was wearing a nice suit. I wanted the crowd to notice me sitting beside her completely comfortable with her, with my arm touching hers, and having an animated discussion. That's what I would have done anyway, even if no one had been around. But I wanted to do so in sight of the whole room because I wanted them to see that we weren't a bunch of country-club Republicans who would stick to ourselves but that we would organize and ally with everyone who agreed with us. I wanted our political

opponents to see this so that they would feel threatened and might actually try to deal with us before trying the next tax increase. I wanted our political allies to see how you connect with people who are not in your socioeconomic class. When I looked at the crowd, about 70% or more of the eyes were on Jackie and me. Shortly after, Jackie and I went outside where her husband was taking care of their young daughter and I heard him, another working-class guy, vent about the welfare state. When I told him that one of the women in the room, Maria Giurato, had recently been in the newspaper proudly displaying a card that would help remove the "stigma" of food stamps, he hit the roof. I decided that I liked this guy.

After seeing all the arguments people were making against the 1/4-cent tax increase for the wrong reason, I whispered to Lawrence that we had made a key strategic mistake. I should have spoken well after him, I said, because one of the things I'm good at is responding quickly to other people's ideas and I could have taken apart a lot of what was being said. Lawrence replied that his sole purpose in having us go to the microphone together was so that, when he finished, he could turn to me and say, "Doctor." That one word, he said, was worth giving up the chance to comment on the other presentations.

One pro-Q speaker, Chuck Jervis, interim CEO of Natividad, admitted that a sales tax is regressive but said that it should be because a large percent of the patients of Natividad was low-income. Good point, I thought, but what about Jackie Murray and people like her? What about all the low-income people who pay for their own insurance and then pay through the sales tax also? The problem with Jervis's way of thinking is that he thinks of people as part of groups, rather than as individuals.

The last speaker of the day was Lou Solton, the Monterey County Tax Assessor. I had just sent him a check for almost \$1,500, my semi-annual property tax payment. One of the Supervisors introduced him as an independent voice. "How is he independent?," whispered Lawrence. Good question, I thought to myself, and I suddenly pictured him cashing my check and absconding. Then I realized that that the Supervisor was just lying, and I relaxed. Then Solton told a truth. He stated that the reason to have a 1/2-cent tax increase rather than a 1/4-cent tax increase was that the federal government, in response to new funds coming to Natividad, would cut its subsidy to Natividad by millions of dollars a year,

leaving little net revenue from a 1/4-cent tax increase. "That would have been nice to know during the campaign from this 'independent' voice," I said to myself. One thing I promised myself, though, was that if they try again, I will make sure I call Solton and ask him how much of any future tax increase the local area gets to keep.

At the end of the meeting, The Supervisors got to speak again. At that point, no one in the audience is allowed to talk and so they can say anything they want, misrepresent people in any way they want, and you can't fight back. Dave Potter took advantage of this. He alluded to my alleged statement that I would oppose Measure R no matter what its content and said that I had gotten carried a way to make a debating point. Of course, he quoted me wrong. I had said that if Measure R were to be a sales tax increase, I would fight it. No biggie. The Supervisors voted unanimously not to put a tax increase on the ballot. I sighed with relief. I really wanted to get back to my Encyclopedia and my other work and to goofing off more in the evening and early morning.

One other nice result of the meeting was my interaction with two of the Natividad doctors, both of whom had been hostile during the debate. One of them was Pedro Moreno, who stood up in his 3 minutes and said that although he had come prepared to fight (and then turned and looked at Lawrence and me), he no longer wanted to fight and, instead, wanted to figure out how he could go on providing health care and still not upset the equally passionately held values of people on our side. One of the things I liked most about him, besides his plea that obviously came from his heart, was that he was the only person on that side of the debate who stated openly his belief that people on my side had values. Afterward, when I was standing outside the Supervisors' chamber, I caught his eye and smiled. He smiled back and walked over. We made small, but real, talk. He had mentioned his children and so I asked him their ages and he asked me my daughter's age. He had a thick accent and I asked him what country he came from. He answered "Portugal" and went on to say that health care is a right where he comes from and that it's hard to adjust to the way it's thought of in America. I decided that this was not the time to make it harder for him and so I just nodded my head in understanding. What made this whole interaction all the better is that Pedro had made a nasty comment to me during the November 11 debate. When I had said I could instead be at home with my

wife, he had said, "Then why don't you go home now?" But I understood. He saw his job and, more important, his way of thinking, at risk, and he did what most people do—he reacted negatively. Then, with time to think, he reached out.

