

Cato's Letter

A QUARTERLY
MESSAGE
ON LIBERTY

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Connoisseurs of Liberty

GEORGE F. WILL

Connoisseurs of football want to go to Lambeau Field in Green Bay; connoisseurs of college basketball want to go to the Palestra in Philadelphia; connoisseurs of baseball want to go to the corner of Clark and Addison in Chicago to Wrigley Field; and connoisseurs of liberty want to go to the corner of Massachusetts and 10th in Washington, D.C.

One of the truly momentous movements in our nation's history occurred in the '60s, '70s, and '80s, when conservatives and libertarians realized that they were shut out of the entertainment industry and increasingly shut out of academia and the media, and they decided to create their own alternative intellectual infrastructure—the crown jewel of which is at the corner of 10th and Massachusetts.



GEORGE F. WILL is a Pulitzer Prize-winning columnist and author. He spoke at Cato's 40th anniversary celebration in May, in Washington, D.C.

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Cato, of course, has been stigmatized as having an “ideology.” (In Washington, an ideology is the other guy’s views. You have a “philosophy”; someone else has an “ideology.”) And the ideology is libertarian. It seems to me, all libertarianism means is that before the government interferes with the freedom of an individual, or the freedom of two or more individuals to contract together for common purposes, the government ought to have a compelling reason for this. This is not the “clean and well-lit prison of one idea” that Chesterton inveighed against; this is simply the heart of the American project.

My simple point is this: never, ever, has the Cato Institute been more necessary. The Declaration of Independence has many luminous words, the most important of which is “secure.” All men are created equal, endowed by their creator with certain inalienable rights, and governments are instituted to *secure* those rights. First come rights, then comes government. Rights preexist government. This is why the first progressive president, Woodrow Wilson, urged the American people not to read the first two paragraphs of the Declaration of Independence, which he said were Fourth of July folderol.

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Today, Cato really exemplifies the continuing American commitment to these words that launched our country, and it is now necessary more than ever. The basic principles of liberty are moral—these rights are natural to creatures of our nature. But these principles are now not just moral, they are also urgently necessary. Because unless we have an open, free, mobile, dynamic society, we are going to have the most bitter distributional politics imaginable.

If we continue to bump along at 2 percent or less growth, we will have an unrecognizable civic culture in this country. The only path to vigorous economic growth is to liberate the country from the dead hand of government and get out of the way of the natural wealth-creating aptitudes of the American people. We are sleepwalking into the most predictable crisis in our nation’s history. As the baby boomers retire and the entitlement state becomes more and more oppressive, the natural instinct of the government is going to be to *increase* the weight of government by increasing the tax take, producing a death spiral.

The problem is, obviously, that the welfare state we have exists to subsidize two things that did not exist in 1935, when, with Social Security, we began to

build a welfare state. The two things that did not exist then are protracted retirement and competent medicine. When they passed Social Security in 1935 and set the retirement age at 65, the life expectancy of an American male was—65. (Congress did its ruthless arithmetic in those days.) The average length of retirement in America expanded in the 20th century from 2 years to almost 20 years. Social Security was never designed for this.

And competent medicine—my goodness. In 1924 Calvin Coolidge (the last president with whom I fully agreed) was living in the White House when his son Calvin Jr., 16 years old, played tennis without socks. He got a blister, it got infected, and he died—a lingering, agonizing death, in the White House, because medicine, even for presidents and their families, was almost incompetent.

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And the problem is this: the government knows how to do Social Security. It identifies an eligible cohort by age, and it writes them checks. That pretty much exhausts the government’s competence. Delivering services and fine-tuning and regulating behavior are beyond its competence.

Let me dwell a bit more on medicine—in 1900, 37 percent of all deaths were from infectious diseases. That’s now down to 2 percent. Only 18 percent of deaths in 1900 were of people over age 65. Today it’s 75 percent. Medicine went from the conquest of infectious diseases to today’s role of managing chronic ailments. Probably 40 percent of Medicare patients are living with three or more chronic ailments, any one of which would have killed them before modern pharmacology. Thirty percent of Medicare expenditures go to people in the last six months of life and are, definitionally, of limited medical value.

What people do not realize in this current debate about health care is that even before the Affordable Care Act was passed, 50 cents of every health-care dollar was spent by the government. The American people have very little skin in the game. And people do not understand how much of our health-care bill is voluntary, that is, the result of known risky behavior—violence, vehicular accidents, coronary artery disease, lung cancer, AIDS, Type 2 diabetes brought on by obesity.

