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. But let me put this into historical context. – When Governors started raiding the KRS pension fund around 2001, the numbers showed them the tax revenues from the strong economy would restore those funds. For example, please recall that in 1999, KY had a budget surplus of $100 million. But as **three bad monetary policies** took hold of the U.S. economy, that began with **(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 removal 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. For as this $3½ trillion or more is removed every year, States and the federal gov'mt **must raise taxes & fees**, and **borrow**, in attempts to make-up the difference. It's 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 divert federal reserve dollars to Wall Street, & **(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 is one of the money-laundering techniques of this unlawful money from the Fed. 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!

Part II (for March 4 Meeting)

In 2018, many people sent the information on reversing the three bad policies to elected officials that reached the new Federal Reserve Chairman Jerome Powell. Chairman Powell used the same language from that information; he said he will "normalize U.S. monetary policy." But because President Trump **does not** understand the economy, he is pressuring Powell to stop raising the prime interest rate, of which these rate-hikes are badly needed. Then in recent days, ex-Federal Reserve Chairman Janet Yellen has called to lower the prime rate, though she knows the past 20 years of low rates have not grown the U.S. economy. She and other officials are continuing this fraud of transferring U.S. wealth. (They should be imprisoned.)

When these policies are reversed, the banks will fill-up with cash and have no other avenue but to push that cash to small businesses and consumer loans, the meat of the U.S. & global economy. The tax revenues would be so great, as during the 1990s, that gov'mt would have to repeal many of the forced tax hikes over the last 20 years. This is because the $3½ trillion+ will return to the commercial sector. It is then that the tax revenues will restore pension funds, schools, school gym classes, infrastructure, teacher salaries, the gov'-mt safety net, and cleaning-up the environment.

How These Bad Policies Affect U.S. Foreign Policy

Under President Clinton, U.S. foreign policy was much easier to carry-out because everyone was invested in the U.S. due our normalized monetary policy. But today, the lack of prosperity has everyone at each other's throats.

So council members, you don't need to keep violating Section 174 of the KY Constitution by taxing insurance and other **non-property transactions**. You only need to join with other cities to demand 1) reinstating the Glass-Steagall Act, 2) stop giving federal reserve dollars to investment houses, and 3) increase our prime interest rate to be competitive with benchmark nations, such as China's rate (4.64%).

You will then see the tax revenues coming-in without the need to raise taxes with less need for KY/States & federal gov'mt to borrow. These glaring corrections are being ignored and destroying our nation. – Thank you!

Daniel Cobble

Daniel Cobble, [redacted]

NOTE: This information has been given to the Metro Council three times since 2014. – Returning to neighborhood schools (for student-walking) & gym classes in schools will stop the high incidences of type-1 diabetes in children.

To help stop the cycle of continuing tax hikes, copy & 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 key 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

Louisville Metro Council
– Your Council Representative –
601 W. Jefferson St.
Louisville, KY 40202

Please reverse these three policies that's causing our massive debt and continuing tax hikes.
– Thank you.

My Signature **Date**

• THREE BAD MONETARY POLICIES DEFINED

The Louisville Metro Counsel should build coalitions with other Mayors and Governors for federal courts **to reverse these policies**.

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. – Also, competitively higher rates attract investments into the U.S. that in-turn generates more tax revenues.

2. Stop giving wholesale dollars to investors. On May 2, 2008, former Fed Chairman Ben Bernanke announced that **private investors may borrow** 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 the U.S. commercial sector / 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 **monetize** the dollar to maximum value, it must first enter the commercial sector for the activity of exchange & competition. Thus, U.S. wealth is created through people; not Gov'mt or Wall Street.*)

3. *Glass-Steagall* was passed in 1933 during the Great Depression **to separate rich private investors** 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.

Thank You!

Legal Issues for a Metro Council <u>Lawsuit</u> against Mayor Fischer, Gov. Matt Bevin, & KY State Legislature

1. State cannot legally tax "non-property transactions" (KY Const. Sec. 174 is attached re: only property is taxed).

2. State legislature, Gov. Bevin, and city governments have constitutional obligation to **<u>correct the cause</u>** of pension fund shortfall; the cause being the three bad monetary policies removing $$trillions from the economy.

3. Mayor Fischer cannot impose taxes to restore t/pension fund shortfall because the <u>overall increased taxation</u> cannot be shown to restore the $82 billion pension shortfall.

4. The <u>overall increased taxation</u> is removing $$ from the KY economy and thus hurting KY citizens while not repairing **<u>the cause</u>** of the $82 billion pension shortfall.

5. Congress, State legislatures, Gov. Bevin, and city governments have constitutional obligation to reinstate the $$trillion being removed from the commercial sector caused by the three bad monetary policies.

6. The three bad monetary policies are preventing tax revenues that would fund the KRS pension fund, schools, gym classes in schools, infrastructure, teacher salaries, the gov'mt safety net, & cleaning-up the environment.

7. Mayor Fischer, Gov. Bevin, & the KY Legislature should be "held in contempt of court" for not addressing the real cause of the KRS pension fund shortfall and fraudulently applying KY Const., Section 174 to this problem.

Note: This lawsuit should be filed in federal court.

KY Const., **Section 174**, below, does not allow for taxing "**non-property transactions**." Only property can be taxed.

Examples of non-property transactions are:

- Fees for services
- Lease payments (leasee does not own the property)
- Insurance payments (including auto insurance)
- NON PROFITS

* **SECTION 174 Property to be taxed according to value, whether corporate or individual — Income, license, and franchise taxes.**

All property, whether owned by natural persons or corporations, shall be taxed in proportion to its value, unless exempted by this Constitution; and all corporate property shall pay the same rate of taxation paid by individual property. Nothing in this Constitution shall be construed to prevent the General Assembly from providing for taxation based on income, licenses or franchises.

Text as Ratified on: August 3, 1891, and revised September 28, 1891.
History: Not yet amended.

• Please help to distribute this critical information, the causes of debt & constant tax hikes.