The other doctor I got to like, although more tentatively, was Dan Pompano. He had been nasty to Lawrence just minutes before the debate, actually trying to get a cop to arrest Lawrence on the spot because someone, unknown to Lawrence, had put a "No on Q" sign on the property in front of his new clinic. But during the debate, when Lawrence referred to a federal law about emergency care, Pompano nodded his head in vigorous agreement that Lawrence had stated the law correctly. And during the break in the debate, Dan had obliged when Lawrence had asked him to take a picture of the panel.

Outside the chamber, Pompano came up with Chuck Jervis and asked me what I would do with Walter Reed Memorial Hospital and with the National Institutes of Health. I would privatize Walter Reed, I said, and I would abolish the National Institutes of Health. I pointed out to him that private contributions to health research now exceed (or, at least, did in 1998, when I last checked) the whole NIH budget. "But you didn't answer my question," he said, "what would you do about the guy who comes in needing \$30,000 of medical care on his leg and doesn't have insurance?"

"I did answer your question," I responded, "and now you've asked a new question. My answer to that question is that I would rely on charity care."

"But we've tried that and we can't raise enough charitable contributions for Natividad," he answered, "and so what would you do with this person who's bleeding in front of me?"

I suddenly got his view of the world. And was sympathetic. He saw a problem with no obvious solution other than a tax increase and genuinely didn't see how that problem would be solved. Without health insurance, I didn't see how it would be solved either. So I suggested insurance deregulation to make insurance more affordable.

"But meanwhile what do we do?," he asked. I admitted that I didn't know.

Somehow the topic shifted and he told me how bad he feels when he gives first-class health care to prisoners who are in for murder.

"I agree with you there," I said. "I don't think people who are in for murder deserve first-class health care."

"But if you don't give it, you get sued," he replied. He then went on to tell me about a time when he was providing medical care for a ward of people who were mental vegetables and, on one of his shifts, ten people died. "The next day, my colleagues congratulated me," he said. We both laughed. Then we parted.

Walking down the street, I told Lawrence that I didn't have a good answer for Dan about the \$30,000-leg guy. "I'm not advocating that people's rights be violated so that he can have health care," I said, "but still, I don't like the outcome."

"But what's wrong with having the guy pay \$100 a week until its paid off?," replied Lawrence.

"Someone in that position might not be able to afford \$100 a week," I replied.

"But many people in that position pay \$50 a week for health insurance," replied Lawrence. "We've got to get past this idea that it's wrong to require people to pay for their own health care or health insurance."

"If I stick around you more, will you teach me more economics?" I grinningly asked Lawrence, acknowledging his common-sense insight.

We got in Lawrence's car and drove to a nearby restaurant where we met John Tresch, a Salinas businessman who heads a Salinas taxpayers group. He had been active as a letter-writer and a speaker at the various Supervisor meetings on the tax. Our dinner was, essentially, a celebration now that the tax was dead for a while. After dinner, we walked toward the Steinbeck Center, where the November 11 debate had been held. Along the way, we noticed pro-Q signs glued on walls of construction sites and we stopped and tried to peel them off as souvenirs. When we got to the Steinbeck Center, Lawrence pointed out where some of the pro-Q people had stood when they had shouted him down during a TV interview. We were enjoying each little reminiscence, thinking about how this

powerful group had opposed a small minority but how the small minority had won.

We then walked in the other direction and John showed us the headquarters of the Yes on Q campaign, which had already been vacated and was for rent. The For Rent sign stated that the building had 20 phone lines. We peered into the building and saw that it was almost the size of a high-school gymnasium. John explained that during the campaign the building was a hive of activity. They had had maps of the voting area, block by block, and had obtained data on who had voted and who hadn't, so that they could target their efforts. So this is part of how they had spent their \$450,000, I said to myself. I felt a quiet awe. We had taken them on and beat them. It was as if we had fought our way across Norman's land between the two enemy trenches on the assumption that although there were more of the enemy, they had the same kind of weapons. Then when we got there, we discovered that while we had M-16s, they had machine guns. Of course, there are two problems with the analogy. First, our weapons were our words and ideas and, compared to their words and ideas, ours were machine guns and theirs were M-16s. Second, I never regarded them as the enemy. But you get the point.

