

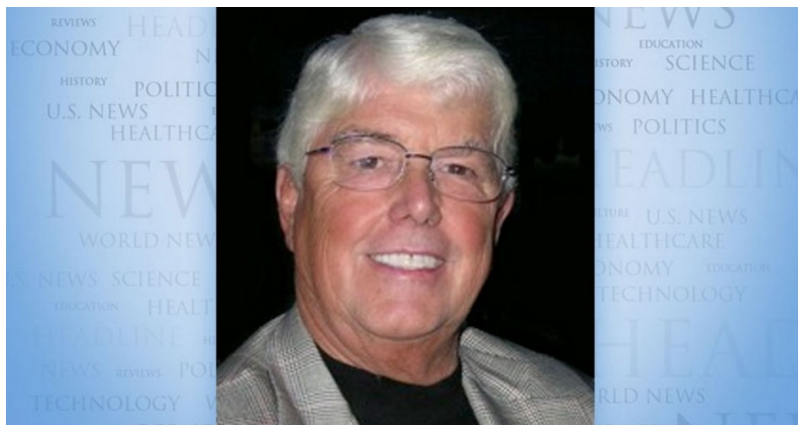


Written by [Wallis W. Wood](#) on December 9, 2012

Barack Obama's Phony Mandate

Let me see if I have this right. Earlier this year, while campaigning for re-election, Barack Obama said he wanted to raise taxes \$800 billion on everyone making more than \$250,000 a year. Republicans were virtually unanimous in shouting, "No way!"

Then what happened when the Spender in Chief wins the White House for another four years? He promptly doubled down. Now, he says he wants \$1.6 trillion in new taxes over the next 10 years. And our "don't call my bluff" President made it abundantly clear that he'll play hardball to get it.



Treasury Secretary Timothy Geithner, who is serving as Obama's messenger boy to Capitol Hill, declared flatly on *Meet the Press* December 2: "There's no path to an agreement that does not involve Republicans acknowledging that rates have to go up on the wealthiest Americans."

In other words, it's our way or the highway. So what did the Republicans do? Rather than sticking to their earlier promise, the leadership countered by agreeing to give Obama the \$800 billion he originally asked for. Way to fight for principle, guys.

Of course, \$1.6 trillion in new tax revenue isn't all that the Democrats are after. Obama also wants \$50 billion in new stimulus spending and another \$30 billion to extend unemployment benefits. Plus, he wants the death tax to go back up to 45 percent on estates and family farms worth \$3.5 million and more.

And it doesn't end there. Geithner, a tax cheater, also says that it's time to abolish the ceiling on the federal debt. No more coming back to Congress, hat in hand, to increase the limit on how much money our bankrupt federal government can borrow. No, if Team Obama gets its way, there will be no limits on how much deeper this country will go in debt. Isn't that a lovely situation to contemplate?

What about cutting some spending? "We'll talk about that sometime down the road" is the best Team Obama will offer. No wonder Charles Krauthammer said that the Democrats' proposal is "not just a bad deal, this is really an insulting deal." In fact, he added, "Robert E. Lee was offered easier terms at Appomattox and he lost the Civil War."

What happens if House Republicans dig in their heels and just say no? Well, inaction might give the Democrats an even bigger victory. It would mean that the Bush tax cuts (which Obama extended in 2010) would expire on January 1. Those increases, plus all the new taxes and fees that are part of Obamacare, will mean that our taxes will go up even more.

A lot of observers are convinced that Obama and his advisers will be only too happy to see the U.S. plunge over the much-hyped fiscal cliff. Either way, they get the tax increases they want. Plus, under the latter scenario, they get to blame the Republicans for not being willing to compromise. It's a heads-I-win, tails-you-lose proposition, with the big spenders in Washington coming out ahead either way.

By the way, did you see what one top Obama supporter is doing to avoid paying a bunch of those new



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taxes? Jim Sinegal, the co-founder, director and former CEO of Costco, was so smitten by the job Obama is doing that he agreed to give a prime-time address at this year's Democratic convention. So you'd think he'd be hunky-dory with the Obama tax increases, wouldn't you?

Not on your life. Costco announced November 28 that it would pay a special dividend to all of its shareholders. It is doing it in December — and even *borrowing* the \$3 billion it will cost — so shareholders won't have to pay the higher tax on dividend income next year.

Since Sinegal owns 2 million shares of Costco stock, that's \$14 million he'll get in this special dividend. At the current tax rate of 15 percent on dividends, he'll have to fork over a little more than \$2 million of it to Uncle Sam. But had Costco waited until January to pay the dividend, Sinegal's tax rate would be 43.4 percent, or more than \$6 million.

In other words, the former Costco CEO gets to pocket an extra \$4 million that otherwise would have gone to the Internal Revenue Service. Merry Christmas!

So much for the "shared sacrifices" by Obama's wealthiest supporters. Now, please allow me to puncture a few more holes in the Democrats' balloon. Let's turn to the myth that Obama got a huge mandate in the November elections.

Nonsense! Obama won 51 percent of the votes for President on November 6. But only 60 percent of eligible voters even bothered to cast a ballot this year. Winning support from 30 percent of eligible voters is hardly an overwhelming mandate.

Plus, exit polls of the people who voted revealed that a majority of them didn't want taxes increased on people earning \$250,000 or more. Obama's claim that the voters this year sent "a very clear message" that they favored higher taxes is a bunch of baloney.

Anyone with an ounce of common sense knows that the problem in Washington isn't too little revenue; it's too much spending! If the federal budget were reduced to what it was four years ago when Obama first took office, we wouldn't need a nickel of new taxes to balance the budget.

In fact, if we held the line on spending and simply stopped increasing it every year, pretty soon Uncle Sam would enjoy surpluses once again. We could even start reducing the national debt, rather than see it go up more than \$1 trillion a year.

Of course, there's about as much chance of seeing this happen of a snowball surviving a trip through Hades. While it's not what we wanted or worked for, I'm afraid it is now a virtual certainty we will see higher taxes and fewer new jobs and more new bureaucrats, regulators, tax collectors and other federal busybodies next year.

And after that, it could get even worse.

Until next time, keep some powder dry.

Chip Wood was the first news editor of *The Review of the News* and also wrote for *American Opinion*, our two predecessor publications. He is now the geopolitical editor of *Personal Liberty Digest*, where his *Straight Talk* column appears weekly. This article first appeared in [PersonalLiberty.com](#) and has been reprinted with permission.



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