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[No Mr. President, Raising Tax Rates Will Not Solve the Debt Problem; UPDATED: Looks Like Joe Biden Isn't Concerned About the Budget](#)

By Doug Brady

I am in favor of cutting taxes under any circumstances and for any excuse, for any reason, whenever it's possible.

-- [Milton Friedman](#)

Democrats famously [left town](#) last week without even bringing an extension of the Bush era tax rates up for a vote. This effectively leaves an enormous tax increase on the table for all Americans which will kick in January 1st if Democrats continue to avoid governing. Obama, of course, claims that his own failure of leadership is somehow the fault of the Republicans. Even the Obama-friendly White House Press corps [weren't buying this](#), noting that Republicans can't block a bill that hasn't even been brought to the floor and, even if that were possible in anything other than a metaphysical sense, Democrats enjoy overwhelming margins of 77 votes in the House and 18 in the Senate and can pass anything they want with or without Republican support:

(video)

With this gutless decision on the Democrat's part, Every American is in the position of not knowing what their tax rates will be in less than three months. As if business weren't already facing enough uncertainty over Obamacare, cap and tax, a [European-style VAT](#), and the Frank-Dodd financial "reform" bill to name a few. Of course Obama promises to extend the Bush tax rates on the middle class, but as we've learned quickly the past two years, Obama's promises [come with an early expiration date](#).

The justification Obama is using to raise taxes is nothing new from the Left. They claim we need to raise taxes in order to deal with the budget deficit. There is a reason Obama's so-called [bipartisan debt commission](#) isn't going to release their "recommendation" until after the election: their policy prescription is going to be a huge tax increase. Of this there is no doubt. I have written extensively about the folly of raising taxes to decrease deficits. See [here](#) and [here](#) for example. To summarize, raising taxes to solve the deficit problem has never worked in the past and will never work in the future. All such a scheme will do is further restrict individual freedoms, reduce future living standards, and institutionalize dependence on big government.

The [Center For Freedom and Prosperity](#) has released another of their excellent "Economics 101" videos. In this one [Dan Mitchell](#), a senior fellow at the Cato Institute, destroys the liberal myth that tax increases are needed to balance the budget. Indeed he demonstrates that the budget can be balanced by 2020 if we accept and lock in the current Obama level of spending and even allow it to *grow* at 2% per year while keeping *all* of

the Bush tax cuts in place. Neither myself nor Mr. Mitchell, I suspect, advocate locking in the Obama spending levels but this is illustrative of how remarkably easy balancing the budget is with just a tiny amount of fiscal discipline. Watch the whole thing:

(video)

Mitchell's point is that balancing the budget is quite simple: enact economic policies that will grow the economy faster than the government. All further tax increases will do is slow the economy and make fiscal responsibility more difficult to achieve. Mitchell also points out that if, in a perfect world, the federal government limited its activities to those responsibilities actually enumerated in the constitution, the deficit would become a surplus overnight.

I understand that the Left believes that adherence to the constitution is a radical, even subversive idea, but if we're serious about shifting power away from the self-aggrandizing politicians who run the government and returning it to the people, the constitution provides the roadmap we must follow. This, by the way, is precisely what Governor Palin means when she refers to commonsense, constitutional conservatism.

Update: Joe Biden sums up the Democrat position on fiscal responsibility: "[If I Hear One More Republican Tell Me About Balancing the Budget, I Am Going to Strangle Them](#)".