

OCPA FaxLine Report

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

Dear OCPA Member:

Wednesday, February 18, 2009

My two sources for this *FaxLine Report* are about as opposite as you can find. It makes me wonder what's going on . . .

First -- Walter Williams, nationally syndicated columnist and George Mason University economist (who spoke at two OCPA events in 2002) has a unique ability to explain free market principles and why when correctly applied, they always seem to work. In a recent column he writes . . .

“Adam Smith, the father of economics, captured the essence of . . . human cooperation when he said, ‘He (the businessman) generally, indeed, neither intends to promote the public interest, nor knows how much he is promoting it. . . . He intends only his own security; and by directing that industry in such a manner as its produce may be of the greatest value, he intends only his own gain.’ Adam Smith continues, ‘He is in this, as in many other cases, led by an invisible hand to promote an end which was no part of his intention. . . . By pursuing his own interest he frequently promotes that of the society more effectually than when he really intends to promote it.’ And later he adds, ‘It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own interest.’

“If you have doubts about Adam Smith's prediction, ask yourself which areas of our lives are we the most satisfied and those with most complaints. Would they be profit motivated arenas such as supermarkets, video or clothing stores, or be nonprofit motivated government-operated arenas such as public schools, postal delivery or motor vehicle registration? By the way, how many of you would be in favor of Congress running our supermarkets?”

Second -- Russian Prime Minister Vladimir Putin, a former KGB official, (not exactly near the top of my list as a free-market proponent), speaking at the opening ceremonies of the World Economic Forum in Davos, Switzerland, cautioned those in attendance against “excessive intervention in economic activity and blind faith in the state’s omnipotence. . .” *What did he say!?!*

“In the 20th century, the Soviet Union made the state’s role absolute,” notes Putin. “In the long run, this made the Soviet economy totally uncompetitive. This lesson cost us dearly. I am sure nobody wants to see it repeated.” *Huh?*

Putin adds, “Nor should we turn a blind eye to the fact that the spirit of free enterprise, including the principle of personal responsibility of businesspeople, investors, and shareholders for their decisions, is being eroded in the last few months. There is no reason to believe that we can achieve better results by shifting responsibility onto the state.” *Come again?*

Maybe Mr. Putin, has been reading Adam Smith or even *Walter Williams!* Now, if only we could get those who voted for this so-called “stimulus plan” to do the same.

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

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