The Top 1%

and the Historical Top Tax Rate

When the 1% paid 77% income tax during WW1, what was life like for them?

Were they starving? Were they unable to send their kids to a good college? Were they unable to afford second homes?

Actually they were the richest of all Americans. They had more than everyone else. They sent their kids to the best colleges, ate the richest food, and owned more than everyone else. There is no indication that they were anything other than ecstatic. They continued to build their businesses and investments.

The divide between rich and poor reached its peak in America right before ... The Great Depression. The top income tax rate had been reduced from 77 to 24%. Drastic social measures were required to help the lower and middle classes. By 1939 the top tax rate was back to around 75%. America rebounded, won WW2, and became the land of opportunity; famous for its middle class and the promise that in America, everyone could prosper.

The top tax rate remained around 90% until 1964 when the Vietnam War was used as an excuse ... to cut rates? (maybe that's why we lost?). The rates dropped to 70%

In the 1980's, Reagan proved to be the best friend the rich ever had. He lowered the rates, first to 50%, and then later to 28%. The 1980's is when the inequality between the rich and everybody else first started explode. Milton Friedman won the Nobel Prize in Economics for his "Trickle Down Economics" which promised the middle class and the poor that if they allowed the rich to keep their profits, the benefits would trickle down to them.

Within one generation, America lie in ruins, mired in "The Great Recession" which had ramifications throughout the world.

DATE %

WW1 77

1925 25 (4 years before the Great Depression)

1939 75

WW2 94

1964 70

1982 50

1988 28

1993 40

2004 35 (4 years before the Great Recession)

In 1980 the rich owned about 20-25% of everything. By 2010 they owned almost HALF of everything in America. The other 99% of Americans shared the other half. What is life like for the richest 1% now?

Are they starving? Are they unable to send their kids to a good college? Are they unable to afford second homes? To hear them tell it ... yes.

In reality, no. They are still the richest of all Americans.

Their latest coup was the "Citizens United" decision which guaranteed that they will now control government. This decision represented a death blow to democracy. We are now a Oligarchy (rule by the rich) and our chances of escaping this death grip are slim ... as long as people remain gullible and untrained in critical thinking skills.

LINKS

[http://en.wikipedia.org/wiki/The\_great\_recession#Comparisons\_with\_the\_Great\_Depression](http://en.wikipedia.org/wiki/The_great_recession%23Comparisons_with_the_Great_Depression)

[http://en.wikipedia.org/wiki/Taxation\_history\_of\_the\_United\_States#Income\_tax](http://en.wikipedia.org/wiki/Taxation_history_of_the_United_States%23Income_tax)