Friends & Relatives,

Yes I know, once again, this is not your typical Christmas letter. It's just that so many interesting things happen over the course of a year and you may want to reflect on them as I do. With that said, my synopsis on 1996:

The US hosted the summer Olympics in Atlanta, GA. We took home 43 gold medals, there were 33 world records broken, and Kerri Strug of the US Gymnastics team made a medal winning vault that broke her foot, displayed American spirit, and captured the nations heart all at once.

A solution for AIDS seems imminent with a drug cocktail that has put the virus into submission. AIDS research may lead to cures for all kinds of things previously thought incurable such as the common cold.

Evidence was found in a Martian rock that it was once inhabited by alien life forms and, coincidentally, two missions to Mars were successfully launched. Stunning pictures from the Hubble Space Telescope and the discovery of new planets outside our solar system have become common occurrences.

President Clinton reluctantly signed a welfare reform bill which he's been promising to undo ever since. This entitlement along with Social Security and Medicare is a serious threat to our economic health.

Less than half of all eligible voters turned out for the Nov. elections and in California propositions 211 and 209 were passed which limited frivolous lawsuits and outlawed all types of racial preferences.

Iran used its government printing presses to counterfeit \$200B US dollars and is believed to be behind the attack at the King Abdul Aziz airbase in Saudi Arabia that killed 20 American service men and women.

The peace process broke down in Israel. Palestinian suicide bombers targeted civilian buses and violence was in the street after an ancient tunnel was opened near a mosque. Warren Christopher has made 28 trips to Israel over the past four years and although there has been tremendous progress we've neglected other more important foreign relations. China, for instance, can be our best customer or our worst enemy. Russia is in shambles, the former Eastern Bloc still needs help, and Africa is a powder keg.

110 perished on Value Jet 592 in the Florida everglades and 230 were killed when TWA flight 800 went down off Cape Morichis, Long Island. A Saudi Airlines 747 collided with an Ilyushin freighter over Delhi in the world's worst mid-air disaster.

The Soviet installed Afghan government fell into the hands of Taliban fundamental Muslims. They immediately imposed strict Islamic law and promised to set up a government based on that of Iran.

The FBI caught the Unabomber, Theodore Kaczynski.

Thomas Hamilton walked into a school house in Dunblane, Ireland and shot 29 children, ages 4-6, killing 16 of them along with their teacher. I cried.

Meanwhile, the US is drowning in a sea of government regulations and legal procedures. There are written requirements for virtually everything that schools, companies, and the government does and the rigidity of legal dictates is precluding personal judgment at the time and place of activity. The way something is done has become more important than what is done. Common sense and personal judgment have been deemed unnecessary and assumed corrupt.

OSHA safety inspectors are not given the latitude to care about safety, consequently, 50% of all violations are for not keeping forms correctly. Things like bricks and sand are labeled as "Poison" while planes slide off the runway at LaGuardia airport and into the Long Island Sound because it's too short and can't easily be lengthened (legally). In 1994 the Dept. of Defense spent \$2.2B documenting \$2B worth of travel and the EPA has spent the past 22 years reviewing pesticides and accomplished next to nothing. Meanwhile 400 out of 4000 factories in New York produce 95% of the pollution while regulators are spread thin enforcing the same regulations on all of them. The FDA takes 6 years longer to approve drugs than other western countries while terminally ill people, willing to try anything, die. The days of civil rights advances when court cases knocked down real employment

barriers for thousands have been replaced mostly by cases involving individual workers who've been laid off or fired.

Children without the physical ability to learn are given the right to attend public schools which must legally tailor expensive services to them while neglecting the rest. I am not uncompassionate, however, things have gotten way out of balance. The ratio of funding for Special Ed programs to gifted students is about \$11 to 1ϕ . We have built an educational system that's obsessed with its failures to the detriment of its potential successes.

Our legal system is in gridlock with special interest groups and zealous individuals creating a minefield where nobody is accountable and nothing gets done. Litigation has become a game that lawyers play by parading around with detailed rules in order to harass the opposition or delay, for years, any reckoning of their clients actions. We've achieved a system that takes regulation too far while doing too little.

Modern law has not protected us from stupidity and caprice, it has made stupidity and caprice dominant features of our society. It is how law works, not what it aims to do, that's driving us crazy.

Despaired? Don't be. What I've failed to mention so far is the most critical variable. Something you can't beg, borrow, buy, or steal...American spirit. It is the one thing, above all else, that every nation in the world wishes they possessed. When inflexible impractical procedures and regulations are scraped, American ingenuity, creativity, and determination shine through like high beams through the slits of a window blind. When we are permitted to work as people with an objective instead of mindless cogs following specific rules, real problems are identified, actions are improvised, and solutions are found.

When the rule book was tossed out after a 1994 earthquake that destroyed the Santa Monica freeway, it was rebuilt in 66 days to higher standards than the old one; a process that would've normally taken 4-5 years. And in 1988 when the deputy commissioner in charge of New York bridges was budgeted \$3.5M and five years to rebuild the Carroll Street Bridge, he ignored the procedures and did it to code in 11 months for \$2.5M so that a Centennial celebration could be held on the bridge. In 1982 when cyanide was inserted into Tylenol packages the FDA issued final regulations for "tamper-resistant packaging" *in one month*.

Every generation has smart people that think they can solve everything once and for all. Ours happens to be the one that fell for it. Law should not provide the final answer but should articulate goals and provide mechanisms for resolving disagreements. We need to give people the latitude to take responsibility. They want to succeed and have the compassion and common sense that regulations lack.

As for myself; I bought a house and changed jobs in 1996. I'm designing chips for personal computers at a small Bay Area firm. Monica and I are planning a trip to Fiji or Tonga in Dec. 1999 to be the first to witness the new sunrise of the next millennium. If you're interested, you're invited. I'm making reservations soon.

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Theodore Roosevelt's guiding philosophy: Principles before self interest. Strength in the face of danger. Help those less fortunate than yourself.

There is not one person who will receive this letter that does not have the potential to effect enormous change. Merry Christmas and a prosperous New Year.