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What Oprah Can Teach Us

by Charlotte Hays

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Why is President Obama's focus on taxing the rich when it should be on creating jobs (the two may be mutually exclusive, but that's not the issue of this particular post)?

Obama has embarked on this unhelpful course, posits Charles Krauthammer, because-well-because this is the core of the president's economic philosophy:

In a 2008 debate, Charlie Gibson asked Barack Obama about his support for raising capital-gains taxes, given the historical record of government *losing* net revenue as a result. Obama persevered: "Well, Charlie, what I've said is that I would look at raising the capital-gains tax for purposes of fairness."

A most revealing window into our president's political core: To impose a tax that actually impoverishes our communal bank account (the U.S. Treasury) is ridiculous. It is nothing but punitive. It benefits no one - not the rich, not the poor, not the government. For Obama, however, it brings fairness, which is priceless....

[W]hat are jobs when fairness is at stake? Fairness trumps growth. Fairness trumps revenue. Fairness trumps economic logic.

This point of view was illuminated for me yesterday, on the 42 bus, no less, as I perused an excellent little paperback entitled *The Morality of Capitalism*, a collection of essays edited by Tom G. Palmer, vice president for international programs at the Atlas Economic Research Foundation, and a senior fellow at the Cato Institute.

One of the essays is "Ayn Rand and Capitalism: The Moral Revolution," by David Kelley. Kelley explores two concepts in social justice theory, welfarism and egalitarianism. Now, I am not by any means saying the president adheres to the philosophy of egalitarianism (though I'm open to the suggestion that he does), but the comparison of the two points of view is valuable when we look at policies put forward by the administration.

Welfarism assumes that everybody has basic rights to possess certain goods, no matter whether they lift a finger to procure them. Others must supply these goods if the possessor of these rights doesn't care to do so. I have a right to eat, and, if I don't forage for myself, somebody else must. Kelley writes:

The obligation, rather, is conditional: those who do succeed in creating wealth may do so only on condition that they are allowed to share the wealth.

Egalitarianism is based not on perceived rights but on a theory of justice. Society doesn't just have to make sure that everybody is fed, but it has to redistribute wealth, according to egalitarians. Kelley writes:

The basic question is: is the existing distribution fair? If not, then it must be corrected by government programs of redistribution....

But this argument is valid only if we regard economic wealth as an anonymous social product in which it is impossible to isolate individual contributions.

But wealth is anything but an anonymous social product. The career of one of the president's pals makes this abundantly clear:

In 2007 the most highly paid entertainer in the United States was Oprah Winfrey, who earned some \$260 million. This was not because "society" decided she was worth that much, but because millions of fans decided that her show was worth watching.

Without an understanding of the market values that made Oprah great, the United States will not be great again either.