

A Path Forward for our Nation

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Many people are expressing proper and urgent concern with the problems facing our nation, including:

- 1) the inability of Congress and the Administration to control the mounting **debt** that could soon bury the dollar and crash the economy,
- 2) the dramatic **wealth gap** and the **income gap** between the richest few and the rest of the population,
- 3) interest groups and corporations **controlling elections and campaigns**,
- 4) a **health care system** that is expensive beyond the reach of many with a bureaucratic cure that may only contribute to the problem,
- 5) **overloading of prisons** with those involved in minor drugs, and the associated costs of incarceration and private prisons, and
- 6) an **immigrant population** that is caught between laws, sympathy, and anger.

These are simply facts, so I won't debate them or argue about them. They are the dead weights tied to our nation's future that will drag us under if not addressed in an urgent way.

This proposal will be brief and focused on helping our national move forward on all fronts. It isn't perfect; no plan is. But there are far too many critics and not enough leaders proposing remedies.

Each component of this proposal affects some group, many of them powerful, wealthy and influential. None of this will be easy, nor without affects on all of us.

I welcome comments and refinements. I hope Americans will be civil and contribute to the discussion in a positive way. Yet, I expect to get hate mail from many quarters. Some will think portions of this proposal are "socialist"; others will believe it will inflict too much pain. I believe the proposals establish reasonable limits, conditions, and outcomes. You be the judge.

All of the following must be implemented to make a difference collectively. The parts fit together and require each to support the other.

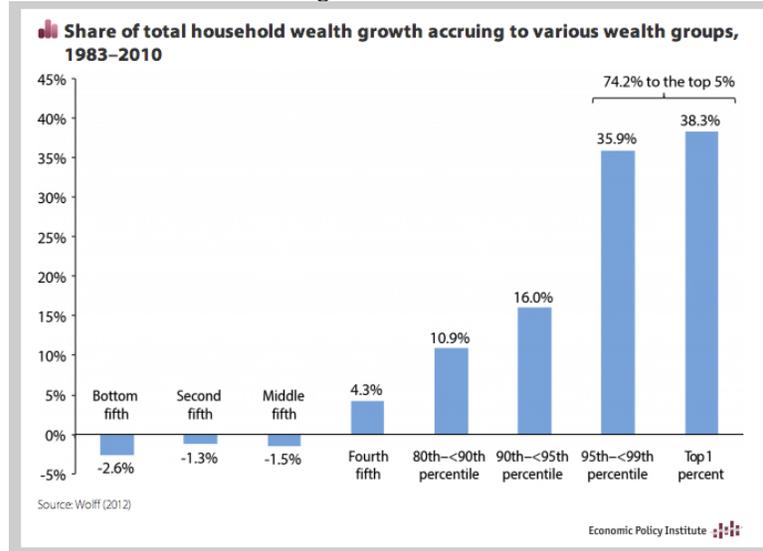
The issue	What Must be Done
The National Debt (that held by the government through borrowing) <u>has now surpassed the total gross domestic product of the entire U.S.</u> Neither party has been able to control itself when in charge. Currently the interest on the debt is 3% of GDP, but this is because interest rates are near zero. If the	Constitutional amendments that require budgets must be passed on time by date certain and that cut the deficit by 4% per year, working towards a balanced

dollar value continues to decline as the world currency, and interest rates rise to 3-4%, the interest cost would triple to 10-12% of GDP, a point at which a nation faces default and economic collapse. See here for a stark dose of national debt reality: <http://www.financetwitter.com/2011/09/usa-debt-how-much-does-each-american-owe.html>

budget over 20-25 years. If any budget isn't passed on time and meeting the deficit reduction, the salary of all members of Congress, Congressional staff, the President, Administration Cabinet members and staff are reduced by 4% for every month the situation continues. Making it personal to the decision makers is the only way to ensure something is done.

2. **Wealth Gap:** A viable capitalistic society must allow for reward and accumulation of wealth. But after some point, unlimited wealth creates such an inequity in society as to cause major problems. When the top 5% of the population owns or accumulates 75% of the wealth of a nation, it means we have lost the middle class and are becoming a nation of serfs and lords.

