



Written by [Ralph R. Reiland](#) on June 7, 2010

## Obama's "Single-dime" Hot Air

Sea Isle, N.J. — We're sitting here on our beach chairs looking for tar balls. So far, everything's pristine. The gulls are still white, not yet looking like crows.

Longer run, things don't look so good. Renters are already calling and asking our local real estate offices if they can get their money back if the damage from British Petroleum's gushing well in the Gulf turns around Florida and comes up the east coast.

President Obama, reacting to charges that he's been ineffectual in the crisis, took a lawyerly approach and announced that BP would be required to make us whole. "We will demand they pay every dime they owe for the damage and painful losses they've caused," he said.



That sounds good. It's the same solitary dime that Obama brings out whenever criticism becomes too overpowering.

With the public not buying his claim that the Democrats' health reforms will simultaneously cover everyone, increase quality, cut costs, and reduce deficits, Obama inserted the dime in his healthcare speech to Congress in September 2009. "I will not sign a plan," he declared, "that adds one dime to our deficits, either now or in the future."

With the public not believing Obama's claim that their taxes won't go up to pay for his spending increases and record deficits, the same dime popped up in his address to Congress in February 2009. "If your family earns less than \$250,000 a year, you will not see your taxes increased a single dime," he pledged. "I repeat: not one single dime."

The "not one single dime" applied to all taxes, not just income taxes. "Under my plan, no family making less than \$250,000 a year will see any form of tax increase," Obama repeatedly bellowed in campaign speechifying. "Not your income tax, not your payroll tax, not your capital gains taxes, not any of your taxes."

In fact, that pledge to raid only the wallets of "the rich" went up in smoke when Obama signed the new cigarette taxes into law, a levy that disproportionately hits the poor (Gallup reported last year that 34 percent of people earning \$6,000 to \$12,000 were smokers, while only 13 percent of people earning \$90,000 or more were smokers), producing the exact opposite in income distribution of what Obama promised.

The new federal tax of 62 cents per pack, to \$1.01, is the largest jump since cigarette taxes were implemented in 1951. For a couple smoking a pack a day each, that's a tax hike of \$452.60 a year. If they're overly anxious about their economic situation and puffing two packs a day each, that's \$905.20 in additional taxes per year.



Written by [Ralph R. Reiland](#) on June 7, 2010

---

Obama's pledge that his health reforms wouldn't add a dime to the deficit has similarly come undone with the director of the Congressional Budget Office now reporting that the Democrats' health law can be expected to raise costs and put the budget on an unsustainable path without "a significant reduction in the growth of federal spending on health care relative to the amounts projected under current law."

What's coming, in short, are higher costs and more cuts in care, exactly the opposite of Obama's sales pitch.

And Obama's promise that BP will "pay every dime" to make us whole? Not much of a chance. The company's declining assets currently total \$236 billion. Florida's tourism industry alone is \$57 billion a year, most of it beach-related, and that's not counting the value of Louisiana's crabs, oysters, and shrimp.

**Ralph R. Reiland** is an associate professor of economics at Robert Morris University in Pittsburgh.



## Subscribe to the New American

Get exclusive digital access to the most informative, non-partisan truthful news source for patriotic Americans!

Discover a refreshing blend of time-honored values, principles and insightful perspectives within the pages of "The New American" magazine. Delve into a world where tradition is the foundation, and exploration knows no bounds.

From politics and finance to foreign affairs, environment, culture, and technology, we bring you an unparalleled array of topics that matter most.



### What's Included?

- 24 Issues Per Year
- Optional Print Edition
- Digital Edition Access
- Exclusive Subscriber Content
- Audio provided for all articles
- Unlimited access to past issues
- Coming Soon! Ad FREE
- 60-Day money back guarantee!
- Cancel anytime.

**Subscribe**