



FINANCIAL AND INVESTMENT COUNSELING & MANAGEMENT

AMERICAN FEDERAL BUILDING

P. O. BOX 857

TACOMA, WA 98401

AREA CODE 206-627-5223

Feb. 6, 1978.

Hon. Lawton Chiles,
United States Senate,
Washington, D. C. - 20510.

Re: Increasing Control of Federal Commissions
Over The Economy of the United States.

Dear Sen. Chiles:

Based on our experiences, and petitions by one of your constituents - Dr. Francis A. Pritchard, of Fort Lauderdale, Florida - 33308.

In addition to the original petition for Dr. Pritchard of Nov. 17, 1977, Dr. Pritchard also sends us a copy of his letter of Jan. 31, 1978.

And now with the danger of extending control of the economy of the Nation further into the hands of the Securities & Exchange Commission, by way of the "Metcalf - Moss Proposals", now before Committees of our U. S. Congress; we certainly will organize to oppose. The following enclosures may give you more of our evidence and reasons:

1. Photo of our letter of May 14, 1977 to the Managing Editor of The Wall Street Journal,
2. Photo of our letter of Nov. 29, 1977 to The SEC Attorney - N. Michael Hansen,
3. Photo of our letter of Dec. 10, 1977 to Sen. Harrison A. Williams,
4. Photo of our letter of Dec. 31, 1977 to Sen. Lee Metcalf,
5. Photo of a part of our presentation of Jan. 11, 1978 to Rep. John E. Moss Chairman,
6. Photo of our letter of Jan. 31, 1978 to Mr. William M. Jenkins, Chairman, Seattle-First National Bank, on "Big Government Bureaucracy & The SEC.
7. "Affidavit" of Aug. 29, 1975, with a Jan. 31, 1978 statement and opinion, signed by eight former Directors of Rainier Investors, Inc.

As involved citizens and taxpayers, we will appreciate your due consideration of the above, as herewith enclosed.

Very truly yours,

Edw. S. Watts, C.P.A., "Rainier" Director
With Edw. S. Watts, Inc. a Stockholder.

ESW/m.

cc: Dr. Francis A. Pritchard, 2756 NE. 35th. Court, Fort Lauderdale.

MEMBER, AMERICAN
INSTITUTE OF ACCOUNTANTS
WASHINGTON SOCIETY OF C. P. A.'S
627-5223

Will be glad to appear before any Church Groups on the
Financial Corruption of our United States
Congressmen: Representatives or Senators.

EDWARD S. WATTS, C. P. A.
TACOMA, WASHINGTON 98401

March 16, 1978

Citizens and Taxpayers,
Sixth Congressional District,
Tacoma and Vicinity, State of Wash.

Dear Friends and Others:

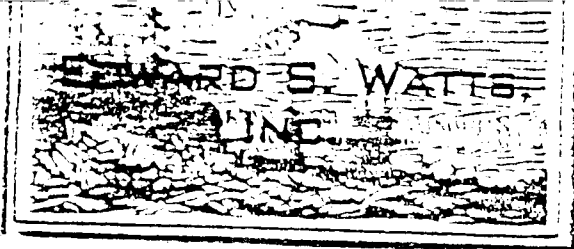
June 3rd: Now the Associated Press reports that
Gulf Oil Corp. pleaded guilty five years ago
to making illegal contributions to former
President Nixon, and Sen. Henry M. Jackson.
Could this be a reason the Senator has been
so slow, as Senate Chairman of the Energy
Committee?

Since our Nation is traveling a fast train or plane to financial destruction and hell, due largely to corruption of our legislators; by the grace of our Good God Above, I offer to serve in the United States House of Representatives for the Sixth Congressional District of the State of Washington, and I will file at the proper time, and promise, from my many years of experience gathering evidence, facts, and information, to reveal to our citizens, the investing public and taxpayers some of the corruption manufactured by legislation and practiced by some of the Federal Commissions, including the Securities & Exchange Commission.