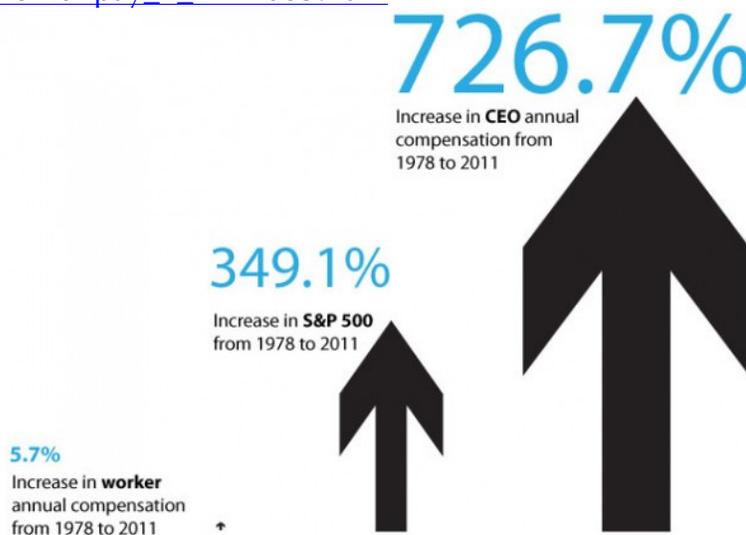
Any single individual or trust may possess no more than \$100 million dollars in any form of assets (cash, equity, bonds, stocks, property, etc.). Why \$100 million? Why would anyone NEED more than this? It can only be for power, greed, or influence. The figure is total assets, not net assets (accounting for debt). The reason for this is that a very wealthy person could intentionally accumulate great debt to simply offset the asset balance, a perverse incentive. Individuals are free to earn all they can, but once the limit is reached, amounts over the limit are to be distributed as follows: 50% to the Federal government to be applied toward debt reduction; 25% to state and local governments; and 25% at the individual's discretion to any non-profit organization of which the individual



cannot be a paid employee. Individuals, trusts, or entities have a 5-year window to divest amounts over \$100 million, with 20% of the overage to be divested each year. Once divested to the \$100 million limit, yearly wealth over this must be divested every year. (A person is free to spend down and earn back up).

3. **Income Gap** (relates to wealth gap) CEO Pay: U.S. CEO pay, depending on the source of the data, ranges from 200-500 times that of workers. **CEO pay spiked 725 percent** between 1978 and 2011, while worker pay rose just 5.7 percent, according to a study by the Economic Policy Institute. That means CEO pay grew 127 times faster than worker pay. Income inequality between CEOs and workers has consequently exploded, with **CEOs last year earning 209.4 times more** than workers, compared to just 26.5 times more in 1978 -- meaning CEOs are taking home a larger percentage of company gains. This contributes to the wealth gap.

http://www.huffingtonpost.com/2012/05/02/ceo-pay-worker-pay_n_1471685.html



*Based on the Economic Policy Institute report "CEO pay and the top 1%" published May 2, 2012.

CEO-to-worker pay ratio is limited to 100:1 by law. This includes all forms of compensation, such as salary, stocks, equity, and benefits. The CEO and management is free to earn their pay at any level as long as the ratio is maintained. Raising the CEO pay or paying out a bonus to the CEO would trigger a pay increase or bonus to the workers. The benefits of the earnings would be distributed to all who contribute to the success of a company. Hence a company that pays only minimum wage of \$7.50/hour could have a CEO with a compensation package of approximately \$1.5 million/year. If the average pay for workers is higher, the CEO package could be higher. This ratio would apply to all public and private corporations or businesses of any structure or type (LLC, partnership, etc.)

