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To The American People & Political Representatives:

Mr. Leon Panetta was the guest on C-SPAN Thursday night, June 3, 1993. Mr. Panetta is the budget director over the tax reform bill which passed in the House Of Representatives prior to the Memorial Day week end. Unfortunately, this bill is on its way to be pondered on the Senate floor starting Monday June 7, 1993. At this point, there is no doubt in my mind there is going to be a lot of "horse trading" going on which is referred to by many as the "compromise." However, before the American people except such a tax increase, allow me to share my personal observations of the people in general and the Democrats in particular who support such a hard line approach in the reduction of our 4.4 trillion dollar deficit (figure quoted from Director of Budget Mr. Panetta).

According to the statements and comments made by Mr. Panetta, our interest rate alone on this debt of 4.4 trillion dollars is approximately 230 billion dollars. Somehow a tax increase in the amount of 350 billion dollars is going to reduce the deficit by 500 billion dollars by the fifth year, which according to Congress initially has no spending cuts. And according to other politicians, the limited budget cuts is merely a shift in payment schedules. Supposedly, this is the single most highest tax increase ever legislated at one time. It's become more apparent to me that our political representatives (with respect to those who have read this proposal from cover to cover) are being told what this package contains rather than reading it for themselves. Also in this budget proposal is the lack of definitions, because everyone seems to have a different understanding of what each measure in the budget really means. It appeared to me that even the budget director doesn't really know what's in this tax reform Bill, or he's simply trying to avoid the details that the American people are really looking for. It's almost as if our political leaders feel that it's none of the American tax paying/voter's business.

Anyone who has ever signed a legal contract based on the interpretation of the salesperson alone could be in extreme financial danger. Ironically, only our trusted political representatives are allowed to sign on the dotted line so to speak and has the potential to put many of us out of work and/or in

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labsolute financial ruin. And of course, the absurdness to all of this is the very fact that the people who have this entrusted signing power will not be directly effect by its outcome. To carry this a little further, how can anyone seriously address the public's concerns, when they haven't experienced those problems themselves, and once more couldn't possibly understand or recognize that a problem even exists. When watching the subcommittees in action, one cannot help but question both the comments and questions that the Congressmen either make or don't ask.

President Clinton, with all due respect to the highest position of our land, sold the American people on the idea that it's time to get serious with our deficit problem. However, what the American tax payer didn't realize at the time was they were the one's selected to burden the sole financial responsibility to get our national debt down. Then, we find out that our government has done very little to police their own spending habits. Basically, this tax reform plan has our political representatives signing something equivalent to a blank check which is premised on the "Fifth Year Maybe & Promises Campaign". Keep in mind this is the same person who based his election campaign on the fact that he would not raise taxes. He further implied his utmost concern for the hard working wage earning American, then turns around and gets a \$200.00 hair cut at the expense of the tax payer. While the money he used to get his hair cut may have been his own, the real expense to the tax payer was improper use of Air Force One, not to mention holding up the Los Angeles International Airport. Does this sound like someone you would hire to work for you as an employee in a management position?

Mr. Panetta made a couple of comments and statements that need to be addressed in regards to this bill. He basically said the American people should get the deficit down in the interest of our children. It's beside the fact no one including the budget director himself has proven to me that this bill will actually accomplish what the salespeople imply, especially when he accidentally used the word, "if" in place of "when" the tax reform works. But, when you stop to think about it what child, no matter how young or old he or she may be, would grow up and applaud a government who financially beat their parents to death. For instance, my parents are retired on a fixed income and guess where all the tax increases start. Yes, this well thought out plan hits my parents right in their fixed income and medical benefits. Of course, the Republicans have also been doing this for years, so the Democrats are not alone in this particular issue. Something for the politicians to keep in mind: according to statistics, by the turn of the century senior citizen will make up better than half the voting population.

Another comment that Mr. Panetta made several times was that these were tough decision in regards to where these tax increases should come from. Again, we have the farmer, the social security, the retirement funds that people have been putting into for sometimes

ten, twenty or thirty years. In fact, one of the callers to the show was an airline pilot who said according to the company he flew for, he would loose \$12,000 after thirty years of putting money away into his retirement fund. However, to keep my comments fair, their is no way to substantiate whether the caller is receiving correct information from his employer. Mr. Panetta asked the caller to send the information to him, because it didn't sound right to him.

