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The Seven Principles of Sound Public Policy

By Lawrence Reed

The recent elections focused our attention on important political issues in Kansas. Now in the wake of the elections is a good time to think about the bedrock concepts that should form the intellectual backdrop to what we do inside and outside of government. These seven principles are not original with me; I've simply collected them in one place.

Free people are not equal, and equal people are not free.

First, I should clarify that I am speaking not of equality before the law, but equality of income and material wealth.

Free people are not equal. Each of us is a unique being, with different talents, industriousness, and desire to save rather than spend. Why would our interactions in the marketplace produce the same results?

Equal people are not free. The only way to equalize income and wealth across society would be to give orders, backed up by a gun, like this: Don't excel. Don't work smarter than the next guy. Don't save more wisely than anyone else. You wouldn't want a society where these were the orders. Khmer Rouge, Cambodia came close to it in the late 1970s.

What belongs to you, you tend to take care of; what belongs to no one or everyone tends to fall into disrepair.

The importance of private property explains so much about the failure of socialized economies.

In the old Soviet empire, governments proclaimed the superiority of central planning and state ownership. They wanted to abolish, or at least minimize, private property because they thought that private ownership was selfish and counterproductive. With the government in charge, they argued, resources would be used for the benefit of everybody.

But we now know that the old Soviet empire produced one economic basket case after another, and ecological disasters, too.

Sound policy requires that we consider long-run effects and all people, not simply short-run effects and a few people.

When Lyndon Johnson cranked up the Great Society, the thought was that some people would

benefit from a welfare check. We now know that over the long haul, the federal entitlement encouraged idleness, produced intergenerational hopelessness, and cost taxpayers a fortune.

We should remember that today is the tomorrow that yesterday's policy makers told us we could ignore.

If you encourage something, you get more of it; if you discourage something, you get less of it.

People respond to incentives and disincentives. Policy makers who forget this will do dumb things.

Remember when George Bush (the first one) reneged on his "No New Taxes!" pledge? We got big tax hikes. Congress dramatically boosted taxes on boats, aircraft and jewelry. They expected \$31 million in new revenue in the first year. But the higher levies brought in just \$16 million and we laid out \$24 million in additional unemployment benefits because of the people thrown out of work in those industries.

Nobody spends somebody else's money as carefully as he spends his own.

When you spend your own money on yourself, your mistakes are few and far between. When you spend other people's money to buy something for someone else, the potential for mischief and waste is the greatest. That's what government does all the time.

Government has nothing to give anybody except what it first takes from somebody, and a government that's big enough to give you everything you want is big enough to take away everything you've got.

This is not some radical, ideological, anti-government statement. It's simply the way things are. When your congressman comes home and says, "Look what I brought for you!" you should demand that he tell you who's paying for it.

Liberty makes all the difference in the world.

We should suspect public policy that doesn't preserve or strengthen liberty. Vigilant people must ask, "What are we getting in return if we give up some of our freedom?" Hopefully, it's not just some "mess of pottage."

Our past devotion to these seven principles, in one form or another, explains how and why Americans fed, clothed and housed more people at higher levels than any other people in the history of the planet. They are key to preserving that crucial element of life we call liberty.

Lawrence W. Reed is president of the Mackinac Center for Public Policy, a research and education institution headquartered in Midland, Mich. This is an edited version of remarks he gave to an audience of the Flint Hills Center for Public Policy, an independent voice for sound public policy in Kansas.