	<p>Another part of this proposal is to create an entry-level minimum wage for teens (14-17 years old). This enables companies to hire them, train them, and provide work opportunities at wages that match experience.</p>
<p>4. Campaign Finance and Influence: Elections do cost money to tell a message to the public. The public needs to know the positions of those running for public office. But when money and special interests of any and all types have unfettered “free speech,” the consequence is no different than a nation with no limits on wealth accumulation, and the balance can and has tipped too far. Most campaigns and campaign messaging is funded by corporations and special interests. One can argue that special interests simply represent individuals in a collective way. As noted in the right column, if this can be demonstrated through transparent reporting within set limits, there should be no concern. How can we limit contributions without limiting free speech in how those dollars are used to influence politics?</p>	<p>Simple. Limit what can be received, not what is given. A limit of \$500 per individual for any political campaign, PERIOD. A corporation, a non-profit, or any other entity is defined as an individual for this purpose. The politician cannot accept more than \$500 from any of them in any election cycle or year. As for third-party messaging, the entity funding the message for or against a politician must demonstrate through transparent reports that no individual has contributed more than \$500 toward the message campaign. These proposals will likely require a Constitutional Amendment.</p>
<p>5. Health Care Cost & Access: The United States devotes a much larger share of its national income to health care than any other country in the world, yet many go without health insurance coverage. In 2007, the last year for which internationally comparable data were available, total expenditures on health care in the United States comprised 16.0 percent of the Gross Domestic Product (GDP), while the average of the developed countries that are part of the Organization for Economic Cooperation and Development (OECD) was only 8.9 percent of GDP. The United States spends more than twice as much per person on health care</p>	<p>Reward good behavior. Give substantial tax credits or premium reductions to non-smokers (more than at present), those within 15% of normal weight, individuals who use alcohol only in moderation or not at all, people who exercise moderately at least twice per week, etc. This addresses two key policy issues —</p>

compared to the average of the OECD countries. In 2007, the United States spent the equivalent of \$7,290 per person on health care, compared to only around \$3,900 in Canada, \$3,600 in France, Germany and the Netherlands, and \$2,600 in Japan. Switzerland, long the country with the second highest health care costs, spends only two-thirds as much per person as does the United States. What are we getting for all this cost? A reported 60 percent of bankruptcies in the U.S. are due to expensive medical bills.

The issue in health care is indeed cost. Cost is tied to many factors, among which are profits built into the system, salary scales of CEOs and physicians, equipment costs, new technologies, pharmaceuticals, etc., all of which have grown faster than inflation. The rise in the treatment prevalence or percentage of society being treated for key conditions also contributes (cancer, heart disease, diabetes). The aging population is another major factor in health care costs, as is the progress in medicine itself, enabling longer life. One study documented that the typical American spends more than \$300,000 over a lifetime in medical services. The study found that almost 60 percent—\$188,658—of the total lifetime cost of a person is spent after age 65. Especially striking is the finding that well over one-third of the average 85-year-old's health expenditures will be in that person's future. The number of people 65 and older is projected to grow from 13 percent of the population today to 20 percent by the year 2030. The population of the “old-old” (85+) will quadruple over the next few decades as the large baby boomer cohort reaches these advanced. Old-age health care costs thus will impose increasingly severe pressure on private finances and government. If nothing is done to alter current patterns of health care, per capita health care expenditures will rise by 20% due to population aging alone.

Unhealthy consumer behavior also contribute to costs – overweight linked to diabetes, smoking to cancer, poor diet to heart disease, excessive alcohol to kidney and liver problems, etc. By changing behaviors, expenditures from the treatment of resultant chronic

prevention and premium support.

Place caps on pay ratios and wealth accumulation of doctors, CEOs and other high-paid executives in the insurance industry (as noted above) will help address some of the costs associated with health care.

Changing payment incentives from insurance and government to focused on quality and outcomes rather than fee-for-service volume. Several pilots have shown this effective in reducing inpatient admissions, decreasing readmissions, and reducing chronic conditions.

Prescriptive Drugs. This simply needs to be a government regulated market like utilities. People have few options in many treatments and placing prescription drugs in a “profit arena” places many of our citizen’s health in jeopardy of debt or going without. It works for electricity; let’s make it work for prescription drugs.

