



Written by [Thomas Sowell](#) on July 13, 2012

Obama's Class Warfare Rhetoric

Anyone who wants to study the tricks of propaganda rhetoric has a rich source of examples in the statements of President Barack Obama. On Monday, July 9th, for example, he said that Republicans "believe that prosperity comes from the top down, so that if we spend trillions more on tax cuts for the wealthiest Americans, that that will somehow unleash jobs and economic growth."



Let us begin with the word "spend." Is the government "spending" money on people whenever it does not tax them as much as it can? Such convoluted reasoning would never pass muster if the mainstream media were not so determined to see no evil, hear no evil and speak no evil when it comes to Barack Obama.

Ironically, actual spending by the Obama administration for the benefit of its political allies, such as the teachers' unions, is not called spending but "investment." You can say anything if you have your own private language.

But let's go back to the notion of "spending" money on "the wealthiest Americans." The people he is talking about are not the wealthiest Americans. Income is not wealth — and the whole tax controversy is about income taxes. Wealth is what you have accumulated, and wealth is not taxed, except when you die and the government collects an inheritance tax from your heirs.

People over 65 years of age have far more wealth than people in their thirties and forties — but lower incomes. If Obama wants to talk about raising income taxes, let him talk about it, but claiming that he wants to tax "the wealthiest Americans" is a lie and an emotional distraction for propaganda purposes.

The really big lie — and one that no amount of hard evidence or logic seems to make a dent in — is that those who oppose raising taxes on higher incomes simply want people with higher incomes to have more money, in hopes that some of their prosperity will "trickle down" to the rest of the people.

Some years ago, a challenge was issued in this column to name any economist, outside of an insane asylum, who had ever said any such thing. Not one example has yet been received, whether among economists or anyone else. Someone is always claiming that somebody else said it, but no one has ever been able to name and quote that somebody else.

Once we have put aside the lies and the convoluted use of words, what are we left with? Not much.

Obama is claiming that the government can get more tax revenue by raising the tax rate on people with higher incomes. It sounds plausible, and that may be enough for some people, but the hard facts make it a very iffy proposition.

This issue has been fought out in the United States in several administrations — both Democratic and Republican. It has also been fought out in other countries.

What is the real argument of those who want to prevent taxes from rising above a certain percentage, even for people with high incomes? It has nothing to do with making them more prosperous so that



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their prosperity will “trickle down.”

A Democratic president — John F. Kennedy — stated the issue plainly. Under the existing tax rates, he explained, investors’ “efforts to avoid tax liabilities” made them put their money in tax shelters, because existing tax laws made “certain types of less productive activity more profitable than other more valuable undertakings” for the country.

Ironically, the Obama campaign’s attacks on Mitt Romney for putting his money in the Cayman Islands substantiate the point that President Kennedy and others have made, that higher tax rates can drive money into tax shelters, whether tax-exempt municipal bonds or investments in other countries.

In other words, raising tax rates does not automatically raise tax revenues for the government. Higher tax rates have often led to lower tax revenues for states, the federal government and other countries. Conversely, lower tax rates have often led to higher tax revenues. It all depends on the circumstances.

But none of this matters to Barack Obama. If class warfare rhetoric about taxes leads to more votes for him, that is his bottom line, whether the government gets a dime more revenue or not. So long as his lies go unchallenged, a second term will be the end result for him and a lasting calamity for the country.

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