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From His Very First State of the Union Utterance, President Obama Got It Wrong

By: Roger Pilon – February 13, 2013

From his very first state-of-the-union utterance last night, associating himself with President Kennedy, President Obama got it wrong, and it was mostly downhill from there: “51 years ago,” he began, “John F. Kennedy declared to this chamber that ‘the Constitution makes us not rivals for power but partners for progress.’” Great alliteration; bad constitutionalism.

Yes, in a very narrow sense the Constitution makes the political branches partners for progress. But it also, most definitely, makes the branches, and those with authority within them, rivals for power. Indeed, throughout the *Federalist Papers* we learn how the Constitution pits power against power in order to limit power – and government itself.

But limited government was the furthest thing from the president’s mind last night. As Senator Marco Rubio responded, Obama’s “solution to virtually every problem we face is for Washington to tax more, borrow more, and spend more.” Even the *Washington Post* subtitled its editorial this morning, “Obama’s wish list.”

What then is the narrow sense in which the Constitution makes the political branches “partners for progress”? That takes us back to first principles, which Obama seems not to have encountered when he studied law at Harvard or taught parts of the Constitution at the University of Chicago. The purpose of the political branches is to refine and run the institutional and legal structure the Constitution establishes. That will then enable private individuals and the private organizations they create to flourish. And in a free society, that mainly is how “progress” comes about, not through government but through private initiative. For Obama, however, progress is mainly for government to engineer, through a vast array of manipulative regulations and government “investments.”

Not since Franklin Roosevelt have we had a president with so little appreciation for our basic constitutional system, or so little understanding of basic economics. And like his New Deal mentor, Obama has overseen an economic recovery that is stalled from the political uncertainty his policies have engendered – from Obamacare to Dodd-Frank, green energy, and so much more – with the slowest economic growth since the Great Depression and unemployment refusing to budge. In fact, during the last quarter the economy actually contracted.

So what is his response to four years of failure? He doubles down on those failed policies. Yet he frames that agenda with a perfectly American premise – “it is our unfinished task to restore the basic bargain that built this country, the idea that if you work hard and meet your responsibilities, you will get ahead” – seemingly oblivious to the fact that once

you do get ahead, in the name of equality and fairness he'll tax and regulate you back, as his subsequent comments on taxing the rich make clear.

But the irony does not end there, because he next says, seeming to illustrate that point, that "it is our unfinished task to make sure that this government works on behalf of the many and not just the few." There, apparently, he's calling for redistribution – from the few to the many? But at a deeper and far more sinister level he's saying that government today *does* work on behalf of the few at the expense of the many. And on that, he's right. It's called "crony capitalism." But how better to illustrate that process than by pointing to Obamacare, Dodd-Frank, and the many "public-private partnerships" he goes on to propose, all of which invariably amount to massive wealth transfers from the middle class to the few who know how to work the system. It's no accident that Washington, under that system, has become one of the wealthiest parts of the country.

Do we suppose it will be any different with the three "manufacturing hubs" he announced the launch of last night, "where businesses will partner with the Department of Defense and Energy to turn regions left behind by globalization into global centers of high-tech jobs" – or the network of 15 such hubs he wants Congress to help create? Or the oil and gas revenues he proposes to draw from public lands and waters "to fund an energy and security trust that will drive new research and technology to shift our cars and trucks off oil for good"? Or his other green-energy proposals, or high-speed rail, or federal-state partnerships to construct more efficient buildings? But when, "to make sure taxpayers don't shoulder the whole burden," the president proposes a "Partnership to Rebuild America that attracts private capital," we have to wonder what on earth he's thinking. The implication seems to be that private capital should shoulder some of the "burden" of infrastructure. That's what taxation and public debt are for – to underwrite public goods. Why would private capital be attracted to "burdens"?

This ignorance about basic economics is the mark of Obama's vision – no more simply illustrated, perhaps, than by his call for raising the minimum wage to nine dollars an hour, presumably to help not only the worker but the economy, "since for businesses across the country, it would mean customers with more money in their pockets." If that were so, why stop at nine dollars – why not \$20, why not \$30? If he doesn't grasp such simple dynamics, how can we expect him to grasp the Public Choice dynamics that lead to crony capitalism? Or does he grasp all of that, and the explanation is more sinister?

We get a hint along those lines right at the end of his address when he says that "this country only works when we accept certain obligations to one another and to future generations, that our rights are wrapped up in the rights of others and that well into our third century as a nation, it remains the task of us all, as citizens of these United States, to be the authors of the next great chapter in our American story." Whatever it may mean that "our rights are wrapped up in the rights of others," it's clear that Obama is driven by the idea, as he often says, that "we're all in this together." The "national industrial policy" that runs through his address is a vision of "America, Inc.," with the president its chairman and CEO. It's a far cry from the Founders' vision of liberty through limited constitutional government, which is the truly great chapter in the American story – and the reason we'll survive this administration.