No doubt the hundreds of thousands of unnecessary losses, so far, forced on citizens of this State by the failure of the Securities & Exchange Commission to abide by or enforce the "Securities Act of 1935", the "Securities Exchange Act of 1934", the "Trust Indenture Act of 1939", the "Investment Co. Act of 1940", and the "Investment Advisors Act of 1940"; represent a small and insignificant amount when considering the Nation as a whole; but the evidence and revelations by newspaper articles indicate the intimidations and threats for violations can be settled over the Nation by private confidential conferences, to excuse the violators at the expense and loss for investors, and doubly so for us taxpayers.

Recently the chairman of a large Seattle Bank contributed to an article in a Seattle newspaper on "Our Big Bureaucratic Government", and cited an experience with the SEC., to say (in addition to the unnecessary expense forced on them), the experience gave them the 'Red Tape Blues'. Of course "Big Government" is an apparent aim of most legislators, and "Red Tape" is a manufactured by-product, by legislation.

The Seattle Bank Officers related how impossible it was to satisfy the Regional SEC. Staff or the D.C. Officials by correspondence on questions about a simple financial statement so in desperation they decided to send (3) bank executives, an attorney, and two private accountants to Washington, D.C., at a cost of \$15,000. After an hour's discussion in D.C. the SEC. officials decided they had



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TACOMA, WA 98401

AREA CODE 206-627-521

May 27, 1978.

William Eric Rohrs, Esq.,
1620 Washington Building,
Tacoma, Wash. - 98402.

Re: Your letter in the Tacoma News Tribune
May 18th. - "Lawyers aren't that bad".

Dear Mr. Rohrs:

Will you take a case against a firm of attorneys for "breach-of-contract", and/or "malpractice", where at least \$5.5 million was involved?

Or will you take a case against the Securities & Exchange Commission, for failure to enforce the laws for numerous admitted violations, which caused investors illegal and very unnecessary losses of several \$100,000? Involved in this case is the question of whether The SEC was influenced to excuse the violators, due to a 'bribery proposal' to The SEC attorney. The bribery proposal was made by a (then) local attorney, who was also guilty of a "breach-of-contract", or malpractice, and was one of the six Directors who committed the costly violations of the "Investment Co. Act", as well as common law.

The SEC admitted and charged the different violations, but by excusing the violators, it operated to impair stockholders' rights for direct action, if The SEC had not also evaded and delayed actions and reports.

The involved attorney and the President, each died suddenly within the following week, from the date The SEC was advised the evidence and facts had been placed before the Washington State Bar Asso. I do not think the sudden deaths were due to murder, but I do think The SEC was the cause.

The SEC could still properly rule on the illegal actions, and violations, to mean recovery for the investors.

My enclosed letter of May 14, 1977 to the Managing Editor of The Wall Street Journal, will give you more information about the first paragraph question. It is my opinion our "retained attorneys" sold us out, by being bought off by Peat, Marwick, Mitchell & Co., along with The ICC and the Railroad.

Very truly yours,

E. S. Watts
Edw. S. Watts, C.P.A.

June 23, 1978.

ESW/m.

Richard Greenfield, Esq.,
17 Saint Asaths Road, Philadelphia, Penn.

Dear Sir:

Mail returned.

Do not remember where we learned of your name, and that you specialize in "Shareholder Litigation". When such involves other attorneys as you will see above, it may cause quite a difference. Or whether you care to file against The SEC, is something the attorneys here do not consider. In any event you can advise.

E. S. Watts.

REVIEW & OUTLOOK

Wall Street Journal July 10, 1978.

It Ain't Actuarially So

A polling organization once asked the general public what an actuary was, and received among its more coherent responses the opinion that it was a place where you put dead actors. The actuarial profession, which specializes in the recondite calculations insurance companies and pension funds make to balance their assets and obligations, bears this sort of thing with a patient shrug. It is not often in the public eye. It has inspired no television series.

Which is too bad. Consider the recent statement of the Social Security System's trustees — Treasury Secretary Michael Blumenthal, HEW Secretary Joseph Califano and Labor Secretary Ray Marshall—that the increase in payroll taxes our legislators decreed last year has "restored the financial soundness of the cash benefit program." No actuary would agree with this. As the trustees implicitly concede elsewhere in their annual report, the increase merely postponed an inevitable crisis. If the system is to avert ultimate catastrophe, more people in Washington are going to have to submit to actuarial discipline.

