

A Mickey-Mouse Tax Plan to Save America

By Jeff Clark

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The United States of America should be the happiest place on Earth. We just need to change our income-tax structure. Let me explain...

After filing and paying my 2011 taxes, there was still a little money left in my checking account. So I decided to splurge a bit and take the wife and kids on a mini-vacation to Disneyland. As I stood in the ticket line outside "the happiest place on Earth," I noticed the wide variety of people standing in line with me.

There were tall people... short people... fat people... skinny people... people of every ethnic background imaginable. There were kids, teenagers, young adults, mid-lifers, and senior citizens. Every genetic and chromosomal background possible was represented, as was – I think – every income class.

Certainly the gentleman in front of me with the tapered slacks, the Faconnable pullover shirt, and the Cole Haan walking shoes earned a decent living. In front of him, though, was a man wearing oversized denim shorts, a "Battle of the Bands 2009" t-shirt, and a stained baseball cap. He probably wasn't doing as well financially.

But here's the thing... we all paid the same price for our admission tickets.

It doesn't matter how young or old you are. It doesn't matter where you come from or what nationality your ancestors were. And it doesn't matter how much or how little money you make. Everyone pays the same price to gain access to all the rides and attractions at Disneyland.

And Disney (DIS) is a hugely profitable corporation. Just look at the stock over the past 10 years...



Market Notes

Gold and silver are both starting new uptrends... Big metal funds GLD and SLV touch four-month highs.

"IPO disaster" continues as [Facebook](#) and [Groupon](#) break down to fresh lows.

Homebuilder funds XHB and ITB hit fresh multiyear highs... both are up 50%-plus in the past 12 months.

Sports apparel maker [Under Armour](#) breaks out to a new all-time high.

Market Watch

Symbol	Price	Change	52-Wk
S&P 500	1406.57	+0.51%	+15.40%
U.S. Dollar	81.21	-0.05%	+9.02%
Oil (USO)	35.89	+1.79%	+4.00%
Gold (GLD)	164.22	+2.31%	-7.60%
Euro	1.26	+0.21%	-11.26%
Gold Stocks (*HUI)	458.43	+3.84%	-23.38%
Silver (SLV)	30.79	+4.59%	-23.88%
10-Year Yield	1.56	-3.70%	-29.73%
Volatility (*VIX)	17.56	-1.51%	-44.47%

World ETFs

Symbol	Price	Change	52-Wk
USA (SPY)	141.16	+0.48%	+17.95%
Singapore (EWS)	13.13	+1.70%	+5.17%
S. Korea (EWY)	56.29	+0.82%	+0.03%
S. Africa (EZA)	64.78	+1.19%	-2.68%
Taiwan (EWT)	12.66	+1.44%	-3.87%
Canada (EWC)	27.50	+0.92%	-5.93%
Japan (EWJ)	9.06	+0.11%	-6.02%
Lat. America (ILF)	41.58	+0.56%	-8.90%
China (FXI)	33.07	+0.36%	-12.05%
Israel (ISL)	11.82	-0.34%	-15.78%
India (IFN)	21.27	+0.28%	-17.80%
Russia (TRF)	14.53	+0.76%	-20.21%

Sector ETFs

Symbol	Price	Change	52-Wk
Construction (PKB)	14.80	+1.23%	+30.11%

It's up 175%.

Still, I had to wonder... If the best country on Earth operates with a progressive tax policy – where higher-income earners pay more for the privilege of living within its borders – why doesn't Disney charge higher-income earners more to enjoy its theme parks?

I called Disney's shareholder services department to get an answer. After being transferred about five times, I was finally able to convince the lady on the other end of the line this wasn't a joke... and I was a serious financial analyst. She agreed to answer my questions on the condition of anonymity. So let's just call her "Snow White."

Here's how the interview went...

Me: Why doesn't Disney charge different admission prices based on the income level of the people visiting its theme parks?

Snow White: Um... because that's a stupid idea.

Me: Are you saying the tax policy of the United States of America is stupid?

Snow White: Alright... if you're asking this as a serious question, maybe "stupid" is too strong a word.

At Disney, we charge everyone the same admission rate because once inside the park, everyone has equal access to all the rides and attractions. We do have discount tickets for young children, since they may not be permitted on some of the rides because of safety concerns. And we do offer a small discount to organizations that purchase a large number of tickets all at once. For the most part, though, everyone pays the same price to enjoy our parks.

