

Outside View: Sequestration politics: Obama taxes like King George

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PETER MORICI || UPI Outside View Commentator

COLLEGE PARK, Md., Feb. 28 (UPI) -- COLLEGE PARK, Md., Feb. 28 (UPI) -- U.S. President Barack Obama has taken the middle class hostage in a thinly veiled bid to hike their taxes.

Having refused to work with Congress to reduce spending by \$1.2 trillion over 10 years, as he agreed when drafting the Budget Act of 2011, the president must now implement \$85 billion in across-the-board cuts to defense and non-entitlement government spending.

House Republicans have offered ease burdens on the public -- by increasing administration flexibility in implementing those cuts in the continuing resolution to keep the government funded past March 27 -- but the president wants no part in that.

Instead, he campaigns across the country, painting the dire consequences sequestration will impose if new revenues aren't raised, as he proposes, by limiting tax deductions benefiting the wealthy. That is a cynical ploy -- Obama talks like President Harry Truman but taxes like King George III.

Taxes imposed at his insistence on Jan. 1 eliminated 80 percent of the benefits of tax deductions -- mortgage interest, state income taxes, local property levies and the like -- for wealthier households. Any substantial gains from further tightening deductions must come from similarly limiting their use by middle-class taxpayers.

Already, by hiking Social Security tax rates, the majority of \$150 billion in additional revenue obtained Jan. 1 was extracted from the working poor and middle-class families, and federal revenues share of gross domestic product will substantially exceed its average for the last 40 years.

And the president is unwilling to acknowledge the government is spending is flying out of control. Over the last five years, outlays are up \$1 trillion -- three times the amount required by inflation -- and tax revenues are short because high rates and burdensome regulations are choking economic growth and jobs creation.

Instead, the president threatens furloughed meat inspectors, food shortages and streets without police. His Cabinet secretaries threaten three-hour waits at airport security, reduced embassy protection and border patrols and the list goes on.

Appropriation legislation does limit president's ability to allocate cuts among departments. However, even without additional legislation, he has considerable discretion in allocating the 10 percent spending cuts within departments but the president has refused to entertain options that would limit the pain in his pursuit of higher taxes.

For example, the Agriculture Department has one of the largest staffs of economists in the world -- surely, safe food is more important than yet another dull research paper. Military bands could stand down to maintain Marine guards at embassies.

Repeatedly, the president has exclaimed if congressional Republicans don't cooperate, spending cuts could derail the hard won recovery. It puzzles why he believes \$85 billion in spending cuts could make such a difference, when avoiding those cuts through higher taxes wouldn't.

Whether a second recession occurs is already baked in the cake. Obama's \$150 billion January tax hikes and similar rate increases imposed by Democratic governors from Maryland to California have forced consumers to trim purchases. Retailers and wholesalers are reporting weaker traffic and are trimming inventories and corporate leaders have announced plans to cut new investments and hiring owing to weak demand and more burdensome health care costs and regulations.

When Americans can't get hamburger at the supermarket and unemployment rises this spring, the president will blame on Republicans for permitting sequestration but it is the American people who bear the burden of his inflexibility, disregard for the facts and neglect in undertaking the responsibilities of his office.

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(Peter Morici is an economist and professor at the University of Maryland Smith School of Business, and a widely published columnist. Follow him on Twitter: @pmorici1)

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