Social Security, of course, is not like a private pension plan. The contributions of the employed are not used to purchase assets the income from which will eventually be used to pay their benefits. Instead, the money is handed over with little delay to those currently retired, in the confident expectation that when today's workers quit, a new generation will have entered the labor market, ready and willing to pay taxes in the same good cause.

Congress, up until last year, had taken the blase attitude that it could promise lavish benefits and let future Congresses find the money. It broadened benefits to dependents and survivors to the point where today only about half the beneficiaries are actual retired workers. Disability retirement was liberalized, and has been growing rapidly. Benefits were "double-indexed" to both wage and price inflation in 1972 and began soaring upward when inflation took off a short while later. The declining birth rate, meaning fewer workers to support future retirees, was insufficiently considered. With money running out, Congress last year scrapped double indexing and raised Social Security payroll taxes to the tune of \$227 billion over the 1979-89 decade.

This staved off the problem, we were assured, until early next century. There would have to be new thinking then, to be sure, because of that shrunken work force—indeed the trustees see payroll taxes soaring then to 17% to 20% of wages. But we are assured, more or less, of peace in our own time.

That, however, turns out to be another optimistic scenario. Some of the government's underlying assumptions are subject to professional debate, for example on future birth rates, death rates and medical costs. No one, alas, can forecast the course of inflation. Even apart from its self-confessed actuarial inadequacy, the system is thus highly vulnerable to unpleasant economic surprises. It was the unexpected 1974-75 inflation-recession, remember, which so quickly undermined the assumptions of 1972.

While \$227 billion may sound large, it begins to look more and more like a Band-Aid when compared to the still looming multitrillion unfunded future liabilities of the system. Even the way Congress undid its 1972 double-indexing mistake was the more expensive of two choices: benefits will be keyed to wages, which means that the fruits of increased productivity will go to the retired along with protection from price inflation. Meaning continuing inflation by legislation. But Congress did recognize the disquiet among those whose business it is to consider such distant and complex matters by providing for the appointment of a National Commission on Social Security. It is to have nine members, two appointed by the Speaker of the House, two by the Senate and five by the President. We believe the commission must take a professional and radical look at the current system. It must review its ad hoc proliferation of benefits; its remorseless encroachment upon the tax base, its alarming instability during economic upheavals, and its commandeering of savings, which are consequently lost to productive investment.

At the moment, however, the commission cannot even begin work because the President has not gotten around to making his five appointments. If he is lulled into complacency by those assurances of "financial soundness," we can only suggest that he consult with a few hard-headed actuaries.

Aug. 9, 1978.

My added
comment.

Another Federal
Commission,
to pad the
Bureaucracy,
as if we do not
have (50) too
many Federal
Commissions now

Edw. S. Watts,
C.P.A.

EDWARD S. WATTS, C. P. A.

TACOMA, WASHINGTON 98401
627-5223.

July 18, 1978.

Mr. Norm Schut, Executive Director,
Senior Citizen Lobby,
1501 S. Capitol Way, Olympia, Wash. - 98501.

Dear Sir:

Will address you as above, based on the enclosed Seattle P.-I. news article, in last Sunday - July 16, 1978.

I have been a Senior Citizen in the State of Washington, for almost (20) years, and the above is the first I have heard of a State Senior Citizen organization, much less a 'Lobby', or an endorsement of "a graduated net income tax".

As a Citizen, whether Senior or not, I will continue to oppose "a graduated net income tax", at least, until I see spelled out by figures, the exact, and at least equal, tax eliminations, or reductions, according to the amount to be provided by such, "graduated net income tax".

Now I would like to become a member of the State Senior Citizen organization, unless my tax views will prevent me from being considered for such membership?

I mailed a check Apr. 26, 1978, for a (3) year renewal of my membership, in the American Association of Retired Persons, but I have yet to receive a new card, nor answers for inquiries about it. I may place it before The Better Business Bureau soon.