Mr. Panetta went on to say that he felt the rich should pay their fair share. When referring to the rich, he sighted Chief Executive Officers as being paid enormous salaries, anywhere from 4 million to 20 million dollars for their managing services. While I couldn't agree with him more, especially when I'm one of those people that these CEO's financially choke to death in order to obtain such high salaries. And to add insult to injury, those salaries are sometimes nothing compared to the bonuses and stock options made available to them for their services. Apparently, President Clinton told his entertainment friends, to include those very CEO's, about his tax plan, because most of them cashed in their stock shares in the beginning of 1993. For instance, Disney's CEO cashed in 196.5 million dollars of the shares he earned from stock option deals. However, while it's my opinion that in many cases these types of salaries carry remnants of questionable abuse of the American dream, nonetheless, it still demonstrates the fact that people with the American financial dreams not only don't have ceilings placed on the amount they can earn, but in America, anything is still possible. It should be said that Mr. Panetta also included people who make a \$100,000 in that same financially rich category.

So, let me see if I have this information straight. almost everyone who earns below \$100,000 will be reasonably safe from an over abundance of taxation with the exception being the BTU Energy tax, the medical reform or the coming attraction of county, city, or state tax increases coming soon near you, after our new federal tax increase of course. For those who were able to achieve their American dream above certain prescribed amounts, they will be punished for their financial achievements. However, if a person fails to reach those financial goals, when they retire they can look forward to our government cashing in on that person's limited income, because they need to cut the deficit and reduce government spending all over again. Because of all the programs that were necessary to stimulate the economy, the government needs just a little more taxes to keep those programs going. In the old days it was called big government. What do you suppose we will call it in a few short years from now?

As Republican majority leader Senator Bob Dole says, "It's easy for someone to stand outside the political arena and make comments." While I agree with him, the public of whom these people represent are leaving these scary financial details up to each individual's own imagination. Most everyone knows we have a serious deficit

problem, but it's my personal observation that we need to test-fly any plan on a smaller scale before embarking on something so ambitious. This is like putting a rocket ship on the launching pad that's never been tested and forcing all the American people to buy a ticket to ride on it, saying it's a safe bet. Forget that not only will our government's ground crew (Political Representatives) never have to ride on it, but they will emerge safe and sound, because this tax reform, after all, is an experiment that will not effect their personal financial lives.

We Americans keep hearing words from our leaders such as, "I take full responsibility." What is responsibility without consequences? Would the leaders of this tax reform bill be willing to go to jail or stand trial for the damage it caused, if it doesn't work? How can one trust a President whose actions almost never coincide with his audio description of intent. It was disappointing to hear the Republican Majority Leader, Senator Bob Dole tell the American people on the Jay Leno Show (June 3, 1993) that President Bill Clinton is just having his ups and downs. With no disrespect intended, it's not a question of just bad decision making by our new president, it's the breach of trust he has imposed on the American people. And what's even worse is that most of our political leaders act as though it's business as usual, and nothing is wrong. Are the American people not writing their political representatives to express their viewpoint on such important issues?

Before we as a nation can sensibly attack the money problems in America, it's my opinion we need to fix the out-of-control machine that got us in this financial position in the first place. How many people think that a problem will fix itself? For instance, who do you know in any work place that would quit or vote themselves out of a job or office for the good of the company or nation? Who do you know who would quit their job or expose their fellow worker for unethical or illegal practices when everyone else is doing the same thing? Yes, we need a "Government Reform" before we can ever hope to justify a "Tax Reform". If, in fact, the interest rate of our deficit is in excess of \$230 billion dollars a year, then we at least need to accomplish a true spending cut of \$350 billion dollars until the privileges, the ethics, the committee procedures and all the policies can be reexamined to determine waist of both time and money. While I'm not a budget specialist, common sense tells me our government needs to rearrange their ethics and financial priorities.

According to Democratic Representatives who appeared on C-SPAN June 8, 1993, their constituents are not raising a fuss at all over the plan to increase their taxes. It's important for all Americans to understand that if you don't voice an opinion or preference, it's perceived by your particular representative as your ok to raise your taxes. There is a further consensus that President Clinton's Tax Reform Bill and BTU tax plan has somehow been equated with a

Robin Hood type of taking from the rich and giving to the poor. However, no one has even attempted to discuss the worst case scenarios if President Clinton and his budget advisers are in fact completely wrong. For the American people to automatically assume that raising taxes across the board without an example or at least a successful model to go by, it would be a good example to say that your investment dollar would be at more risk than even a corporation would dare accept under normal conditions. The politicians that are telling the American people that this is the only way are really saying this is the easy way out for them. Why would anyone ask you to give until it hurts when Congress hasn't addressed their inability to handle the money they already have on hand. I may be wrong, but I believe the money they have on hand is in the neighborhood of \$40 Billion dollars. It's nothing to be ashamed of to admit that the managing of the money part of Congress is broke. If you lent a friend, company or non-profit organization money and they squandered it, would you not address or at least question their management skills? Our government is not allowing us the privilege to expect such accountability.