Malpractice. 3-step process. Provide mediation between the provider and the affected party. Mediators selected at random from a qualified pool of specialists in medical

<p>diseases could be prevented.</p> <p>Focus on cost control, not cost shifting: Half of all health care spending in this country is for 5 percent of the population, and greater cost-sharing will have very little impact on this key cost driver. Health care is not like other markets. Health care consumers have to rely on providers to tell them what will make them best off, and they are not in the best position to distinguish between necessary and unnecessary care. Making them pay more out of pocket for their health care will not make our health care system more cost-effective; it will merely increase human suffering by making sick people do without necessary care or endure economic hardship to access the care they need.</p> <p>We need to find reasonable end-of-life treatments that lower the financial stress on the system and avoid pushing costs onto the children of those who may soon pass. This is in NO WAY an argument for curtailing essential treatment for elderly people. It is rather an invitation to think creatively about what is driving costs in the system, a call for novel ideas in supporting healthy lifestyles and choices, and an acknowledgement that we all will face decisions about end-of-life and the options involved. Let's have a collective discussion.</p>	<p>mediation.</p> <p>If mediation is unsuccessful, the case passes to an arbitration board comprised of: one practicing physician not involved with the case; two private citizens selected as jury duty calls are done; and one insurance representative of a provider not involved with the case. A settlement requires a majority ruling (3-1 or 4-0). Any case that cannot achieve a ruling would automatically pass to the court system.</p> <p>This approach to a conflict resolution would minimize system costs, encourage resolution at the closest level to the participants, and move cases that are egregious to the courts. Some limit on malpractice suits may be required to keep insurance rates from pushing system costs as another driver.</p>
<p>6. Overloaded Prisons and Private-Run Prisons</p> <p>The misuse of so-called recreational drugs is a concern for how it affects individuals, families, and society. But there are clearly differences between marijuana and crack, cocaine, heroine, etc. They need to be decoupled and treat separately by law and rehab treatment.</p> <p>The use of marijuana is roughly equal between the White population and that of Color. Yet incarceration rates are 4X larger among Blacks and Latinos than Whites. Not only is the racial and unacceptable, it is a waste of money for incarceration.</p>	<p>Decriminalize marijuana. Do away with minimum sentencing for minor drug violations.</p> <p>Increase Rehab for Drug Users According to PBS, many criminals return to prison because they were not rehabilitated while in jail. Inmates are released after serving time without learning</p>

	<p>social skills or being educated; therefore, they have a hard time finding a job or a place to live and often return to a life of drugs rather than integrating into society. PBS reports that when inmates have the opportunity to learn some means of making a living, recidivism rates go down.</p> <p>Private prisons need to either be closely regulated or closed down. Too many cases are evidencing abuse of prisoners, misuse of public funds, and few programs for rehabilitation.</p>
<p>7. Immigration Reform We cannot have open borders, yet we must humanely approach solutions to the dilemma of a large illegally immigrated population in the U.S.</p> <p>Rounding up and deporting is untenable and off the table. Some path forward is required.</p> <p>Finding a balance between the perception of rewarding immigration outside of lawfully established channels and that of being inhumane to fellow human-beings leaves lots of area for discussion and creative solutions.</p> <p>Some concepts are to the right. Let's find a resolution or path forward on this issue.</p>	<p>All emigrants who are not legal residents in the U.S. must register within 6 months of law passing. Any person who has not registered (valid registration or SS#) will be deported, no exceptions. (This does not apply to those going through legal channels for immigration, green card, and citizenship as allowed by law).</p> <p>Registration fee of \$1,500 (amount?) per person to processing agency of government. Once registered, there will be a 5-year path to legal residence. <u>Annually:</u> 1. Unattached individuals must demonstrate employment earnings, or working with employment agency; for</p>

	<p>family, at least one parent must demonstrate employment earnings, or working with employment agency;</p> <p>2. children must receive all vaccinations required by local schools;</p> <p>3. Some level of citizenship orientation, voting rights (if they achieve citizenship status as required by law), U.S. history and English might be required??</p> <p>4. Other??</p> <p>Any emigrants (excepting political refugees and other refugee and legal immigration quotas as provided by law) entering the U.S. after passage of the law -- enabling those already here to register and reside -- will be deported. <i>There must be some check/mechanism to not encourage a fresh flush of illegal immigration prior to passage of this act.</i></p>