As and when our Senior Citizens are made acquainted with how our legislative bodies continue and increase inflation, by legislation, along with the corruption and waste ^{by} politicians; they will understand the reason for the ever increasing 'high cost-of-living'.

My enclosed announcement of candidacy for U. S. Representative for our Sixth Congressional District, does not mean I am entering politics for the money and pleasure, (as most do). Of course my age and campaign program, will sustain such, as truth. But from many years of experience, including Government corruption revelations; I am convinced Our Good God Above, has picked me for a very unusual assignment, (particularly at my age), for he knew I would bear such a burden, to at least plant some seeds.

The announcement mentions only one or two main objectives, and some generalizing. So particularly for our Senior Citizens of this District, and your information, I would spell out a few specifics, as follows:

1. If Lobbying is outlawed, by our (50) States and the Federal Government, it could reduce the 'cost-of-living' at least \$500,000,000. a year. Then who aspire to the Legislatures or Congress, would really be interested in representing the Citizens and Taxpayers. They would not be wined and dined for "Special Interests". We have a good example before us right now in this State. Last year our Legislature, (not thinking about the Citizens and Taxpayers, as a whole), voted to increase the monthly welfare from \$59. to \$212., for 2,100 needy. Now we are advised the needy immediately increased to about (5,000). If the Legislature had given the Citizens and Taxpayers first consideration, there could have been more reason and sense to the legislation. So we reap accordingly.

(Continued on Page 2)

Mr. Norm Schut, Ex. Director,
Senior Citizen Lobby, Olympia, Wash.

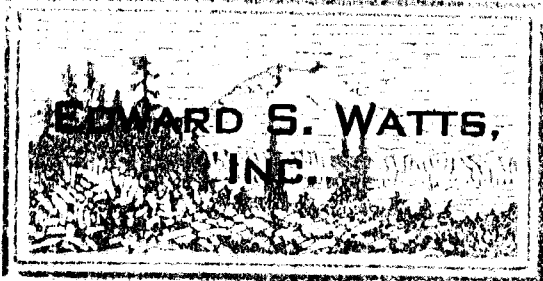
July 18, 1978.
Cont'd.

2. There could be a good question, as to whether we are already over-lawed, both by State and Federal Legislation, and a good deal of it has meant nothing but to build the monstrous Bureaucracy - both State and Federal. There is at this time pending before the U. S. Congress, what is known as the Metcalf-Moss proposals, to enlarge and make more possible more corruption by the Securities & Exchange Commission. No doubt it would cause many illegal contributions and side fees for Representatives and Senators. Of course to increase such Bureaucracy, means legislating to continue and increase inflation, and the cost-of-living. A new Federal Commission is created at every whim of a Senator, or Representative. Such unnecessary Commissions cause a monstrous part of our cos-of-living. A few years ago, the then Sen. Mansfield, may have felt he dishonored the policy of the Senate, by suggesting the ICC. had served it's usefulness. Anyway, he resigned, and I believe, is now Ambassador to Korea. The FTC, ICC, and SEC could easily be consolidated, to eliminate much over-lap.
3. If our Representatives and Senators are elected to go to Washington, D. C. to represent us, why are their unnecessary costs inflated, for local and State branch offices? With such added personnel means about \$25,000,000 more towards our high cost-of-living. When our Mayors, County or State Officials want any thing from the Federal, they travel first class to D. C., whether it is necessary or not.
4. Then our Congressmen should not be permitted to accept any side income for services. If they are offered a fee, because they are a Representative or a Senator, if accepted, such should be turned over to the U. S. Treasury. They did not elect themselves to warrant any honors. If they accept illegal contributions or fees, they should be fined twice the amount involved. Then citizens and taxpayers should get honest and real consideration and representation, without the taint of a conflict of interest. Besides they have fixed their salaries high enough, to require all of their time and attention.
5. Of course I have not cited all the cost reductions possible in the Administration of our State or Federal Government, so as I discover and decide on others, I can keep you advised. All City, County, State, and Federal salaries are about twice what they should be, to be comparable with Private Industry. And such as \$250,000. to Richard Nixon, for his elaborate living expenses, is enough to make radicals of all citizens and taxpayers, whether Senior or not.

