

OCPA FaxLine Report

a public policy information service for members of the Oklahoma Council of Public Affairs, Inc.

Dear OCPA Member:

Thursday, December 11, 2008

Gee, how fickle can we be? Seems like just yesterday both Republicans and even “new Democrats” were eulogizing Ronald Reagan for changing the way we viewed the proper role and function of government for all time. Reagan proved that government intrusion was the problem to our economic and societal malaise, not the solution. Now all we seem to hear from all quarters is how much we need government to interject itself into every area of our economy. Tsk, tsk, tsk . . . People who study Reagan know that his ideas weren’t really new at all. No, they were just tried and true, and straight from the first principles of the nation’s founders. It had just been a very long time since those principles had been really practiced by those whose hands were on the levers of government. After a few painful years of wresting control back from much of the big government bureaucracy, the Reagan Revolution implemented some fundamental changes and the economy boomed into the three following presidential administrations.

But as so often happens, over the course of time, compromises were made. Rather than really adhering to the principles of governing which Reagan felt such an allegiance to, “little” exceptions were made because, as everyone knows, there are more rights than just life, liberty and the pursuit of happiness; or the right to worship, or the right to peacefully assemble, or the right to free speech. After all, home ownership is a right or should be, *shouldn’t it?* Along the way government started returning to its old meddling default position because those in control of the levers had either been compromised by the allure of power, the distractions of high office, or simply campaign contributions.

Ed Crane of the Cato Institute recently noted, “What really drives me nuts is seeing the likes of Barney Frank, Chris Dodd, and Maxine Waters chortling over the failure of capitalism in the wake of the subprime crisis. Excuse me? Here is Barney Frank in 2003: ‘I do not see any possibility of serious financial losses to the Treasury’ as a result of the actions of Fannie and Freddie. Barney later added at a hearing on Fannie Mae that he wanted to ‘roll the dice’ by making that institution give even sicker loans than it already had.” Crane adds, “To see them chastise the free market on television when they are the source of the problem is infuriating.”

Now, television cameras are focused on U.S. auto makers who are on Capitol Hill pleading with lawmakers for a bailout. Have you noticed the subtle insinuation by some that perhaps Detroit’s auto makers have “a right” to be bailed out? They are missing the whole point that capitalism is about *risk*. The vision of success and threat of failure drives capitalists to succeed -- otherwise, it’s not capitalism, *its socialism!* So will some real leader please step up to the microphone and say: “Stop this idiocy right now! The American people are fed up and they aren’t *gonna* take it anymore. No more bailouts, no more giveaways, sad sob stories or ‘disaster will strike’ scenarios. We want our elected officials to get back to governing by first principles and limit their authority to that provided by the U.S. Constitution and no more. If this causes some pain and discomfort, so be it. If mismanaged companies fail, so be it.” Free market capitalism works when those whose hands are on the levers of government restrain themselves from tweaking the capitalist system for political or economic gain.

Until next time . . . Brett A. Magbee, Vice President for Operations

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