Here are a couple things that concern me about this type of consensus. It's my opinion the middle class will cut down on spending, while the rich will continue as always passing their losses on to the poor and middle class consumers in terms of product line and services. Putting large amounts of additional taxes on the American taxpayer will most definitely bring about change in traditional behavioral buying and spending habits. Another concern I have is again with people who believe this Bill will bring about jobs and help the poor. For instances, if this Bill doesn't stimulate the economy and bring about jobs, it may frustrate the very people who feel they're not getting what they already paid for, thus causing possible civil unrest because of too many people being unemployed at the same time.

Besides the obvious over spending in our government money matters, here are just a few suggestions for "Governmental Repair" or, "Reform":

1. Stop selling to the American people that 6.9% unemployment rate is a fair and accurate rate that reflects all the people unemployed in America. Many Americans have been trying to tell their political representatives that what poles are saying and the real facts are two different species. It's my understanding this percentage only reflects people who are registered as unemployed at any given point in time. This has nothing to do with unemployed people who are off the roster because they have exhausted their unemployment extension benefits, or the unemployed contract workers and the owners of failed businesses.

2. Their should be a Bill/Law whereas any elected official including the president of the United States be held accountable for failure to comply with campaign promises. This should also be

consider a "Breach Of Trust" or "Breach Of Contract" carrying penalties equivalent to a felony. The American people continually hear words like, "I take full responsibility," but statements like this are without laws of accountability and consequence, thus making these words absolutely meaningless. However, to be fair, if the political candidate can prove that something in the political environment changed drastically after being admitted to office, under certain circumstances, he could adjust one or more of his campaign promises.

3. There should be room made on the voting ballot that would allow the voter to cast a vote of "none of the above." And with this in place, the political candidate must have a certain number of popular votes in order to be elected. Again, the American voter has expressed his or her concerns over the use of the electoral vote, but no one is apparently listening and/or nobody truly knows exactly how the electoral college works.

4. Image making of political candidates should be considered an act of a cover up, if their speeches do not reflect a candidate's own viewpoint and philosophy.

5. Many standard procedures that political leaders have accepted among themselves as honorable needs to be reexamined as to the ethical premise by which any given process operates. As an example, it's standard procedure for Congressmen to visit any given committee for fifteen minutes, but by any logical, or ethical standards this would be considered absurd to say the least. This serves no other purpose other than to entertain authors of bills and ask meaningless questions, because they really don't know what has been said by other committee members, etc. Thousands upon thousands of hours of bill reviewing hearings are literally wasted because subcommittees, by their very nature, carry no obligation for their members to listen, including the chairperson. The average American viewer can observe this, because an author of a Bill and attending witnesses on many occasions have given obvious misinformation or a direct contradiction from a statement made just prior.

6. Just like in most corporations, no one should be hiring friends and relatives to positions in the same office, especially when they are not carrying proper qualifications.

7. The Democrats should not exceed the Republicans by numbers and vice versa. It's become an obvious power play in the name of the American people, instead of the gridlock balance necessary to maintain a fair balance. Case in point: the Democrats know that during this tax reform bill, they're confident to only have to give up 15% or so in compromises.

8. Within any governmental reform process, there needs to be a check and balance system in place, whereas it would be illegal for

anyone to hide spending waste from the American people. Such was the case when a television production uncovered incredible governmental spending waste such as the purchasing of nuts and bolts, etc.

9. Priority importance needs to be reexamined to assure that spending cuts are not being made in areas where an individual's rights or safety is placed in jeopardy. As an example, in regards to NASA's space station, it's my understanding that Congress has requested that several million dollars be taken off that particular budget. It seems to be the nature of the corporate kind to cut cost in areas where safety of individuals is the utmost concern.

10. And finally, while everyone is entitled to their own personal opinion, a political representative's vote should never override the majority of the constituency of which they represent. For instance, in referring to the tax reform bill this could be interpreted as, "Taxation Without Representation" which, as we all have learned from the history books, could lead to civil unrest.

Sincerely,