Very truly yours,

Edw. S. Watts
Edw. S. Watts, C.P.A.

ESW/m.



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P. O. BOX 857

TACOMA, WA 98401

AREA CODE 206-627-5223

July 24, 1978.

Mr. Mel Tonasket,
P. O. Box 150,
Nespelem, Wash.- 99155.

Dear Mr. Tonasket:

About a week ago an Associated Press news article appeared in our Tacoma News Tribune that you were calling an "Independent Party" convention in Spokane for July 29th., for your nomination to run against Rep. Thomas S. Foley, who has been in the political machine too long, particularly if the Koreagate Felons should receive any due consideration.

Your news item was the first I knew, that as an "Independent" candidate, a party convention would be necessary; so we immediately wrote to the Secretary of State. Now we learn we are too late to qualify for the filing date next week. We do understand from the Auditor's Office that we might take (25) registered voters from here to the Spokane convention, to qualify a candidate for our Sixth District, if it would not disturb your Fifth District meeting?

I am really too old to be a candidate, but I have had so much experience in the last decade, with Government Corruption & Waste, High Cost-of-Living, by Government Manufactured Inflation, and no price or wage controls; that I felt I might at least plant a few seeds, by a campaign, to benefit those who have most of their years ahead.

Anyway, for months I have been going over my evidence, facts, and figures, so that our citizens and taxpayers might get a true understanding of what goes on at our County, State, and Federal Capitols. It is most disgraceful, and very costly for citizens, investors, and taxpayers.

Most of it can be summed up by: Bribery, Lobbying, and permitting Congressmen, Legislators, and Officials of Commissions to accept or receive side fees for services; when most of such would be in conflict with the best interest of citizens and taxpayers, who they are supposed to give first consideration.

I may not attempt to organize for the trip there next Saturday; but I herewith enclose a few bits, ideas, and news photocopy, which I will designate by dates as follows: 3/16/78, 5/27/78, 7/18/78, 7/23/78 - The Alumni, and 7/23/78 - Will Koreagate felons escape scot free?

Very truly yours,

Edward S. Watts
Edw. S. Watts, C.F.A.

ESW/

Mel Tonasket
Box 1508
Omak, WA 98841

August 1, 1978

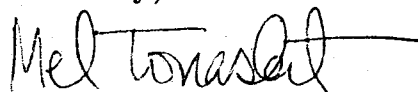
Mr. Edward S. Watts
American Federal Building
P. O. Box 857
Tacoma, WA 98401

Dear Mr. Watts:

I received your letter of July 24th, and the attached papers concerning the Koreagate issue. I wanted to take this time to acknowledge your letter and to thank you for the very interesting information in the attachments. I am sure that they will be very useful to us in our campaign against Tom Foley.

Thank you for your interest in these very important issues.

Sincerely,

A handwritten signature in cursive script that reads "Mel Tonasket". The signature is written in dark ink and has a long horizontal stroke extending to the right.

Mel Tonasket

MT:lw

EDWARD S. WATTS, C. P. A.
TACOMA, WASHINGTON 98401
627-5223.

Aug. 8, 1978.

Mr. H. A. or Ruth Briggs, 523 Alta Vista Place - 98466,
Mrs. Donna or Ralph Brown, 1314 E. 66th., - 98404,
Miss Cybthia Hammer, 4116 N. 39th., - 98407,
Mr. Robert or Margaret Hoffer, 3617 N. Stevens, 98407,
Mr. Harry L. or Evelyn Johnson, 1023 S. Steele - 98405,
Mrs. Lucille Junge, 3431 S. Pacific Highway, Medford - 97501,
Ms. Hazel Belle Mahood, 2034 Sixth Ave, Tacoma,
Mrs. Evelyn Macdonald, 3015 N. 30th., - 98407,
Mrs. R. Leonard Medlock, 3420 N. 37th., 98407,
Col. Donald C. Peterson, 612 South K - 98405,
Mr. Robert V. Russell, 2902 S. 84th., Tacoma,
Mrs. Vivian Thwing 3715 S. Tacoma Ave., Tacoma,
Mr. Louis or Emily Wiecking, 5502 N. 23rd., 98406,
Mr. Louis I. Wihlborg, 518 S. 7th., 98402.

