

OCPA FaxLine Report

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

Dear OCPA Member:

Thursday, October 9, 2008

We're living in perilous times. No, I'm not merely referring to last week's bailout legislation which puts taxpayers on the hook for \$700 billion. I'm talking about the perilous and dangerous ideas which have fueled (and continue to fuel) the financial calamity we are now facing. These are ideas that would be considered as foreign to America's founders as icebergs are in the Pacific. They include:

1) The idea that people can shortcut the Judeo-Christian work ethic and have the American dream of homeownership without having to actually work for it.

2) The idea Congress should provide homeownership as an entitlement -- "a right" for every person to own a home -- by enabling sub-prime loans for people who don't have the means to afford the payments.

3) The idea that the chairman of the Senate Banking Committee and the chairman of the House Financial Services Committee could defend the lending practices of Freddie and Fannie, then feign shock and outrage by the many failures brought about by those same atrocious lending practices.

4) The idea that the private sector would be in better shape today if only we demanded more oversight from government. *(Please . . . re-read number 3.)*

5) The idea that while "everyone is at fault," no one has to accept blame.

6) The idea that these financial institutions can fall like a house of cards and hurt a lot of taxpaying citizens, yet the CEOs can walk away with multi-million dollar bonuses *(for a job well done!?!)*

7) The idea that we can't permit the marketplace to do what it has always done -- *self-correct. (There have been 32 cycles of expansions and contractions since 1854!)*

8) The idea that outraged taxpayers can be 10 to 1 against the bailout effectively stopping its passage on a Monday, only to have an expanded version passed by our "public servants" on Friday with new "pork" provisions for wooden arrows and rum.

These ideas and others which led to this situation are un-American. The core problem is that a lot of our elected officials are not true believers in capitalism. They don't believe free enterprise works. They never have and probably never will. Yet it is capitalism itself which, according to Radley Balko, senior editor for *Reason* magazine, "has spurred an explosion of wealth and the greatest standard of living in human history." Now, as Craig R. Smith with *WorldNetDaily* offers, "The only effective help the government can offer would be to immediate[ly] halt wasteful spending and begin to reduce the national debt. Fiscal responsibility at the government level would do more to instill confidence than any bailout a bureaucrat can offer."

One question remains: how do we change the thinking of our elected officials which led to such calamity? As we all have just witnessed, *ideas have consequences.*

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

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