

Simple Solutions

There are three simple solutions to the deficit, Medicare, and the Social Security problems.

First: Just after WW2, due to the Depression and the war, the deficit was huge, greater than today's deficit relative to the Gross Domestic Product. It was paid off by a 91 percent tax on the upper bracket, that is, on annual income over \$400,000 (\$200,000 before 1948). This 91 percent tax prevailed under the Republican Eisenhower administration as well as under Democratic administrations. It paid for the GI Bill and helped finance both the VA and FHA loans. In short, it built the middle class. (I, for one, would never have been able to afford college had it not been for the GI Bill; as a veteran of WW2 – 88th Infantry Div., Italy – I received complete tuition plus a salary.) Republicans and some Democrats fought tooth and nail recently to keep the tax on the top bracket from rising to 39 percent! And President Obama caved in. If we are serious about reducing –eliminating! – the deficit, we would return to the 91 percent tax on incomes over \$400,000. The alternative is to punish the poor by destroying such programs as WIC, that is, literally taking milk from infants' mouths.

Second: There is no Social Security problem: SS has been piling up surpluses in the trillions of dollars; it has not contributed a dime to the deficit. But we can add to the surplus (now building toward 4 trillion dollars!) by removing the cap on income taxed by Social Security – that cap is now set at \$106,000; remove it so that the rich pay SS tax on all their income, as they do now for Medicare.

Third: Replace the Health Care law with a single payer plan. European countries with this plan deliver twice as much medical care and pay half as much as the United States. This is something Obama should have fought for from the beginning,

as Dr. Marcia Angell and many others have said.