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PRESIDENT'S ADVISORY  
PANEL  
ON FEDERAL TAX REFORM

2005 MAR 28 P 4: 18

March 4, 2005

The President's Advisory Panel on Federal Tax Reform  
1440 New York Avenue NW  
Suite 2100  
Washington, D.C. 20220

Dear Sir or Madam:

I was taught by parents who survived the depression and World War II that one should live within one's means, that there is no free lunch and that a good education is the key to the future. I think this wisdom still has value for a nation that seems to have forgotten it. The nation is beset by a number of major problems not the least of which are a rising national debt, an aging population, a devalued dollar, a future workforce ill prepared to compete in a global economy, looming environmental problems like global warming, a scarcity of oil and foreign wars that strain our military. I think these problems are solvable, and, in fact, I think with the right leadership and priorities the United States could lead the way to solving the problems of hunger, disease and environmental destruction by virtually eliminating them from the planet over the next 30 years. The advances in science and technology are that promising, but to solve our problems and lead the world to a brighter future, fiscal responsibility is necessary.

It is becoming obvious to many citizens including Alan Greenspan that tax increases are necessary. The President wants to reform the tax system, and is looking for your guidance. You in turn if your website is to be believed are looking for advice from ordinary citizens. Here is my advice.

1. Establish three **surtaxes or temporary taxes** that focus on three of our major problems. These taxes would disappear when the problems are solved thereby focusing taxpayers and government on specific problems while providing a powerful incentive to actually solve the problems so that the taxes could go away. The three taxes should be a combination of sales and income taxes to be fair to both the lower and upper income groups. The three taxes should be a **war surtax, an oil replacement surtax and a future competitiveness surtax**. I provide details on these in the following paragraphs. The surtaxes would have the advantage of allowing ordinary government programs like National Parks, education programs, etc to continue without being threatened with massive cuts because of temporary problems that consume such large budget amounts.
2. Fix the social security problem by raising the ceiling on incomes taxed above the current \$ 80,000 a year limit. The upper income groups can certainly afford this

since they have benefited greatly from recent tax cuts not to mention benefiting from the capitalistic environment that our way of government provides.

3. Get serious about corporate welfare including elimination of subsidy programs for agriculture, Hooters clubs, golf courses, fishing tackle box manufacturers and the other nonsense that contaminates the federal budget, undermines faith and fairness in the tax system and encourages individuals to cheat. **Taxes and budgets are moral documents, and they express our moral values.**

As for the details on the three proposed surtaxes:

- The **war surtax** would be put in place for the duration of the Iraq war to pay for the war including a trust fund to provide for soldiers injured in that war.
- The **oil replacement surtax** would fund a Manhattan type project of invent our way out of the oil crisis. Consortiums of private companies, national labs, universities and inventors would be set up to go after biomass fuel cells, clean coal conversion, solar energy, wind energy and nuclear energy. The rewards for breakthroughs (profits) would be shared equitably by the partners including the government. (Even green environmentalists are talking about a looking again at nuclear energy as a better alternative to fossil fuels given global warming. It is a national disgrace that France can generate a large portion of its energy by nuclear and handle the waste successfully while the United States cannot. Part of this would be the abandonment of central waste repositories and the establishment of at-plant dry storage facilities and fuel reprocessing.) This tax would be dropped when the price of oil goes back down to \$ 20 or less. This would have a foreign policy advantage of forcing the oil rich economies to train their young men for competitive employment in a world market and force them to teach and learn science while reducing the supply of radical extremists that are not employed or employable. The teaching of science would counterbalance some of the religious extremism eventually.
- A **future competitiveness surtax** would be used to reform our high schools particularly including science and art education. (Adequate research shows that education in the arts enhances the ability to learn including learn science and math not to mention the creative skills needed for jobs of the future.) Both Bill Gates and Newt Gingrich have stated that science education and our outmoded high schools are the number one problem facing the nation today. In fact, Bill Gates said he was "terrified" at the prospects of millions of our younger citizens who will end up dropping out without any skills needed to compete with India or China. I personally benefited from a federal program in the 60's to train scientists and science teachers in response to Sputnik. The government must play a major role in science education and, hello Mr. Bush, as a scientist and science teacher I can tell you it is more than just testing! This surtax would expire when we get the high school dropout rate under control, start graduating adequate numbers of scientists and engineers and increase the minority participation in science and technical careers.

These problems are solvable, but to be perfectly honest, I think the elites in the country are now failing us particularly the political elite. The failure stems from a disregard of moral values wherein private profit is placed above the interests of the commonwealth. For all the touting of moral values, it is time to quit talking and act upon them for the common good.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "M. R. Adams". The signature is written in a cursive, somewhat stylized font.

Melvin R. Adams