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OBAMA MANGLES LINCOLN ON THE ROLE OF GOVERNMENT

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In his 2012 *State of the Union* address President Obama defends his personal convictions regarding the role of the government by twisting Lincoln's own words on this matter. Lincoln did not say, "government should do for the people only what they cannot do better for themselves." Rather, he said "in all that the people can individually do as well for themselves, the government ought not to interfere." See Ralph Y. McGinnis, *Quotations from Abraham Lincoln*, Chicago: Nelson-Hall, 1977, p. 41.

This mangling of Lincoln is doubly unfortunate coming from the former U.S. senator from the State of Illinois that proudly and officially proclaims itself the "Land of Lincoln."

This twisting of Lincoln's convictions is much more than unfortunate. Obama's version enables government action. Lincoln's version limits government action. Obama empowers the federal government. Lincoln empowers the people. Obama sets aside the Tenth Amendment of the Constitution. Lincoln embraces it. "The powers not delegated to the United States by the Constitution nor prohibited to the States, are reserved to the States respectively, *or to the people.*"

Societies are constructed and re-constructed around functional elements of different size and strength. The largest and strongest functional element of American society is the federal government. The smallest and weakest is the individual. Between those two are four other functional elements: state governments, local governments, private organizations (such as firms, unions, trade associations), and families. Within these four, state governments in general are larger and stronger, families are smaller and weaker.

Obama believes in a re-construction that makes the federal government even bigger and stronger. Lincoln rejects any re-construction that makes the people smaller and weaker. By widening opportunities for smaller, less powerful functional elements to participate directly in economic decision-making processes that bear upon their well-being, Lincoln reinforces the democratic principle. Obama weakens it.

By affirming a strong preference for private enterprise, those who are faithful to Lincoln's vision decentralize ownership and control of economic activities that in turn (1) leads to a greater diversity of goods and services produced because entrepreneurs have a freer hand; (2) a smaller risk that large-scale mistakes will be made because in general private enterprises are smaller than public enterprises; and (3) private enterprises will be more responsive to their customers because they are driven by the need to turn a profit. Those who are faithful to Obama's vision are convinced that private enterprises have to be

controlled lest they run amuck. They put their trust in the government, not the people. Big banks are bad. Big government is good.

In his *State of the Union* address Obama spoke often and approvingly of the entrepreneur. He sees the entrepreneur as a partner with the federal government in energizing economic affairs. In his vision, the taxpayer is the one who stands to win or lose when the federal government chooses to invest in a specific company such as Solyndra. And when the taxpayer loses why isn't this the equivalent of taxation without representation?

What Obama does not accept is that whenever an individual or firm is truly empowered and becomes successful in an entrepreneurial venture, the need for public intervention and the scope of any public-private partnership are reduced. The key issues for the empowered entrepreneur are freedom *from* excessive government control and freedom *to* risk investing in new ideas. Those freedoms are nurtured more in a social order where preference is given to private control of decision-making, where private investors win or lose based on their own decision-making, and the taxpayer is not on the hook for business decisions made by public officials and Washington bureaucrats.

Americans have a special genius for strengthening private enterprise without turning to the government to solve their problems. From time to time private firms that otherwise compete form alliances to address issues that cannot be handled by those firms operating independently. These alliances are positive-sum agreements that seek to achieve gains for all of the parties involved whether they are directly represented in the alliance or not. Four examples help make this point, reflect the great diversity of such alliances, and drive home the lesson that whenever private enterprise acting alone cannot manage certain problems it is not necessary to turn immediately to government for assistance.

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Louisiana Offshore Oil Port (LOOP) is a limited liability company that offloads and stores foreign crude oil from tankers for eventual transport by pipeline to refineries throughout the Gulf Coast and Midwest. LOOP has three owners: Marathon Pipe Line LLC, Murphy Oil Corporation, and Shell Oil Company. To assure the safe handling of oil from deep draft supertankers the offloading is done at a terminal located 18 miles off the Louisiana coast in 110 feet of water. A pipeline transports the oil to onshore storage facilities and from there to the participating owners' refineries. LOOP was built and continues to operate only because the three owners understand that they can reduce the risks in offloading and transporting crude oil more effectively by working together than by operating independently.

The Business Software Alliance was established to combat piracy of software products. BSA members include among others Adobe, Apple, Intel, Microsoft, and Symantec. To help

reduce the unauthorized installation of proprietary software products without a license BSA has issued an annual report on the extent of piracy and dollar losses by country every year since 1992. Unrestrained piracy takes away the economic gain (profit) necessary for private enterprise to survive and thereby destroys the very means by which new and better products and services are brought to the marketplace.

PRIDE of St. Louis is the first voluntary labor-management organization in the construction industry in the United States. Under the direction of a seven-person leadership team, PRIDE meets monthly with representatives from area architectural, engineering, and construction firms, the building trades, and the buyers of construction services to identify stress points in the St. Louis construction industry in order to forge agreement on how best to improve productivity, cost-effectiveness, and work force training. PRIDE's ultimate objective is to ensure the continued growth and development of the construction industry in St. Louis for the benefit of all parties involved.

Ceding control of economic decision-making to Washington over time has weakened the resolve and ability of many smaller, weaker functional elements in America to reclaim control of those decisions that directly impact their economic well-being. Lincoln's vision that empowers the people is being cast aside by Obama who then misquotes Lincoln to make it seem that empowering government was Lincoln's intention. Lincoln did not say that government should intervene. He emphasized that it "ought not to interfere."

These two substantially different visions of the role of government are at the very core of the 2012 presidential election campaign and likely will determine if Obama will serve a second term.

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