
Regime attempts to shut down Cato University

Chávez Fails to Silence Cato's Message of Liberty

In May, the Cato Institute conducted another session of its successful Cato University in Caucagua, Venezuela. This time, however, the government of Hugo Chávez took exception to Cato's teaching of individual liberty and free-market, limited government principles and sent the National Guard to disrupt the event.

Prior to Cato's arrival in Venezuela, state television and online media told Venezuelans that Cato was coming to set up a training camp for young subversives, a camp at which they would be taught techniques for overthrowing Chávez.

Once the event started, the Chávez government claimed that Cato University, conducted with the help of the Venezuelan-based, classical liberal think tank, CEDICE, lacked the proper permits to operate as a university. While Cato was teaching young Venezuelans about the benefits of individual choice in a free society, a state representative of the ministry of higher education arrived, accompanied by reporters from state television and the National Guard, and harassed the conference organizers. Even after being told that Cato University was not, in fact, a university, the Chávez government did not back down. Instead, it changed its tactics, accusing Cato University of engaging in false advertising.

The government then took the step of detaining Alvaro Vargas Llosa, a Peruvian intellectual and speaker at the event. He was released after three hours by airport

authorities, but only on the condition that he not speak about the political situation in Venezuela, a condition he did not adhere to.

Later, Chavistas, not officially sanctioned by the Chávez government, picketed in front of the Caracas hotel in which CEDICE was holding its 25th Anniversary Conference, waving signs denouncing the Cato Institute and accusing it of working with the Central Intelligence Agency and

Washington military interests to create subversive dissent among Venezuelans. These protests were carried on state television.

The reaction of the Chávez regime to two gatherings of market-liberal intellectuals demonstrates how tense the situation has become in Venezuela. But it also demonstrates how necessary Cato's mission of promoting liberty is—and how fearful the ideas of liberty are for those who would wield excessive state power.



Cato University attendees gather in Caucagua, Venezuela, in May to discuss classical liberal ideas. The National Guard was sent to disrupt the event. State television stations and Internet sites spread propaganda charging Cato and local cosponsor CEDICE with setting up a training camp in subversive tactics to overthrow the government. The government's tactics ultimately failed and Cato's message of liberty remained loud and clear.

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towns where either local, private coins or official coins could be used in exchange, private coins commanded a 100 percent premium over the other coins—which is to say you had to pay twice as much if you used the legal tender money! That's the market's verdict, the one that really counts.

Eventually private coinage was, of course, snuffed out. But in case you suppose that it was snuffed out because private coins were harming the public, it's easy to prove that that wasn't the case. When it

decided to outlaw private tokens, the government still hadn't put its own coinage act together. Consequently people were literally left begging for cash of any sort. A government that was truly concerned about people having better money wouldn't have forced them to settle for having none at all!

To conclude: it's admittedly a long way from Great Britain in 1789 to the United States in 2009, but even the relatively distant past can harbor important clues to answering today's pressing public policy

questions. One of those questions is, must we forever remain at the mercy of the error-prone central banks? Must we forever suffer from the financial crises they cause again and again and again? Ancient dogma tells us that we have no choice. History, on the other hand, suggests that government's ancient monetary prerogative belongs in the same scrapheap into which most other medieval princely powers were tossed long ago. Perhaps central banks, which owe their existence to that prerogative, ought to be scrapped as well.