

IN CONGRESS, JULY 4, 1776.

The unanimous Declaration of the thirteen united States of America.

Seven Principles of Sound Public Policy

In October 2001, Dr. Lawrence W. Reed, President of Mackinac Center for Public Policy delivered a memorable speech to the Economic Club of Detroit. Since that time Dr. Reed has, by request, delivered the speech over 80 times. The simplicity and common sense of the message always strikes a tender spot in audiences. On November 18, 2004, sponsored by Grassroot Institute of Hawaii, Dr. Reed delivered the address to Small Business Hawaii. This summary, suitable for framing, was developed to express Dr. Reed's views and display in the offices of legislators, administrators and many others.

- I Free people are not equal, and equal people are not free: Yes, all must be equal before the law. But all are not equally talented or equally productive; equally tall or equally careful. Only one system could possibly produce equality: Tyranny. But then the tyrant and his key people are most likely made superior to the serfs.
- II What belongs to you, you tend to take care of; what belongs to no one or everyone tends to fall into disrepair: If you wish to destroy wealth and productivity, have the government own all of it. Slaves are not productive or wealthy or happy.
- III Sound policy requires that we consider long-run effects and all people, not simply short-run effects and a few people: Government, formed by our ancestors as a helpful tool, was not intended to injure you to help me. When that happens, in the long run you will be serf and I, king.
- IV If you encourage something, you get more of it; if you discourage something, you get less of it: You work an extra hour and earn \$100. The government takes \$50 of it as you walk out the door. Are you more or less motivated to work an extra hour tomorrow? Why?
- V Nobody spends somebody else's money as carefully as he spends his own: Your kids got careful about expenses as soon as they had to start paying the bills.
- VI 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. If elected officials get well and we pay for it, that is their "welfare state." Each of us must be a very alert and noisy watchdog.
- VII Liberty makes all the difference in the world: Slaves cannot pursue happiness. Poverty and tyranny are joined at the hip.



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