On the way home, Lawrence reminisced. He remembered one of his earlier talks against Measure Q, in front of the Monterey County Hospitality Association. He had described Natividad as a black hole and one of the people he persuaded had told him that that metaphor summarized the issue for him. Lawrence went on:

We surprised a lot of people. Rick Taylor [the hired consultant who had run the Yes on Q campaign] won a similar campaign in Los Angeles County with over 70 percent of the vote. We beat him. I think he was surprised.

In Lawrence's voice was that same feeling of awe that I had had. He had spent more of his money than I had on the campaign and much more time over a much longer period. In that moment, I could tell that for him it had been worth it.

The next night, I went to the movie, *Master and Commander*, with my friend Tom Lee. Neither of us liked it; it was basically about boys becoming men by killing other boys and men. So, after the movie, just to get some pleasure out of the evening, we walked around the shopping center where the movie was

showing and talked, mainly about the campaign. I realized then how we had just scratched the surface with our arguments. We really hadn't got into the issue of regressive taxes, except for one mention, thanks to Tom, at the November 11 debate. We could have handed out a fact sheet showing how regulation makes health insurance unaffordable. We could have got such short materials to each letter writer on our side so that they could use them for future letters. We could have urged our friends to write anti-Q letters and even drafted some of them for them. We could have hired high-school students to call voters to get out the vote.

Or take the issue of abortion. I have avoided that issue because I don't see one side as clearly right and one as clearly wrong. The pro-choice people make a good point in saying that a woman has a right to do what she wishes with her own body and that the fetus is part of her body. The pro-life people make a good point in saying that that "thing" in the woman's body is a human life. In fact, I first started to have doubts about my pro-choice view when my wife was pregnant. When her amniocentesis revealed that we would be having a girl, we named the girl Karen and we started talking to her while she was in the womb. In the middle of doing this one day, I said to my wife, "Isn't it strange that we're both pro-choice and yet we're talking to her and about her as if she's a human?" I wasn't willing then to call for making abortion illegal, and I'm still not, but my doubts about it made me realize that I would never think abortion was right and, ultimately, led me to get a vasectomy.

But I digress. Back to the point. What I should have done during the debate is, while making clear that I was pro-choice, raised the issue of whether it's right to tax some people who think abortion is murder and use some of those revenues to finance what they saw as murder. As Tom Lee put it, half-jokingly, when Melissa Larsen had bragged during the debate about all the lives Natividad had saved, I could have asked how many lives Natividad had taken. And by making clear my own position in favor of choice, I could have focused the issue, not on whether abortion is right, but on whether people who believe it's wrong should be forced to pay for it. During the campaign, I saw a newsletter from a leading priest in the area telling his parishioners that they should vote for Measure Q. We could have tried to make our case against Q to Catholics on the basis of the abortion issue, either by asking for a chance to reply in their newsletter (a request that probably

would have been refused) or by printing up leaflets addressed to Catholics and handing them out on sidewalks to people on their way into Mass.

Or take the mismanagement issue. Had the Herald not run its excellent series on Natividad, many of the issues wouldn't have come out as prominently. But nothing had prevented me from spending my own money to get a good research assistant to uncover the truth about Natividad. Had we uncovered such facts, we could at least have put out press releases and fact sheets. Also, I should have entered the November 11 debate knowing in advance the exact salary that my two doctor opponents were getting at Natividad. Had their salaries been

substantially higher than mine, as I expect they were, I could have cited that a couple of times and therefore undercut their "It's all about the poor" strategy.

The point is that in our debate and our tactics, we had barely scratched the surface AND WE HAD STILL WON. For all the money the other side spent, they didn't have much of an argument besides their assertion that in the absence of the tax, Natividad would close. They thought they had the compassion argument, and we nailed them on that. I felt a little like Hank Rearden after his speech at his trial in Ayn Rand's Atlas Shrugged. Ayn Rand writes, "He was seeing the enormity of the smallness of the enemy who was destroying the world." After seeing a lot of ruin in the world, she writes, and coming upon the despoiler, expecting to see a giant, Rearden found instead "a rat eager to scurry for cover."

