

# Obama campaigns for “tax fairness”

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In a bid to boost his reelection campaign, US President Barack Obama delivered a speech Monday declaring his support for a one year extension of the Bush-era tax cuts, limited to households making under \$250,000 a year, the bottom 98 percent. Obama followed up the speech with a campaign appearance the following day in Iowa, appearing before a select group of “hard-working Americans” who would ostensibly benefit from his tax proposal.

The Bush tax cuts, which have disproportionately benefited the rich, were put in place in 2001 and 2003 with significant Democratic Party support, particularly in the US Senate. They have cost the federal treasury between \$1.5 trillion and \$1.8 trillion, according to estimates by the Congressional Budget Office and the *New York Times*, respectively. The resulting budget deficits have been used as a pretext to slash social spending and attack the wages and jobs of federal workers.

Even by the standards of US politics, Obama’s gambit is cynical. This is the president who has overseen the transfer of untold trillions of dollars to Wall Street finance houses, who intervened in 2009 to scuttle any salary cap being placed on the CEOs at federally bailed-out banks, and who during the 2010 congressional elections insisted that the Bush tax cuts be taken “off the table” as a campaign issue. Democrats, who then controlled both houses of Congress, dutifully intervened to prevent the automatic expiration of the cuts, which would have taken place at the end of 2010.

Given the total opposition to any tax increases on the wealthy in the Republican-controlled House of Representatives, there is not the slightest chance that the Obama tax plan will be approved. It is unlikely to come to a vote even in the Democratic-controlled Senate, given the adamant opposition among Republicans and the lukewarm support in the

Democratic caucus. At least one conservative Senate Democrat, Ben Nelson of Nebraska, a multi-millionaire insurance executive, has called for extending the Bush tax cuts for all income brackets, including the wealthiest Americans.

Few will take Obama’s proposal as anything more than a campaign trick. The current Democratic congressional leadership—including House Minority Leader Nancy Pelosi and Senate Majority Whip Charles Schumer, both multi-millionaires—are in favor of extending the Bush tax cuts for those who take home up to \$1 million. So, in fact, is Obama. Citing unnamed White House officials, the *New York Times* reported Monday that Obama was already prepared to accept the \$1 million cut-off and that the difference between \$1 million and \$250,000—5.5 times and 22 times the US median household income—was not a “religious debate” for the president.

The Republican-controlled House of Representatives is expected to vote this month to make permanent all the Bush tax cuts, another token gesture to their “base” of wealthy parasites. The Republican presidential candidate, Mitt Romney, who has a personal net worth estimated at \$250 million, is also campaigning to make the tax cuts for the rich permanent.

In his White House remarks, Obama appealed repeatedly to “hard-working folks” and the “middle class,” rhetorical populism that is completely at odds with the administration’s slavish subservience to the super-rich.

“[O]ur biggest challenge right now isn’t just to reclaim all the jobs that we lost to the recession—it’s to reclaim the security that so many middle-class Americans have lost over the past decade,” he said, “and rebuilding an economy where work pays off—an economy in which everybody can have the confidence that if you work hard, you can get ahead.”

The official unemployment rate for June was 8.2

percent, the 40<sup>th</sup> straight month in which unemployment was above the 8 percent level, the longest such stretch since the Great Depression. Over the same period, wages have been driven down in industry after industry, spearheaded by the Obama administration's bailout of General Motors and Chrysler, which was predicated on cutting starting workers' wages in half.

In spite of this record and the trillions upon trillions handed over to the banks and the rich under his watch—the shared policies of the Republicans and the Democrats—Obama shamelessly tried to posture as a proponent of “tax fairness.”

“Many members of the other party believe that prosperity comes from the top down,” he said, “so that if we spend trillions more on tax cuts for the wealthiest Americans, that that will somehow unleash jobs and economic growth... [We] were told that it would lead to more jobs and higher incomes for everybody, and that prosperity would start at the top but then trickle down.”

On Tuesday, Obama was in Cedar Rapids, Iowa, visiting a family whose taxes, he claimed, would increase by \$2,000 per year if his tax proposal was not passed. He then visited a local community college. Iowa is one of a handful of “swing states” heavily targeted by both the Democrats and Republicans, with more than \$12 million in advertising already spent by both sides in a state with barely three million people.

American politics has become so subservient to extreme wealth that even Obama's entirely rhetorical call for a modest one-year tax cut extension that does not include the top 2 percent—the layers that comprise the rich and the fabulously rich—has provoked dire warnings of political disaster for the Democratic Party.

“The question of how hard to press the wealth and class argument has already created splits within the Democratic Party,” the *New York Times* reports. “[E]ven Mr. Obama's inner circle seems cognizant of the risks of making wealth an issue. Asked whether Mr. Obama's emphasis on fairness for the middle class and his contrast with Mr. Romney pushed that line, [Obama advisor] Axelrod replied: ‘It is not right to say that to work for and hope for and fight for some basic economic security means that you resent people who've done very, very well.’”

*Politico.com* interviewed a top Obama backer, Washington real estate developer Don Peebles, a

member of Obama's national finance committee, who has bundled some \$200,000 in contributions for the campaign. Peebles told the news web site that the White House rhetoric about increasing taxes on the wealthy was hurting fundraising efforts.

“Trying to find new, big donors, that's one of the big things,” he said. “It's certainly not inspiring anybody who is on the fence about supporting Obama to rush to the phone or to the computer to contribute to him, that's for sure. The inverse may be happening.”

Both parties are completely in the pockets of the financial aristocracy, making the Obama campaign posturing about “fairness” increasingly ineffective. It irritates his real constituency among the wealthy, while failing to convince working people who can recognize a faker when they see one.



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