

THE LEONARD LETTER

September 6, 2005

QUOTE OF THE WEEK

“It is the mark of an educated man to be able to entertain a thought without accepting it.” – Aristotle (384-322 BC) Greek philosopher

ISSUE FOCUS: KATRINA

*****Hurricane Thoughts*****

A few years ago some of the Clinton haters went over the top when they suggested that President Clinton should have known that terrorists would hit the World Trade Center and therefore should have ordered the assassination of Osama Bin Laden. In hindsight, maybe Clinton should have, but the criticism was unjustified. Now, the fringe on the other side appears to have gone mainstream. The Bush haters are publicly suggesting that the President caused hurricane Katrina. There was even one scornful proposal that Mississippi was being punished by God because they elected a Republican Governor. I am waiting to hear responsible Democrats condemn this extremism. If you want to send your own message, I encourage charitable contributions be made to Governor Haley Barbour's relief efforts. You can send money to Mississippi Hurricane Relief Fund, Post Office Box 3462 Jackson, Mississippi 39207.

*****Disaster Preparedness*****

Watching the news this past week was heartbreaking, and already it is obvious that mistakes were made that would have reduced the suffering. The Mayor of New Orleans on national television has cursed the poor aid response yet it seems to me that he should be held accountable for a couple of decisions. If a mayor orders his city evacuated, then the city has an obligation to provide transportation. I am not aware of any government attempt to help residents leave the city. Matt Drudge posted a picture of a fleet of school buses in New Orleans that were never used and now underwater, useless. If you really want the city to be empty, then you have to make sure that everybody has a way out. It appears now that those without cars were simply left behind by their own city officials. Second, you can never allow just a little looting. The officials in a neighboring parish to New Orleans declared martial law as the hurricane passed, and, according to reports, there has been no looting there. Conservatives constantly point out the fragile nature of civilization and that just a few anarchists can break up a society. By sending the wrong message that some casual lawlessness would be ignored criminals have been emboldened to take over the rest of the city.

*****Rebuild It*****

House Republican Speaker Hastert is wrong to suggest that New Orleans should not be rebuilt. We can take the opportunity to debate the economics of risk: whether it should be individuals who pay higher premiums for the privilege of living in such areas or the government acting as the lone insurer for catastrophic occurrences. Regardless, it is the challenge of building the greatest nation on earth in the New World that has made Americans so strong. Americans rise up to challenges and do not care whether the cause is terrorism or nature-- we will not be defeated or ever call retreat. Maybe it is because I was born near an earthquake fault, but the fact that natural disasters are a risk is not a reason to abandon a community. Certainly I need to take extra steps because I live in earthquake country just as New Orleans needs to take extra steps because the city is below sea level, but that is simply a price to pay to be able to enjoy life in a location of our choosing.

*****Infrastructure*****

Governor Pete Wilson often said that the best social program is a job. He is certainly correct, but government does not provide jobs. The private sector generates employment. To amend his saying I would offer that the best government social program is infrastructure. I do not know if this makes me a big government Republican or a public works Democrat, but the point is that before jobs, before even schools, there must be the basics of life that government can actually provide. Clean water, sewer handling, flood protection, streets, highways, airports and ship ports are essential to modern life but are often left behind in budget priorities. Let California take this lesson from our suffering brothers and sisters in the south: we need to invest now in strengthening our networks of basic services commonly called infrastructure. The truth is that we are not prepared for floods, earthquakes or fires, and we are losing ground on providing water and electricity.

UNDER THE DOME

*****Polling Pause*****

A recent Public Policy Institute of California poll showed a job approval rating for the Governor at 34%. It found that most of the November ballot measures have less than majority support.

