



Written by [Ralph R. Reiland](#) on November 23, 2012

Obama's Switcheroo on Economics, From Right to Wrong

Here's President Obama in August 2009 regarding the link between tax increases, recessions, and business growth: "The last thing you want to do is raise taxes in the middle of a recession because that would just suck up — take more demand out of the economy and put business in a further hole."



Today, in a still weak economy, raising taxes has moved from being the "last thing" to do to being Mr. Obama's top priority.

Single-handedly, Obamacare, counting premium mandates and penalties, is likely to become the largest tax increase in U.S. history.

And that's just the beginning. On the Obama administration's to-do list in order to create a world that's fairer and cleaner are higher taxes on dividends, capital gains, high-earners, interest income, overseas profits, inheritances and fossil fuels.

When President Obama delivered the aforementioned warning in August 2009 about the negative impact on business from hiking taxes during a recession, the U.S. economy was growing at a faster pace than this year's economy.

"Real GDP increased 3.5 percent in the third quarter of 2009," reports the Commerce Department's Bureau of Economic Analysis.

This year's economic growth, in contrast, makes the August 2009 quarter look good. The Bureau of Economic Analysis reports that "real GDP in the United States expanded 2.0 percent in third quarter of 2012" and "1.3 percent in the second quarter of 2012."

We're now three years past Mr. Obama's anti-tax, pro-business prescription in 2009 for economic recovery and the federal debt has expanded by \$3.6 trillion, the real unemployment rate is 15 percent (counting the unemployed who've quit looking for work and counting the "involuntary part-timers" who can't find full-time employment), economic growth is substantially lower than in August 2009, and President Obama is no longer saying that raising taxes in a bad economy is the "last thing" to do.

Here's the August 2009 exchange between NBC's Chuck Todd and President Obama:

Todd: Let me jump to another topic, Scott Ferguson. He's upset about taxes. He says, "Explain how raising taxes on anyone during a recession is going to help the economy." And he actually wants you to look at historical markers where this has happened, where this has been a helpful thing coming out of a recession.

Obama: Well, first of all, he is right. Normally, you don't raise taxes in a recession, which is why we haven't and why we cut taxes. So I guess what I would say to Scott is his economics are right, you don't raise taxes in a recession. We haven't raised taxes in a recession.

Todd: But you might for health care. You might for the highest, for some of the wealthiest.



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Obama: We have not proposed a tax hike for the wealthy that would take effect in the middle of a recession. Even the proposals that have come out of Congress, which by the way were different from the proposals I put forward, still wouldn't kick in until after the recession was over. So he is absolutely right. The last thing you want to do is to raise taxes in the middle of a recession because that would suck up — take more demand out of the economy and put business in a further hole."

So we're not now in an official recession, just the worst recovery since World War II, so now it's okay to raise taxes and put "business in a further hole"?

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