Obama's Millionaire Obsession

The president has no understanding of the unique role wealth plays in American life.

By DANIEL HENNINGER

With less than 19 months left before the next presidential election, Barack Obama has kicked off his campaign, doing coast-to-coast "town hall" meetings last week. At the top of President Obama's re-election strategy is what appears to be a personal jihad against America's "millionaires and billionaires," many of whom, he seems to think, are—there's no other word for it—un-American. So naturally the place he picked to pitch an assault on the wealthy was the Silicon Valley headquarters of Facebook, a place filled with millionaires and billionaires.

As has become his habit, Mr. Obama pulled his audience into his narrative by personalizing public policy. And so it was with his Facebook host, Mark Zuckerberg.

The president: "And then what we've said is let's take another trillion [dollars] of that that we raise through a reform in the tax system that allows people like me—and, frankly, you, Mark—for paying a little more in taxes." (Laughter.)

Mr. Zuckerberg: "I'm cool with that."

Well, what's a 26-year-old billionaire supposed to say?

What Mr. Obama said later in the Facebook meet-up wasn't so funny. Here it is, in toto:

"But I think that what he [Rep. Paul Ryan] and the other Republicans in the House of Representatives also want to do is change our social compact in a pretty fundamental way. Their basic view is that no matter how successful I am, no matter how much I've taken from this country—I wasn't born wealthy; I was raised by a single mom and my grandparents; I went to college on scholarships. There was a time when my mom was trying to get her Ph.D, where for a short time she had to take food stamps. My grandparents relied on Medicare and Social Security to help supplement their income when they got old. So their notion is, despite the fact that I've benefited from all these investments—my grandfather benefited from the GI Bill after he fought in World War II—that somehow I now have no obligation to people who are less fortunate than me and I have no real obligation to future generations to make investments so that they have a better [future]."

One may assume there are more than a handful of liberals who would cringe at such a gross caricature. Mr. Obama has gone to this "millionaires" well so many times since the first days of his presidency that one would have to be obtuse not to recognize a visceral animosity beneath these sentiments.
The president's view of wealth in America is a gross caricature.

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It suggests that Mr. Obama has not much more understanding beyond an undergraduate seminar on "Class in America" of the complex and unique role wealth has played in American life. Since the Pilgrims, no nation has seen more wealth flow back from those who earned it into the welfare of the nation they inhabit.

Andrew Carnegie alone built more than 1,600 libraries in the U.S. Today, according to Internal Revenue Service data, there are some 110,000 grant-making private foundations in the U.S. Beyond the foundations bearing the names of famously undertaxed plutocrats such as Warren Buffet and Bill Gates there are another hundred thousand or so, often run by modestly wealthy families whose foundations support a vast array of needs—scholarships, schools, hospitals, cultural institutions and even causes across the political spectrum, no doubt including windmills.

The Center on Wealth and Philanthropy at Boston College reports that giving by individuals hit an astounding $243 billion in 2007. As to the millionaires, the report says, "In that year, households with $1 million or more in net worth gave 52%, or $126.15 billion." During the 2008 recession, their giving dropped 4% "because there were 27% fewer millionaire households at that time." But by the end of 2009, giving by millionaire households returned to 52% of the national total.

It is an eternal question whether the deductibility of such spending means the charitable activity by these people is bogus and driven only by self-regard. One man's answer: Eliminate the charitable deduction, drop—or flatten—the top tax rate and total giving will rise, not fall. Giving is what Americans do, at all income levels.

It becomes clearer by the day that Barack Obama's worldview is that if money isn't spent by the federal government, it's somehow irrelevant. What began with the $800 billion stimulus in 2009 has turned into a personal compulsion to fund his galaxy of public "investments," such as high-speed rail and biofuels research.

His trivial-sounding suggestion that people, like him, should be willing to pay "a little more" is almost surely a downpayment on future requests for tax-like transfers from a much broader swath of incomes to his own foundation, the federal budget.

Medicare, Social Security and Medicaid (and now ObamaCare) are federal entitlement programs that sit at the center of a historic and complex problem of public finance. To speak out about that problem should in no sense expose anyone to moral denunciation by the president of the United States.

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