

A primary focus of my candidacy is state budget issues and the detrimental impacts for increases in state taxes, which have become more critical in recent years, largely as a result of what is essentially a single-party system which controls Bridgeport politics both at a local and state level. I am the Republican candidate for State Representative for the 128th District which comprises the central portion of Bridgeport. There are six State Assembly Districts which serve Bridgeport. At present, all six Districts are service by Democrat elected officials. God bless these Democrat officials. They have had real problems with the state budgets. There needs to be a good Republican Representative for Bridgeport for better balance in the representation in order to best protect the interests of the citizenry.

2011 and 2015 saw the largest tax increases in state history. The infamous 2015 budget and the corresponding tax increases resulted in the heads of various large corporations to make decisions to leave the state. Those include General Electric which decided to move its corporate headquarters from Fairfield, CT to Boston, MA. In addition, various individuals of known multi-million dollar incomes have made decisions to leave the state, hence their usual tax payments to the state are lost. Further, many others of average incomes are leaving the state, more so than those who are moving to the state.

One of the measures which reflects the seriousness of this situation is what is called "tax freedom day". If, for a state resident, one takes the total federal, state and local taxes that he or she pays for a typical year, then assumes that when that person begins to work on January 1st of that year, everything that he or she earns goes toward paying the total annual taxes, then on January 2nd, everything that the person earns goes to pay the annual taxes, and so on until the day that all the total taxes for that year are covered, that's tax freedom day. For Connecticut, that day is May 21st. This tax freedom day is the latest of all the fifty states. The next state for which the day comes before Connecticut is New Jersey. Their tax freedom day is nine days earlier than Connecticut. Thus, the situation for Connecticut is serious. For this measure, it can be said that Connecticut is the most heavily taxed state of the union.

We can also look at the measure of per-capita state employee pension debt. For Connecticut, the per-capita state employee pension debt is \$14,800. This is the amount of total state employee pension debt divided by the total number of state residents, adult and children. Connecticut has the second highest per-capita state employee pension debt. If one takes the total pension debt of Connecticut and Illinois, that comprises a whopping one-sixth of all the state employee pension debt of all the fifty states. Further, the national average per-capita state employee pension debt for the fifty states is \$4,300. In other words, the per-capita pension debt for Connecticut is more than three times the average.

Let's look at state borrowing! In 2011, the state borrowing was \$1.4 billion. In 2015, it was \$2.5 billion. Thus, from 2011 to 2015, the state borrowing increased 79%.

It is notable that in 2010, the last year of her term, Governor Jodi Rell, a Republican, responded to the suggestion of her non-partisan consultants to have a study made of the state long-term liabilities. That study was performed and completed. The study made emphasis of some things which should be done and other things which should not be done. The study was made available for the incoming administration of Dan Malloy. It appears that the study wasn't even read by those of the new administration.

This situation makes me reminiscent of when I was working with Bank of America in Latin America during the late 1970's. At that time, there are serious budget and economic problems in Argentina and Brazil. There was uncontrolled government spending and increases in taxes, rampant inflation and currency devaluation. Bank of America participated with other international banks in International

Monetary Fund programs of debt refinancing and austerity programs. The austerity programs involved tax increases over and above the already onerous tax burdens. These austerity programs were difficult and painful for the citizens but it was the only way to get these nations back on track financially and to effect some restoration of their economies. When I observe what has been happening in Connecticut, I have the uneasy sense of some similarities with Argentina and Brazil then. This makes me uncomfortable.

It is somewhat common and the public tends to expect a Republican candidate to promise to reduce taxes. Given the critical situation before us, in good faith, I cannot do this. Rather, my goal is to keep from further tax increases while accomplishing for important objectives. First, we need to reduce the state operating expenses. I'm convinced that this can be done. Second, we need to improve the quality of state services. Third, we need to ensure that the City of Bridgeport, the largest city of the state, gets a fair and reasonable portion of state funds for municipal operations and development. Fourth, we need to take steps to effect some reduction in state debt. To achieve these points without increasing taxes will be a challenge, but I'm convinced that it can be done. With several years of proceeding with these goals, there will be restoration of some business confidence in the state such that there would be more incentive for investment.

In national politics, there is a well-known hot-button issue, that of illegal immigration. After that issue was tossed out in the manner that it was, and the public did its debate and discussion, there has developed a general consensus that there is a problem of illegal immigration. Where there are differences of opinion is the extent of the problem and how it is best addressed. For state politics, the hot-button issues are state employee unions and systematic biases in state courts.

As a Republican candidate in Bridgeport, I feel much like a farmer who has come out to till a dry but fertile field. The field is fertile but it has been left unattended for a long-period. With some suited attention and work, that field is responding with life and it has good potential to produce.

Dave Walker then spoke briefly. Dave is a former Director of the US Comptroller General and a recent candidate for CT Lieutenant Governor. His comments were focused on the basic question for voters: "Are you happy with the present situation? If not, vote for real change".

I then gave closing comments with which I concluded in quoting scripture, Psalms 127:1:

"Except the Lord build the house, they labour in vain that build it; except the Lord keep the city, the watchman waketh but in vain".

Thank you,

Ethan Book