Ladies and Gentlemen;


We did not receive a notice or letter from the Secretary of State in time for the required newspaper convention call, under a recent change in the law, to file an 'Independent Party Candidate', for the Sixth Congressional District in the September primary. Neither did we hear in time from the Spokane Convention, about qualifying there, according to our local County Auditor.

So unless by sufficient write-in Edw. S. Watts, CPA, will not be a candidate.

I have had a conference with the Republican candidate, who promises to carry-on the exposure and fight against the 'Bureaucratic Corruption' as the newspapers reveal to us every day, in our City, County, State, and Federal Governments. He also promises to fight for lower taxes. He may not adopt one of my platforms, to outlaw lobbying, but such is the reason for a lot of corruption, and at least \$500,000,000. towards our 'High Cost-of-Living'. Of course the different legislative and Congressional actions, cause about (90%) of the inflation, with corruption causing half of that.

Such a fight will be dangerous, but I would liked to have served, and we may have sown a few seeds, which may take root to benefit our citizens and taxpayers in the future.

Thanks, and sincerely yours,


Edw. S. Watts, C.P.A.

ESW/m.

cc: Abaxi Printing - Mrs. Margaret McGinnis, Mgr.,
945 Commerce St. - 98402.

EDWARD S. WATTS, C. P. A.
TACOMA, WASHINGTON 98401
627-5223.

Aug. 9, 1978.

Extra Session?

WASHINGTON — (AP) — House Speaker Thomas O'Neill indicated yesterday that if Congress fails to complete work on President Carter's energy program he will call the House back into session following the November elections. O'Neill said the key to a possible lame duck session is passage of a natural gas compromise which must be approved by both the House and Senate. Congress is tentatively scheduled to adjourn for the year on Oct. 7 to allow House members and senators to return home and campaign for re-election.



O'NEILL

Rep. Thomas P. O'Neill, Speaker,
U. S. House of Representatives,
Washington, D. C. - 20520.

Sir:

Does the attached news article, (which appeared in the Seattle Post-Intelligencer this morning), indicate you will now take an interest in the citizens of the United States, if not as to taxes, or taxpayers, as Speaker of the U. S. House of Representatives?

We also still wonder whether the illegal contribution given by Gulf Oil Corp. to the Senate Chairman of the Energy Committee five years ago, is the reason Sen. Jackson seems to have sat on his fanny for (20) months, while our trade deficit continues to rise, and our dollar goes to hell?

When the July 25, 1978 newspapers reported the \$100,000,000. General Service Administration 'fraud', and losses which could cost us taxpayers \$500,000,000., the only interest you seemed to take in such a costly crime, was that the No. 2 Official involved in such, was a political friend of yours, and you did not want him to be hurt, or prosecuted, regardless of the taxpayers' best interest? Does getting another Federal Post for him, estop prosecution, and so protect him?

Then the newspapers reported Aug. 6, 1978 that: "Rotten Apples were Found in the CETA Barrel", with the indication they could mean another \$500,000,000. illegal cost for us taxpayers. The following quotation from the article gives us such an idea: "The dramatic increase in the program brought with it growing pains and problems -- the most pervasive headache being, politicians trying to perpetuate political machines".

We know by experience that the Securities & Exchange Commission is a corrupt operation, causing a monstrous part of our "High Cost-of-Living". And we feel Sen. Mansfield was more than right three years ago, when he expressed the feeling that, "The Interstate Commerce Commission had served it's usefulness, and could be abandoned".

If there was any desire to reduce some unnecessary "Federal Bureaucracy", the FTC, ICC, and SEC could easily be consolidated, to eliminate a lot of overlap. The Supreme Court rather recently ruled The SEC was reaching into a territory, in which it had no legal right. And it is still trying to expand to harass and intimidate.

Respectfully submitted

Edw. S. Watts, C.P.A.

ESW/m.

cc: Mr. Landon Kite, White House Assistant.