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Stephens: Liberal Exceptionalism

How long can the laws of fiscal—and political—gravity be suspended?



By BRET STEPHENS

It isn't true that liberals don't believe in American exceptionalism. When it comes to the national balance sheet, they think the U.S. levitates fiscally. And when it comes to the presidency, they think Barack Obama walks on water.

If he wins Tuesday, they'll be half-right.

For some liberals, the concept of American exceptionalism smacks of a kind of dumb chauvinism. In the New York Times last month, reporter Scott Shane wrote a revealing article on "The Opiate of Exceptionalism," which warns politicians that they court Jimmy Carter-like ruin whenever they speak truth to people. For Mr. Shane, asserting "exceptionalism" is the way American leaders gloss over the ugly realities of a country with (as he sees it) too-high rates of incarceration, military spending, obesity and child poverty.

Then there is Mr. Obama's famous remark, made at a NATO summit in France in 2009, that he believed in American exceptionalism "just as I suspect that the Brits believe in British exceptionalism and the Greeks believe in Greek exceptionalism." The president's Sesame Street formulation—we're all special in our own special ways—has since served as a touchstone for critics sure that his long-term agenda is to cut America down to size and turn it into just another social democracy among many.

But maybe the suspicions of Mr. Obama's motives are unfounded.



Take his comment from the summer of 2011, after Standard & Poor's cut America's credit rating a notch below AAA. "We've always been and always will be a triple-A country," he said at a press conference. It's hard to imagine a more vivid statement of American exceptionalism (defined as braggadocio) than that.

Associated Press

President Barack Obama at the NATO Summit in Strasbourg, France, in 2009.

It's also a statement that, so far, he's gotten away with, and not just because the media gave him a pass. Little nations like Guatemala or Bulgaria may tremble in fear of the

judgments of a ratings agency. But the usual rules don't apply in the usual way to the U.S., which issues the currency in which its debts are denominated. China doesn't hold a penny of American debt the U.S. couldn't devalue, so long as we're prepared to beggar ourselves in the bargain.

Nor do the usual rules apply when other possible destinations for capital—Europe, Japan, China, Russia, India, the Middle East—look even riskier than the U.S. economy. The administration notes that the S&P downgrade had no effect on U.S. Treasury auctions. It's true. The world still sees America as a safe harbor and a safe bet. So long as the bond vigilantes agree, the American goose will continue to lay the golden eggs. And Mr. Obama's liberal policy ambitions will find their financing.

Then again, as Letizia Bonaparte is supposed to have remarked when asked what she thought of her son's military triumphs: *Pourvu que ça dure*—provided it lasts. Waterloo came later.

Great nations may have greater grace periods, but they don't get blank checks. Bills come due. Populations age and become more expensive to support. Interest rates do not remain near-zero forever. Overtaxed people figure out new ways to shelter their income from the government, or they renounce their citizenship. Whenever advocates of an expansive welfare state start talking about "economic patriotism"—a phrase Mr. Obama has lately been trying out on the campaign trail—you know the scoundrels really have found their last refuge.

Whether it works for him we'll know soon enough. It's astonishing that it should even be close. Mr. Obama memorably predicted a "one-term proposition" if he failed to turn the economy around in three years. What was supposed to be magnetic about him has instead become polarizing. He has alienated not just Republicans but some of his natural allies in Congress and on Wall Street. He seems bored by governance. Judged by normal political standards, he's incompetent.

Except Mr. Obama does not operate according to normal standards. Maybe this is a function of being the first black president. Or maybe it's because he is our first cult-of-personality president. Other presidents typically inspired affection, respect or even love; or, alternatively, disappointment and loathing. But Mr. Obama was the first president since George Washington to inspire something like worship in his own lifetime. He is a religious figure cast in a political role. As with the United States itself, the ordinary rules don't always apply.

Or at least they don't apply for the time being. Eventually, however, they're bound to catch up.

When they do, Democrats will figure out that it doesn't always pay to win. A second

Obama term is going to mean a dismal few years of economic stagnation and political bitterness. It will tarnish not only the lame-duck incumbent but the Democratic brand, much as George W. Bush's second term tarnished the GOP. Note well, Democrats: If Mr. Obama wins, Hillary Clinton will never become president.

Fortunately, the truth about American exceptionalism isn't that we're the best at everything. It's that we're a nation founded on a belief in human liberty, which contains within it both the power to do and undo. Whatever is done this election day can be undone; the consolation to the loser is a warning to the winner. Who can't but be grateful, to live in a country like this?

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