

## LARSON CALLS FOR FISCAL RESTRAINT TO ENSURE ADEQUATE FUNDING FOR WAR EFFORT; SENIORS

FOR IMMEDIATE RELEASE: October 15, 2001

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WASHINGTON, D.C.—“Our nation is at war, and the effort overseas as well as our defense here at home requires a full measure of support that utilizes all our resources,” said Congressman Larson. “This means that many of us, as American citizens, need to make sacrifices. Therefore, a choice must now be made between giving the wealthiest Americans a tax cut, and keeping Social Security and Medicare solvent for future generations. We cannot undercut Social Security or Medicare now as the baby boom generation begins to retire.”

Larson today called on his colleagues in Congress to act on H.R. 2935, legislation which would repeal the reduction of the highest income tax rate in light of emergency funding needed to support the war on terrorism and to fund other priorities. Larson is an original cosponsor of the bill. Due to the unexpected costs associated with the war on terrorism and homeland defense, the Social Security and Medicare surpluses have been tapped into, while at the same time, domestic needs, including the high cost of prescription drugs for seniors, have yet to be addressed.

“The United States has an obligation to meet our military and homeland defense needs, as well as keeping our promise to older Americans of a prescription drug benefit under Medicare. We owe it to our seniors to provide them relief in their purchase of needed prescriptions. However, it will not be possible with such a massive tax cut in place and at the same time funding our fight against terrorism. The older generation of Americans has already lived through the first day of infamy at Pearl Harbor and made staggering sacrifices throughout the Great Depression as well as the Second World War. They should not have to make yet another sacrifice.”

According to the House Budget Committee, for Fiscal Year 2001, which ended on September 30, all of the Medicare surplus was spent, as well as roughly \$8 billion of the Social Security surplus. The Budget Committee estimates that in fiscal year 2002, roughly \$122 billion of the Social Security surplus will be spent. Should the reduction for those in the highest tax bracket be repealed, an additional \$100 billion would be available. Under H.R. 2935, the savings provided from the repeal would be divided between the Social Security and Medicare Trust Funds, in an effort to preserve both programs, while freeing up the necessary funding for the current war effort and other expenditures.

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