Me: OK. Everyone pays the same because everyone has the same opportunity. But let's say someone has an unfair advantage to the rides, would he have to pay more?

Snow White: There are no unfair advantages at Disney.

Me: Oh, sure there are. For example, my favorite ride is the Indiana Jones Adventure – which is located all the way over at the north side of the park. If I enter the park from the south side, I don't have the same opportunity to ride the ride as someone who enters from the north. He should have to pay more.

Snow White: Well... no... You can always just enjoy the rides that are closer to where you enter the park. Or you can walk over to the north side to ride Indiana Jones Adventure.

Me: But he's closer... And that's an advantage.

Snow White: Walk faster.

Me: Never mind... Can you tell me how you decide what to charge for admission?

Snow White: Yes. Admission prices are set to ensure a good value for the consumer, enable us to keep the park in excellent condition, allow us to pay our employees a competitive rate, and provide a reasonable return to our shareholders.

Me: But what if I can't afford your admission price? Can you just charge some rich guy in line in front of me for two tickets and then just give one to me?

Snow White: That's not really a serious question, is it? Of course we couldn't do that.

Me: But what if I'm out of work? Or if I just spent my extra money on a new set of headphones? Or if there are just other things I need to pay for first, and I don't have the money for a ticket to Disneyland? What am I supposed to do then?

Snow White: Well... I guess like anything else you might want out of life, you're going to have to work hard and save for it.

Me: Thank you for your time, Snow White.

Snow White: You're welcome... I think.

As I hung up on Snow White, it occurred to me that I shouldn't be asking Disney why it doesn't have an admissions rate similar to the United States progressive tax policy. The company is doing great. Go back and take another look at the DIS chart.

Instead, we should be asking the U.S. government why it doesn't have a tax policy similar to

Retail (PMR)	25.38	+0.20%	+29.17%
Big Tech (QQQQ)	68.16	+0.66%	+24.99%
Consumer Svcs (IYC)	84.26	+0.42%	+24.73%
Media (PBS)	15.88	+0.57%	+20.99%
Health Care (IYH)	81.66	+0.34%	+20.87%
Software (PSJ)	27.24	+0.11%	+19.89%
Real Estate (IYR)	65.63	+0.40%	+19.21%
Biotech (PBE)	23.23	+0.22%	+17.56%
Financials (IYF)	56.94	+0.57%	+16.45%
Industrials (IYJ)	69.52	+0.48%	+15.97%
Insurance (PIC)	16.29	-0.31%	+13.63%
Defense (PPA)	19.74	+0.82%	+13.56%
Telecom (IYZ)	24.10	+0.25%	+11.03%
Semis (PSI)	14.74	+0.89%	+10.94%
Utilities (XLU)	36.35	-0.11%	+10.59%
Water (PHO)	18.77	+0.27%	+10.11%
Transportation (IYT)	89.32	+0.26%	+7.81%
Oil Service (OIH)	40.30	+1.46%	0.00%
Big Pharma (PPH)	39.67	+0.00%	0.00%
Basic Mat (IYM)	65.84	+1.21%	-4.65%
Nanotech (PXN)	6.15	+0.33%	-14.77%
Alt. Energy (PBW)	4.15	+0.97%	-39.87%

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Speculators are like sharks. Once they've found a good place to feed, they tend to return whenever they get hungry. And the sharks are hungry again.

instead... we should be asking the U.S. government why it doesn't have a tax policy similar to Disney's admissions rate.

Think about it... Just take a look at the "stock" of the United States of America over the past 10 years...



The U.S. dollar has lost one-third of its value in the last 10 years. Our debt level is exploding. We can't balance our budget. And we're about to tumble over the fiscal cliff.

Maybe we should take a page out of the Disney playbook and see if we can adjust our tax policy to turn America into the "happiest place on Earth." On Thursday, I'll run through the numbers and show you how I think we can achieve this. Stay tuned...

Best regards and good trading,

Jeff Clark

Further Reading:

In 2010, Jeff told readers about the greatest scam the U.S. government has ever pulled. Each year, it steals massive amounts of money from every single U.S. citizen. And it's legally allowed to do so – for the "greater good." So far, the government has stolen \$41,000 from Jeff... And believe it or not, it is happening to you, too. Read the full story here: [The Greatest Scam Ever](#).