



Written by [Ralph R. Reiland](#) on April 18, 2011

Obama's Tax Policy: Rich Can Pay for It All

The speech was "not just weak but pitiful," said Crook, a senior editor at *The Atlantic*, a commentator for the *Financial Times*, a columnist for the *National Journal* and formerly the Washington correspondent and economics editor at *The Economist* for two decades, focusing on the interface between politics and economics.



Rather than advance any concrete solutions to our debt problem, the "speech was more notable for its militant — though ineffectual — hostility to Republican proposals than any fresh thinking of its own," stated Crook. "It was a waste of breath."

He's right about the no "fresh thinking." Obama remains ideologically stuck where he was on the day he told Joe the Plumber (Joe Wurzelbacher, an Ohio man with a goal of someday becoming richer by starting his own plumbing business) that tax hikes at the top are good because "I think when you spread the wealth around it's good for everyone."

The key problem with the idea that "the rich can pay for it all" (aside from the basic fact that the money we earn doesn't belong to the government) is that there's simply not enough money at the top to pay for all the government's waste, fraud, ineptitude and fanciful schemes.

"According to Internal Revenue Service data, the entire taxable income of everyone earning over \$100,000 in 2008 was about \$1.582 trillion," reported the *Wall Street Journal* on the morning after Obama's speech. "Even if all these Americans — most of whom are far from wealthy — were taxed at 100 percent, it wouldn't cover Mr. Obama's deficit for this year."

It's true that most of those \$100,000 people are "far from wealthy." A waiter at a good restaurant in Manhattan makes \$100,000 a year.

The federal government, in short, is so out of control with its waste and abuse in frittering away our trillions that we can't even cover the red ink portion of the spending even if we become Cuba and confiscate 100 percent of all the income of everyone earning \$100,000 or more — as appealing as that might be to an entire aggrieved assemblage of redistributionists, levelers, socialists, communists, totalitarians, central planners, egalitarians and those who've turned green via either fear or envy.

In any case, what might well be next, given the growing level of fraud and waste and the buying of votes by politicians via massive handouts, is a government grab of everything over \$75,000 or \$50,000. That's when anyone with any sense in Cuba, or any cents, started dodging sharks and paddling their inner tubes toward Key West.

The trouble for us is that we're already in Key West.

Spread the tax hikes beyond Obama's regular target of "millionaires and billionaires" and there's still not near enough money to cover the government's prodigious and growing levels of spending. A 50



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percent across-the-board hike in income taxes at all levels, for instance, still leaves us with an estimated federal deficit of \$750 billion a year — or worse, considering the added cost of all the extra tanks and troops that it would take to keep us all in line after that dramatically enhanced level of confiscation.

"Warren Buffett doesn't need another tax cut," proclaimed Obama, summing up his call for tax increases. Wrong — again. This isn't about super-billionaires who are giving away their fortunes. This is about America drowning, about us being \$14.6 trillion in the hole and Obama's budgeters forecasting another \$8 trillion or so in red ink over the next eight years.

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