

February 20, 2005

Jim:

The other night I was really expecting (and looking forward to) a more vigorous question and answer session than it turned out to be. Your question was probably the most direct that I had the opportunity to answer.

I am not that good at answering questions off the cuff. I didn't feel that I answered yours nearly as completely as I should have and as detailed as you deserved. It was a fair question and one that I have given my opinion on previously. This letter is sent to give you a better explanation of my position.

You asked, "Why shouldn't we try to take advantage of the tax dollars that are offered for a particular project, in this case, the Terre Haute House. If we don't, they will just go on down the road to some other city in Indiana, or the U.S., depending on the source of the dollars". It is certainly a reasonable assumption, that we might as well take advantage of the money before it goes to somewhere else for their "great idea".

As I tried to make clear, I see the route to prosperity and opportunity for my children, and by default, yours, by seeking practical steps to limit what we do as either local or state government. When we do not do this, the burden you and I bear is substantially higher, in both direct and indirect costs, than we can even calculate. Think of it this way, assume the costs of a government providing only the things that it both could and should do meant that your burden was \$1,000 per year. Because of all the things it now does, one example being "economic development and downtown revitalization", your burden is now \$3,000 per year. They offer to give you back, or rather the chosen project in your town, \$50 of your money to accomplish this "downtown revitalization". After the ribbons are cut and the pictures are published in the local paper, you are still out \$2,950 that has gone on to pay for some other city's great idea for downtown revitalization. It must be this way because for the promise of the \$50, your local and state elected officials must promise to give away the other \$2,950 of your money, to someone else. Are you OK with this?

Of course, the numbers above are just made up, make up whatever numbers you wish, even if the difference (and the difference, whatever it is, will not be in your favor) is just a few dollars, it is still your money being taken from you and laundered back to you in a much smaller sum. I want to make it clear that I am not OK with that. This game being played with my money and your money needs to end. You should keep your money to invest where you see fit, not where a local bureaucrat or some state Commerce Department pogue thinks is best. Every time we say, "Oh well, at least we're getting back some of our money before it goes to someone else", we perpetuate this charade. Some of us, many of us, understand this but haven't quite taken the step to finally say, "Wait a second, this ain't workin'". I have. I got there a long time ago. I want to keep my money and I want to keep it starting now.

If you need a more concrete example, look no further than Gas City, Indiana. Just recently, the State of Indiana gave Wal-Mart over \$4,600,000 of your and my money to establish a distribution center in that town. All of this money was in the form of either direct subsidies or tax credits, similar to what we are talking about with the Terre Haute House. It was touted by many as a wonderful thing. For a different point of view, take a look at the copy of an e-mail I sent back to the TH Journal of Business when they asked for my opinion. As

you are reading it, remember this fact....the State of Indiana has nothing that it can give that it must first take from the taxpaying citizens, the Jim ----- and Ryan Cummins' of this state.

Jim, without reducing the direct and indirect burdens, Terre Haute faces a bleak future which is unlikely to hold that opportunity for my three children or your two beautiful girls. The opportunity will not be here for them like it was for me and you. That's the negative me talking there.

If you will recall, I wanted to talk about the positive things that the principle of a limited, focused government will bring. I truly believe that the first city and county that pursues a policy of limited local government, and the attendant significant reduction in costs and regulation, will quickly outpace the rest of the state to a considerable degree. The first state that follows this path will leave all the others in the dust, playing catch-up while that state becomes the place where everyone wants to be. It will be a bright future for your children and mine if that city is Terre Haute and that state is Indiana.

I hope this does a better job of answering your question from the other night. I thank you for taking your time to read this. As with anything I write, feel free to pass it along to anyone you think might be interested.

Sincerely,

Ryan Cummins