Last week, the Congress of the United States, this time under Republicans—not that you can tell the difference—passed a health-care bill that no one had read, was not scored by the Congressional Budget Office, and was debated for a grand total of three hours. This is what you get when you live in a society that is

increasingly government-centric. I was going to bring you the Senate immigration bill from 2008, but it's too heavy—1,197 pages. It has to be that big because the senators know *everything*.

They know, for example—it's in the bill—that the proper 2016 hourly wage of an immigrant animal sorter was \$8.94, 20 cents more than the proper wage, according to the United States Senate, of an immigrant nursery worker. They don't need markets to tell them—they just know these things. The immigration bill, by the way, said that Nevada is a border state. If you believe your lying eyes, it tells you that the southern tip of Nevada is 164 miles north of the border. But, because Harry Reid of the great state of Nevada was the majority leader, and he wanted Nevada to be eligible for some of the 20 billion more dollars in border pork, they just declared it a border state.



The danger is that the more we interfere with the voluntary, spontaneous order of a free society, and a free world order, the more we consign ourselves to slow growth. And the more we consign ourselves to slow growth, the more we consign ourselves to serious consequences. We are arguing today as rarely before about fundamentals—the basic relationship of the citizen to the central government and the actual competence and proper scope of the government. Do we want to have a government-centric society—a society in which government is assumed to be the organizer of American creativity?

I want you to come back with me to a crime scene. I want to tell you about something that happened in this country that you didn't learn when you studied the New Deal. The crime occurred in April 1934, the beginning of the second year of the New Deal. It occurred at 138 Griffith Street in Jersey City, New Jersey. I recently visited this neighborhood—now, as then, it's a neighborhood of immigrants. Now there are Asians and Latin Americans; then, they were from Eastern Europe. Today 138 Griffith Street is a barber shop; then, it was a man's tailoring and pressing shop run by Jacob Maged, a 49-year-old immigrant from Poland, father of two daughters.

The crime he committed was putting in his shop window a sign saying he would press a man's suit for 35 cents. Now, how did that become a crime in the land of the free and the home of the brave? The New Deal was in power, the New Deal knew everything, and the New Deal had a theory. The theory was, when you have

a depression, prices go down; therefore—a historic non sequitur—we’ll have a recovery if we can force prices to rise. Therefore, we must outlaw competition, because competition drives down prices. Therefore, they had the National Industrial Recovery Act, and the first National Recovery Administration (NRA), which wrote 500 different codes of noncompetition, cartelizing American industry.

Some of you may remember that the symbol of the NRA was a blue eagle—you were encouraged to fly the Blue Eagle flag over your factory or put a Blue Eagle poster in your shop window. The government had decided that 40 cents was the proper price for pressing a man’s suit. For his nickel crime, Mr. Maged was arrested, fined \$100 (doesn’t sound like much, but the median family income that year was \$1,500), and sentenced to 30 days in jail. The judge thought this was a teachable moment, so he canceled the fine, pardoned him from his sentence, and hauled him back into court where—and this is from the *New York Times*—he “gave him a little lecture on the importance of cooperation as opposed

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to individualism.” Maged left the court with the *New York Times* trailing him. Duly chastened, he went back to his shop and took out the offending sign promising a 35-cent job and put in its place the Blue Eagle. The next morning the *New York Times* reported that Maged, “if not quite so ruggedly individualistic as formerly, was a free man once more.”

A free man—if you define freedom as embracing a government propaganda symbol under the threat of fine and imprisonment. I don’t. Neither does Cato. Cato stands for all the things that got Maged thrown in jail—thrift, industriousness, deferral of gratification, and above all, individualism. That’s why it’s a pleasure for me to be here with you, to thank you for the support you give to this extraordinarily important, ever more important, think tank.

A number of our think tanks seem determined to take the “think” out of think tank. Not this place. This place is, now more than ever before, important because—let’s be blunt here—neither political party today is recognizably committed to the liberty movement—to the belief in the spontaneous order of a market society and the creativity that alone, by providing the economic dynamism of which we are capable in this country, can enable us to fulfill the promises we’ve made to ourselves without having, as I say, ever more bitter distributional politics. ■



SCHOLAR PROFILE

Flemming Rose

FLEMMING ROSE is a senior fellow at the Cato Institute. Previously he was an editor at the Danish newspaper *Jyllands-Posten*, where he was principally responsible for the publication of the Muhammad cartoons that ignited an international controversy in 2006. He is the author of *The Tyranny of Silence*, published by the Cato Institute.

