

Memo To:

10/4/90

3305-90

President George Bush
Thomas Foley
Richard Gephardt
William Gray
Leon Panetta
Daniel Rostenkowski

Robert Michel
Bill Frenzel

George Mitchell
Robert Dole
James Sasser
Pete Domenici

Lloyd Bentsen
Alan Simpson
Arlen Specter

Richard Darman

CC: C-Span

C-SPAN:

For Your Information

From: [REDACTED]
AUM Ventura, Ca. 93003 [REDACTED]

Honorable Sirs:

You have asked for response to the Budget proposals even though you offer so little time that one feels helpless in having any effect. Nevertheless, attached are my recommendations. I believe the Summit proposals as of 10-4-90 are unfair, unrealistic, and based on rosey scenario assumptions. They disregard the S & L crisis, the Persian Gulf crisis, and the escalating recession. It will not achieve your supposed goal and my devoutly desired wish: deficit elimination (not reduction) and debt elimination. The burden of interest is crippling funding for every positive effort, both public and private.

You must seriously and effectively solve, not just address this problem. Failure to do so is corrosively destroying the foundations of our democracy by hopelessness, cynicism, apathy, and mistrust vis a vis our politicians and political process. No one has the courage to campaign honestly, put their solutions out before elections so that people can learn and honestly debate and so you will be empowered to implement the people's will. Of course people do not want more taxes and fewer benefits. It is your responsibility to campaign truthfully to educate people who are not stupid, just profoundly ignorant. You underestimate people if you do not. When you cheat us on that function, it is all too easy to slide on to personal corruption with all the license that provides for others to justify doing likewise with consequent greed and fraud set abroad in the land. For example: Medicare is being punished by the horrendous cost increases perpetrated by the medical system of this country. Costs have skyrocketed but you have not considered any remedy except to make the poor pay more.

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By the way, you need some women on all those "money" committees!

My proposal is designed as a 5 year crash program to solve the problems. It would cost me personally. It implicitly recognizes the drain being imposed by local and State taxing for which you show no mercy.

If you have any questions on my rationales, or my more detailed thinking, I would be pleased to respond.

I would appreciate an accurate breakout of the actual budget figures that my proposal would produce and your opinion on how my remedy would work or not work for the goal. Having read David Stockman's book and listened religiously to C-Span I and II, I believe I understand the problem but I do not have the dollar numbers to project.

Please see the attached proposal. Thank you for your time and attention.

Respectfully,



Enclosure: Budget Proposal

Do not cap FICA or Medicare tax at any income level.
No cut in Medicare benefits.
No excise taxes-gas, oil, "sin".
Continue all COLA'S.
Tax all Social Security benefits as per full income liability.

Income Tax: Maintain following rates until goals 1 and 2 achieved.

Goal 1: Eliminate deficit in 4 years.
Goal 2: Reduce Federal Debt each year by 5%.

Tax all individual gross income:

Above \$150th. at 40%
Between \$95-150th at 38%
Between \$55-95th at 35%
Between \$40-55th at 25%
Between \$30-40th at 15%
Between \$30-15th at 10%
Between \$15-0th at 4%

Tax all business net income as above.
No dependent deductions or age, handicap deductions.
No deductions for investments or other policy goals.
Allow deductions for State income taxes.
No "bubble".
No exceptions for any type of income-consider all as taxable.

Freeze all federal spending for two years at 1990 level.
Do not add clause that defines "freeze" as at the level of CPI.

Cut:

Defense by 40% in '91, 45% in '92, 50% in '93.
Foreign Aid by 50%.
Tobacco supports by 100%.
Congressional salaries by 5%.

Overall future priorities:

Develop National Health Plan including LTC, WIC, and care for both illness and prevention. Fund by 5% surtax on income tax.

Quit running the world by bribery and military intervention.
Develop rational housing program for low income.
Restore deteriorated infrastructure.
Restore Head Start Programs.
Support UN and pay dues.
Fund health research, environmental protection, government oversight, and post high school education and training.
Review all govt. spending to cut thievery, waste, fraud, and abuse.
Tell truth in campaigns. "No new taxes" was a lie to seduce voters.

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10-4-90