TELEVISED STATEMENT TO LOU. METRO COUNCIL TAX MEETING

February 28, 2019 • By Daniel Cobble –

RE: MAYOR's TAX PROPOSALS VIOLATE KY CONST. SEC. 174; – REVERSING THREE UNLAWFUL MONETARY POLICES WOULD RESTORE FUNDING FOR SCHOOLS, TEACHER-SALARY INCREASES, KRS PENSION, INFRASTRUCTURE, CLEANING-UP t/ENVIRONMENT, ETC.

First, Mayor Fischer's proposal to tax any insurance premiums violates Sec. 174 of the KY Const., that only allows property to be taxed, **not non-property transactions**. Thus, you do not have the legal authority to approve this tax hike. But let me put this matter into its proper historical context. – When Governors started raiding the KRS pension around 2001, the numbers showed them the tax revenues from the strong econo-my would restore those funds. For example, please recall that in 1999, KY had a budget surplus of $100 million. But as the **three bad monetary policies** took hold of the U.S. economy, that began with the **(1)** the 1999 repeal of the Glass-Steagall Act of 1933, it became more & more difficult to replace those funds. This began the unlawful State practice of taxing **non-property transactions**. So by today, these defunct polices are removing, by my estimates, approx. **$3½ trillion from the U.S. commercial sector** every year that's diverted to the financial sector, Wall Street. This dreadful remov-al of "economic activity" is what's causing the shortfalls in tax revenues, as Governor Bevin cannot tax his way out of the $82 billion pension shortfall. As this $3½ trillion is removed every year, States and the federal gov'mt must raise taxes & fees in attempts to make-up the difference. It is a dog chasing its tail, a fool's game that must yield to the "law of equilibrium."

The other two polices are **(2)** artificially low interest rates that diverts federal reserve issues to Wall Street, and **(3)** since May 2, 2008, investment houses (Merrill Lynch, etc.) are receiving investment capital directly from the federal reserve in violation of Sec. 13, clause 2 of the Federal Reserve Act.

The 2019 Gov'mt shutdown exemplified destruction of the middle-class, as 170 million Americans suffer from food shortages. Yet last August, Goldman Sachs reported that corporate stock buybacks will reach $1 trillion in 2018. Buybacks are one of the laundering techniques of this unlawful money from the Feds. The Treasury Dept. took-in over $6 trillion in tax revenues in 2018, yet the federal budget is only $4.2 trillion, and still the nat'l debt grew to $22 trillion, reported this month. So we don't have a debt problem, we have a "transfer-of-wealth" problem. Thus, you have a constitutional duty to demand that these polices be reversed. – Thank you!

Daniel Cobble

Daniel Cobble, 502-290-2852
3401 Lesway Ct., Louisville, KY 40220

P.S. This information has been given to the Metro Council three times over the past several years.

To stop the cycle to continuing tax hikes, please mail this information to your elected officials and share in your community. They need to know that you understand what's causing the nation's out-of-control taxation. It won't stop until you demand it. Below are a few officials:

President Donald Trump
The White House
1600 Pennsylvania Ave.
Washington, DC 20500

Jerome Powell, Chairman
U.S. Federal Reserve
20th St. & Constitution Ave.
Washington, DC 20551

Gov. Matt Bevin
700 Capitol Ave.
Frankfort, KY 40601

Mayor Greg Fischer
527 W. Jefferson St.
Louisville, KY 40202

Senate Leader Mitch McConnell
Old Courthouse
601 W. Broadway, 4th Flr.
Louisville, KY 40202

Rep. John Yarmuth
600 Martin Luther King, Jr. Place,
Suite 216
Louisville, KY 40202

Please reverse these three policies that's causing our massive debt.
Thank you.

My Signature **Date**

The Louisville Metro Counsel should build coalitions with other Mayors and Governors to pressure Washington **to reverse these policies**.

Thank You!

1. **Increase U.S. prime interest rate to competitive level** (w/ China, UK, Etc). The Fed's low prime interest rate, currently at 2.5%, discourages the purchases of U.S. treasury bonds (and commercial banks not lending to small businesses and consumers). Historically, we have used treasury bonds to service the U.S. debt and budget. When bond sales are low due to low rates, we must borrow more money from the Fed that further increases the debt. **Most people incorrectly believe** today's bloated debt is caused by Gov'mt spending. – Competitively higher rates also attract investments into the U.S. that in-turn generates more tax revenues.

2. **Stop giving wholesale dollars to investors.** On May 2, 2008, **private investors were allowed** to begin borrowing wholesale dollars directly from the Fed (at 2.5% today). They no longer have to borrow from commercial banks or private lenders. **This practice violates the Fed.Reserve Act by removing $$trillions** from U.S. commercial competition / circulation. – Investors then buy-up property with these wholesale dollars (stocks, bonds, companies, real estate, etc.). For example, it explains why the stock market is booming during our no-growth economy. (*To fully monetize the dollar, it must enter the commercial sector for building value through the activity of competition. Its increased value then attracts more economic activity*.)

3. ***Glass-Steagall*** was passed in 1933 during the Great Depression **to separate private investments** from the bank accounts of consumers. When repealed in 1999, it took only 9 years for the banks to again collapse the economy in 2008. Reinstating *Glass-Steagall* would allow consumers (including foreigners) to safely return their money to U.S. banks. This, in-turn, generates economic growth, and banks borrow less from the Fed. With Glass-Steagall still gone, consumer bank accounts remain at-risk.