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## R. Donahue Peebles on Last Week's Poll Question

By Casey Freeman

### **A Democrat in the White House Would:**

***If GlobeSt.com readers had their way in the election, Sen. Barack Obama would stay in Illinois and another Republican would set up his office in the White House. A hefty 54% think Obama will make the economy worse, while another substantial 28% think he'll put the country back on the right track. Another 18% think the new president's party won't make a lick of a difference. R. Donahue Peebles, the owner, chairman and CEO of the Peebles Corp., spoke to us about why he thinks Obama will be great for the economy in the US, even though more than half our readers don't think so.***

"I'm surprised that the numbers are so high, but I'm not surprised that people feel that it would be catastrophic to have a Democrat in the office because that's been the perception. I think it's driven by the expectation that business taxes and income taxes will go up on the top income earners if a Democrat wins and Barack Obama becomes president.

"It's partly driven by the message that Sen. Obama thinks the tax system is out of balance and he wants to create more tax parity. The Republicans have been very effective for a number of years in terms of defining themselves as the best stewards for the country's finances, the most pro-business party and the party that reduces taxes. Some of that's true and some of that's not. But as they look back, the last Democrat in the office was Bill Clinton and we were riding an economic wave and had one of the strongest economies in the country's history. If they look at it rationally, I think they'll see that it's not going to be catastrophic having a Democrat in the office.

"From the business community, I think there has been this focus on taxes. When evaluating the two candidates, the business community is focused on taxes. This has been too extreme. The business community and all of us in America need to look at the big picture. Taxes have a big impact on the economy, but there are many other elements of government policy that have an impact on the economy. If we look at it broadly, you can see a very strong foundation on how Obama views taxes. It's important as business people that we look for long-term economic growth and stability.

"I think this is an important election. The commercial real estate market is in trouble. It has been for a while now. I think it's going to get worse. The commercial real estate industry, frankly, is one that is already paying taxes at the higher levels. The discussion is that Obama wants to raise capital gains and Sen. John McCain wants to hold capital gains. From the real estate perspective, long-term capital gains only apply to us when we sell an asset like an office building, shopping mall or hotel. I don't see any adjustment to the capital gains having any major effect on the marketplace. This is a critical election for the economy and the real estate industry because of a policy that look at stimulating economic development.

"It's important, no matter how you cut it, that more dollars get put back into the consumers' hands. Consumers need confidence in the future of our economy. The Democrats are best positioned to do that because the current policies are not working and the average consumer

does not have confidence in the country's future. The majority of Americans think it's going to get worse. I think Sen. Obama's message of tax parity resonates with the average American.

"This election really gives the country an opportunity to make a change, and a change in direction. I think it is imperative that the average American has confidence in the economy. Without a change of direction, I think we're going to see this lack of confidence increase."

"Election years can seem more intense. The last election I can think of where the issues were as focused was in 1992. We were in a major real estate recession. The economy was in decline. There was a lack of confidence. We had already been through a recession. We were working our way out of it. When Bill Clinton was elected president, that produced a new optimism and hope, and as the markets reacted we began to embark on a major growth period. The real estate took a couple of years, but rebounded and went on a 10-year run. Now we're in a situation where the real estate market is undergoing a similar type of pullback, not as bad as 1992, but we're seeing an anxiety about the economy. Everybody uniformly agrees that there needs to be a change with the way the government is handling the economy and the real estate market.

"I tend to vote for the person. I think that it's more the person not the party. I think as this campaign goes on, the better understanding will make people a lot more comfortable. I feel popular because America is looking for new hope. I think the business community is very conservative and doesn't like to take a chance. Obama would be more of a bold voice. Ultimately, I think he will prove to have a positive impact on the economy."