I hasten to add that I don't see our opponents in this battle as rats. They are human beings, and many of them are good human beings. What I am saying is that they made no real attempt to defend their position. They just screamed, a few times a night on TV, that the hospital would close if we didn't increase taxes. They seemed not to have the capacity to make an argument. This shouldn't be that surprising. Where would they have learned to make an argument? In our government high schools? In our universities? Some of them, yes, but most of them had never learned. This is both a positive and a negative. It's a positive because we can make arguments and the other side typically has little or nothing to counter with. It's a negative because if people lose the capacity to reason, who's going to understand when we make good arguments? The good news is that many of the voters understood our arguments.

What other victories can we win in the future? And, although this was a win against a further encroachment on our liberty, would it be possible to find a tax, a government spending program, or a regulation that is particularly destructive and try to get it repealed, thereby increasing our freedom? And if we did this in one county of 400,000 people, what's to prevent other freedom lovers around the country from doing it in their local areas?

It's certainly conceivable that 10,000 liberty lovers in the United States could get as energized as Lawrence Samuels and then leverage the local talent to get victories. And, sure, some of us would have to give up a few evenings with our loved ones and a few leisurely mornings. We might find that we need to spend a few hundred dollars on publicity. But the payoff is not only that we would win many of these battles, but also that we would connect with people in our communities in a way that many of us have never done. I can say without exaggeration that this campaign changed me, made me into a real community leader. That's not going to go away. Various governments have seen to that. I could fight one different regulation every day of my life and never fight the same one twice. (I don't recommend that: to have an effect, you must focus your energy.)

This campaign changed me in another way too. I, like most libertarians I know, have fallen into the assumption that the fix is in. That is, I've assumed that others and I were politically impotent and that government oppression would pretty much march on. I'm starting to think that's wrong. I'm starting to think that we have more power than we had thought and that all you need to stop, and maybe even reverse, many government oppressions is some clarity, focus, time, and money. Is it just possible that we can dismantle the oppressive state with a little loving care and attention?

Postscript:

Supervisors see sales tax defeat (Measure Q) as warning to Alameda County By
Rebecca Vesely, STAFF WRITER
The Argus Online, December 8, 2003

Proponents of a half-cent sales tax to fund Alameda County hospitals and clinics are eyeing last week's defeat of a similar measure in Monterey County with some trepidation.

Measure Q would have raised \$25 million a year to fund the Natividad Medical Center in Salinas, which is facing a \$30 million deficit. The initiative fell short of the two-thirds majority necessary to pass, despite widespread support from county officials, physicians and labor groups.

"It's clearly a reminder of how difficult the campaign will be," said Bradley

Cleveland, spokesman for SEIU Local 616, which represents health care workers in Alameda County. "But I don't think we've had any illusions that it will be easy."

The Alameda County Board of Supervisors last week put the final stamp of approval on the sales tax measure, which will appear on the March 2 ballot. It would raise the county's sales tax to 8.75 percent – passing San Francisco County's sales tax as the highest in the state.

The Monterey and Alameda initiatives are similar in some ways.

As in Monterey County, the half-cent sales tax here would underwrite a health system that cares for the county's poor and indigent. The Alameda County Medical Center, which includes Highland and Fairmont hospitals and John George Psychiatric facility, would get 75 percent of the funds raised by the tax, estimated at \$90 million. The medical center is facing a budget deficit estimated at \$86 million and likely would slash services without a substantial new funding stream.

Also as in Monterey, the county-run hospital and clinics have been wracked with political strife, turnover in leadership and accusations of financial mismanagement. And, other hospitals meet the needs of many voters.

Cheri Stock, spokeswoman for Natividad, said these factors contributed to Measure Q's defeat.

"People felt like, well, the county has mismanaged the money, and the people using the hospital are illegal (immigrants)," Stock said.

Rick Taylor, political strategist at Dakota Communications, a Los Angeles firm that led the Yes on Measure Q campaign – and a successful parcel tax in Los Angeles to fund county hospitals – said a small but active opposition contributed to the defeat.

"The two-thirds majority is just a monster to climb," Taylor said, adding, "The hospital had a history of mismanagement – if one thing stuck with voters it was how that money would be spent."

The county Farm Bureau, Salinas Chamber of Commerce and the Hospitality Association were against the measure, because of a lack of concrete sunset provision, no detailed plan on how the money would be spent, and a perception that the medical center was a "money pit," said Bob Perkins, executive director of the Farm Bureau.

"From the very start, there was a level of mistrust," Perkins said.

The Alameda County sales tax would expire in 15 years, in 2019 – a move that secured an endorsement from the Alameda County Taxpayers Alliance.