

It is very interesting to note how Platt identifies Adam Smith's *laissez-faire* doctrine of a free market economy as a factor in the evolution and shaping of disaster policy in the United States. This philosophy maintains that for as long as there is no interference, individuals within that free market who aim towards their own gain will be led by an *invisible hand* to promote public interest and welfare. With such a prevailing doctrine, the US government was unwilling and unready to enact legislation that would put barriers to the market in the belief that in doing so it is ensuring growth and development and promoting the common good. This translated to very few to none at all state control and regulation of corporations in all aspects of their operations, including safety measures, environmental standards, building codes and the like. Coupled with the view that disasters are "acts of god" and are unpredictable and unavoidable, the whole political economy of disasters in the 1900s was that of non-interference and non-state responsibility and for as long as wealth is being generated, then the losses due to disasters is a small price to pay. Also, given the wealth that is gained, there is much room for charity and philanthropy among those who have benefited from the market.

In the 1950s, this free market paradigm shifted with the Great Depression as its biggest shock. In this situation, the federal government could not just sit down and let the free market take care of things and for the *invisible hand* to promote and protect the public interest and common good. Belief in the market was still there but this time, it cannot be just left alone to its own devices. Thus, federal government acted as the *helping hand*, intervening in the private economy so as to ensure the viability of the market and promote investments. At this point, the government did not act to put regulations or hinder or control individuals or corporations. It enacted legislation that would enhance their ability to maximize profit and gain even more through incentives, urban development strategies, creation of infrastructure and the like. This *helping hand* phenomenon has brought increased vulnerabilities to disasters and has even brought about new ones. But instead of the individuals and corporations shouldering the burden and paying for those risks, it is the federal government who does, again as part of that paternalistic *helping hand*. This paternalism was legislated through the Disaster Relief Act of 1950 including all other subsequent revisions and amendments made later on.

Platt brings forward the issue of moral hazard and how the on-going *helping hand* policy of the US federal government is diminishing and undermining caution among individuals, communities and businesses. At the same time, such policy is promoting very serious risk-taking behaviour and attitude because there really isn't anything to lose for the government will bear the brunt of the losses later on. Efforts to change such policy have not been successful mainly due to the highly political nature of the process of appropriation of funds and resources for "helping" those who have suffered losses.