

The American Dream Has Become A Nightmare

By Mark E. Charnet

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President Obama and Congress have paid or pledged 13 trillion dollars to “bail-out” the economy, specifically certain industries that comprise it. In doing so, he has obligated the American tax-payer to a mountain of debt, the weight of which will certainly cause us to collapse, if fully implemented.

In order to meet these payments, huge tax increases will be initiated on income, on savings and investments, on purchases and even increased taxes at death. If they could figure out a way to tax people for being born, they would implement that as well! And all for what? To save a select few companies from ending up in the history books? To reward a special block of constituents who were politically connected before their companies failed?

Everything that’s born, dies; including companies and countries, too! The Federal Government should not intervene in the life-cycle of a company, whether they are at the pinnacle of their success or when they are in need of life support. Consumer demand for products and services will dictate which companies and industries will survive, prosper and disappear. For example, the iceman delivered ice every few days to my grandmother’s apartment; she never saw him again, after purchasing her refrigerator and freezer and neither did any of her neighbors. His business failed because it was supposed to fail, rendered obsolete by new technology. The blacksmith industry went the way of the dinosaur as did the covered wagon business. Did the government intervene and save these companies and industries? No! We can take this example to modern times with the virtual elimination of the individually owned neighborhood pharmacy and soda shop, replaced by CVS, Walgreen’s, Rite Aid and other mega chains. The local hardware store is virtually a memory, overtaken by Home Depot and Lowes. Where was the government to save these business and the families they supported before they ended up in financial ruin?

New industries have been created like overnight mail and package delivery from Fed-Ex and UPS. Another would be cell phones sold through Verizon, T-Mobile and Sprint, etc. Will the government bail them out too when advanced technology makes these companies and their products and services obsolete? If not, why not? They chose to save American International Group, AIG, and Bear Sterns, yet watched Lehman Brothers fail. So now they are picking and choosing which companies will live, which to nationalize and which to spare from a certain death. I ask you, what about Capitalism? What about the Free Enterprise System? It was Thomas Jefferson who said, “If government is big enough to give you everything you want it is also big enough to take away everything you have.”

Our Governor proposes to raise the highest income tax bracket to 10% and the President wishes to raise the highest federal tax bracket to just under 40%. Add to this, social security taxes, workmen’s compensation insurance, health insurance, unemployment insurance and other corporate taxes too... what is a small business employer supposed to do? Put into his or her business 80 or more hours a week, sacrifice time away from family and recreation to forfeit more than 60% of his income so the government can keep people in their homes that they never should have been allowed to buy in the first place? I don’t think so! To provide retirement and health benefits to illegal immigrants who never paid into the system because it is “Un-American”? I don’t think so! To provide them in-state

tuition rates when they have no resident state at all? I don't think so! To provide illegals with food stamps, welfare, and medical care, better than what health insurance premium paying American citizens can receive? I don't think so! To pay for Bonuses and million dollar severance packages for the people who were responsible for the demise of their own companies? **I DON'T THINK SO!** Instead, the small business owner and employer will terminate employees to pay the taxes. I think he will close down or reduce operations rather than expand and hire others. Maybe he should just retire rather than pursuing the FORMER American dream of owning his own business and controlling his own destiny, because in reality, **the dream has become a nightmare.** Our government has cursed the rich. This has obliterated any motivation, goal or passion to be rich; in fact they have placed the incentive on creative ways to have the government pay for everything for its non-working citizens. With free Section 8 housing, free food, free medical care, free unemployment income, and now free retirement income without contributions, it's like making \$50,000 a year in North Jersey. Where is the incentive to work? Some might even call this Communism!

For those of us who are looking forward to the next Presidential election and who from the Republican Party will be able to make a viable challenge to either the incumbent or Hillary, as I believe she will still want the job, we must survive the tax assault that has begun and will only get worse. One way to protect yourself is to grow your money tax-deferred and to create tax-free and tax-advantaged income streams during your retirement years. 401k's and IRA's create taxable income during retirement. There are other alternatives that can supplement your taxable income that can provide up to a 100% tax-free income if you start the program young enough. Everyone needs to know how to do this and the education is not readily available. If it is too late for you, it's not too late for your kids! Interested in learning more? Call me for a free no obligation appointment.

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