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Obama Healthcare Tax Will Hit Middle-Class: Expert

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House Democrats and the Obama administration have been selling the idea of taxing the rich to pay for healthcare.

Cato Institute Senior Fellow Dr. Daniel J. Mitchell doesn't buy it, saying it will be the middle class who will take the "collateral damage" and will end up paying for healthcare and all of President Barack Obama's new spending.

Editor's Note: To see the full video interview, [Go Here Now.](#)

In an interview with Moneynews.com's Dan Mangru, Mitchell said that there aren't enough rich people in America to finance big government and that small business owners will bear the brunt of Obama's new tax hikes.

Mitchell states that taxing the rich will "hurt our economy and make America less competitive."

He goes on to state that taxing the rich is code for going after investors and entrepreneurs, which will make America less productive and shift jobs to China and India.

Mitchell said that if Obama wants to expand government control over every sector of our economy, including bailouts and creating government run healthcare, "he has to tax the middle class to make government bigger."

On Obama's pledge not to raise taxes on middle class families making less than \$250,000, Mitchell said that Obama will break his promise, "again, again, and again, but that shouldn't surprise us."

In regards to Obama and Treasury Secretary Timothy Geithner attacking tax havens, Mitchell said politicians want to stomp out competition and make Americans "captive customers that can be fleeced like a bunch of sheep on a farm."

Mitchell instead advocates lowering U.S. taxes to become more competitive. He also believes that Obama and Geithner, along with French President Nicolas Sarkozy, and German Chancellor Angela Merkel, are trying to create a global tax cartel, or an "OPEC for competition."

Back in the 1980s the average top income tax rate was 68 percent amongst developed nations. Mitchell says the Reagan and Thatcher era tax cuts in fact sparked growth amongst developed nations.

Mitchell, a long standing opponent of a federal sales tax, believes that a national sales tax would be good tax plan if the federal income tax were eliminated.

He went on to state that combining a federal sales tax with a federal income tax would be a disaster.

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