However, before you put too much stock in a poll result, consider this finding by the Friedman Foundation. A Phi Delta Kappa poll recently showed people opposed to school choice and school vouchers. The Friedman Foundation did its own poll. Half the people were asked the Phi Delta Kappa question but the other half were asked a nearly identical question. Just two small changes lead to very different results. When people were asked, "Do you favor or oppose allowing students and parents to choose a private school to attend at public expense?", 55% of them were opposed. But when they were asked, "Do

you favor or oppose allowing students and parents to choose any school, public or private, to attend using public funds?”, 60% supported the idea. That was a 23-point shift just altering the words slightly.

Polls do not show the truth. The only poll that counts is on election day with 100% of the voters expressing an opinion rather than a poll's sample of 0.008% (standard in statewide polls).

*****Global Taxation Going Down*****

According to Forbes Magazine, tax cutting has gone global. Apparently it started when American consultants convinced the free Baltic countries to establish lower and flatter marginal tax rates, which, contrary to liberal slogans, actually raise more tax revenue through easier compliance and economic expansion. The success of these economies is spreading the policy. According to Forbes' 2005 Misery & Reform Index, more countries are decreasing marginal rates than hiking them. The most attractive (i.e., low) tax rates are --in order of best --United Arab Emirates, Hong Kong, and the USA. The worst were France, China, and Italy.

MISCELLANY

*****A Good Read*****

I have recently finished a book that sheds a lot of light on current events. The book is Martin Gilbert's, "Israel: A History." I found it very helpful for establishing perspective on the various parties' claim on the land in and around Israel. While detailed, the narrative is gripping in parts as the struggles are laid out of individual communities of maybe a few dozen people enduring relentless attacks and sieges. I appreciate how Martin's style is very factual and I think neutral by relating atrocities by all parties -- British, Jewish/Israeli, and Arab. The book is detailed enough that one is able to draw distinctions among Israeli or Arab groups, which gives a good sense of the cultural complexity, while at the same time giving a broad and coherent account of the region's history over the last 150 years.

BOE AND LEGISLATIVE DATES

September 9, 2005 --- Last day for any bill to pass the legislature; interim recess beings upon adjournment.

September 20-21, 2005 --- BoE meets in Culver City.

September 21, 2005 --- Taxpayers' Bill of Rights Hearing in Culver City.

October 25, 2005 --- Taxpayers' Bill of Rights Hearing in Sacramento.

NOTABLE DATES/ HISTORY

September 6, 1620 --- Pilgrims set sail from Plymouth, England to the New World.

September 6, 1873 --- Regular cable car service began on Clay Street in San Francisco.

September 6, 1876 --- The Southern Pacific line from Los Angeles to San Francisco was completed.

September 7, 1907 --- Sutro's ornate Cliff House in San Francisco was destroyed by fire.

September 8, 1565 --- The first permanent settlement in what became the U.S. formed in St. Augustine, Florida.

September 8, 1892 --- The first appearance of "The Pledge of Allegiance" (Youth's Companion).

September 8, 1951 --- Japan signed a treaty of peace with 48 countries in San Francisco.

September 8, 1966 --- "Star Trek" premiered on NBC TV.

September 9, 1776 --- Continental Congress renamed the "United Colonies," as the "United States."

September 9, 1850 --- California became the 31st state.

September 9, 1984 --- California Angel Michael Witt was the 11th person to pitch a perfect baseball game.

September 11, 1929 --- San Francisco Mayor Rolph inaugurated a new pedestrian traffic light system.

September 11, 1936 ---President Franklin D. Roosevelt dedicated Boulder Dam, now known as Hoover Dam.

GENERAL TAX INFORMATION

For answers to your general tax questions, call the Board of Equalization information center. Customer service representatives are available to help you from 8:00 a.m. to 5:00 p.m. Pacific time, Monday through Friday (except state holidays).

Toll-free number: 800-400-7115
TDD service for the hearing impaired
TDD phones: 800-735-2929
Voice phones: 800-735-2922

To reach the Taxpayer Rights Advocate's office for assistance with any BOE issues, see <http://www.boe.ca.gov/tra/tra.htm>, or call toll-free 1-888-324-2798.

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