



Obama: There are No Self-Made Men?

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President Obama blasted American entrepreneurs last weekend, boldly claiming the self-made man is an illusion to an audience in Roanoke, Virginia. Since the Obama apologists in the mainstream media are claiming that the president is being quoted out of context, here is how he led into the subject:

If you've been successful, you didn't get there on your own. You didn't get there on your own. I'm always struck by people who think, well, it must be 'cause I was just so smart. There are a lot of smart people out there. It must be because I worked harder than everybody else. Let me tell you something: There are a whole bunch of hardworking people out there.

If you don't know what that means, you must be incredibly dense. It gets worse. The president continued:

If you were successful, somebody along the line gave you some help. There was a great teacher somewhere in your life. Somebody helped to create this unbelievable American system that we have that allowed you to thrive. Somebody invested in roads and bridges. If you've got a business, you didn't build that. Somebody else made that happen.

There is no way to read any of this and not be acutely aware of what the president is trying to do. Whenever anyone on the left tells you that you didn't earn your own success, that you had help from others — you know what's coming next...If you didn't earn what you have, you don't deserve it! And if you don't deserve what you have, it follows that...

Well, nothing actually follows from that. Suppose I'm rooting around in the woods and I stumble upon a valuable diamond. I didn't put forth any physical effort. I didn't exert any mental effort. The discovery is pure, blind luck. So you can say that, in a sense, I don't deserve it. But you don't deserve it either. It doesn't follow from the fact that I was the beneficiary of luck that others are justified from taking the diamond from me.

If the roll of the dice or the spin of the roulette wheel favors me rather than you, I can't claim that I "deserve" my winnings or that you "deserve" your losses. But it doesn't follow from those facts that you are entitled to what I have won.

Ah, but I'm being too logical. The left believes that all they have to do is undermine peoples' entitlement to whatever they have. If successful people don't deserve their success and

unsuccessful people don't deserve their lack of success, the left believes they are justified in massive redistribution.

Some of President Obama's defenders have claimed that the critics are reading too much into his speech. That all that's going on here is the classic conflict between individualism and social needs. But there are degrees of disagreement. Obama's articulation of the issue is an extreme collectivist point of view. It is remarkable precisely because it is so very far outside the mainstream of contemporary thought.

That's why so many people are outraged and why there is a sudden surge of gallows humor. On Facebook and in other social media, people are sharing examples of inventors and entrepreneurs "who didn't build it."

Steve Jobs didn't create the iPad. Other people did. Bill Gates didn't create Microsoft. Others did it. I guess Michael Phelps didn't really win eight Olympic gold medals either. Think of all the help he must have had along the way.

Still, there is a serious point to be made. For more than 200 years economists have been studying the distribution of income. Granted that what each of us does affects other people, what determines how much income any one of us receives? The economists answer is straightforward. In a capitalist system, each one of us tends to receive an amount equal to our marginal contribution to nation's output of goods and services. That is, each of us tends to receive an income equal to our contribution to generating national income.

In plain English: people tend to get the value of what they produce.

There is logic to how the economic system functions. Incomes are not distributed randomly. For the most part, they are not the result of misfortune or luck. They are very much affected by the attributes the president derides: smart thinking and hard work.

In a previous post, I described how low-income families have been systematically deprived of the benefits of capitalism because of unwise regulation.

If President Obama really wanted to help those at the bottom of the income ladder he would be calling for massive deregulation, for liberating the entrepreneurial spirit and allowing the dynamics of the marketplace to meet the needs of the poor, the way they meet the needs of everyone else.

Instead of deriding and belittling people who build businesses, the president should understand how helpful they could actually be.