How did you first become interested in free speech?

In 1980–81 I spent a year in the Soviet Union as a student. Here I met my future wife, a then-Soviet citizen, and I got a real sense of what it is like to live in a totalitarian dictatorship, a society of fear that cripples the mind and human relationships. Everything from the text on the cover of a box of matchsticks to a novel printed in a literary magazine needed the approval of the censors. Self-censorship permeated everything from public encounters to private conversations. Some people were cautious to talk and socialize with a foreigner from a capitalist country like me.

When I returned to Denmark I got a job as a translator at the Danish Refugee Council, and through that work I got in touch with intellectuals from the Soviet Union who were in exile in the West. These people had paid a high price for insisting on their right to write and speak their mind freely. Some of them had even spent time in prison camps. I admired them and their life-changing choices deeply.

The Soviet authorities were scared to death by writers and other individuals who didn't bow to the ideological dictate.

In the past, you've noted that many people have a distorted notion of what "tolerance" means, believing that it entails a right not to be offended.

To me "tolerance" implies that you have to live with things and speech or opinions that you actively dislike or hate. As Oliver Wendell Holmes put it in a famous dissenting opinion in 1929: freedom for the thought that we hate.

Tolerance means that you don't ban speech that you hate and you do not use violence, threats, and intimidation to silence it. Tolerance doesn't imply that you keep silent about speech that you hate. You challenge it, you mock it, and ridicule it; you criticize it. Tolerance isn't the same as silent harmony and turning the other cheek and keeping quiet. It's a concept that makes it possible to manage diversity and disagreements in a civilized way. In the battle for free speech in today's world, our ability to reestablish the original meaning of tolerance will be decisive.

How would you assess the state of free speech across the world?

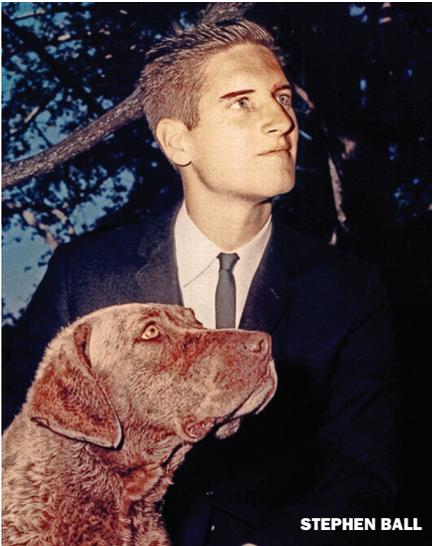
Free speech is in bad standing. Just look at recent indexes of press freedom. Very few people will say openly that they are against free speech. Even authoritarian governments like the Russians and the Chinese will insist that they are in favor of free speech, but having insisted on their support for free speech they will add caveats like concern for security, public order, social harmony, morals, international reputation, territorial integrity, and so on and so forth, so that the concept of free speech loses any meaningful content. This is also going on in the traditional West. The German parliament is about to pass a law criminalizing "fake news"—the government proposed it in the spring, now it will be adopted by parliament and turned into law. That reminds me of what was going on behind the Iron Curtain. Most dissidents were convicted for deliberately disseminating false information about the socialist system. ■

A PROFILE IN GIVING: Stephen Ball



Last year, Cato received an extraordinary gift—a \$2.6 million bequest from someone who had never given to Cato in his lifetime. We have since learned more about this generous donor and his remarkable life and legacy.

Stephen S. Ball was the youngest son in a family of successful infrastructure builders, whose parents left a nest egg to each of their children. Steve led a frugal life in the Napa Valley and chose to pursue an unconventional investing strategy that heavily favored one company that he admired greatly: Warren Buffett’s Berkshire Hathaway. Over the decades, his shrewd investments and modest preferences created significant wealth, and Steve chose to leave much of it to charity.



Due to Steve’s penchant for independence and privacy, he never established a relationship with Cato during his lifetime. We initially learned of Steve’s background, beliefs, and interests through conversations with Barbara

Boucke, his longtime accountant and friend, as well as his sister Susan Syar.

In the past two years, to reflect on Steve’s passions and to honor his legacy, Barbara and Susan were in contact with all 17 other organizations that benefited from Steve’s incredible generosity. As they visited these charities, they discovered his passions as an avid hiker, a naturalist, and a libertarian. He gave millions to the Marine Mammal Center on California’s Pacific coast. He gave millions to preserving hiking trails at Lake Tahoe and on Mount Diablo. He gave millions to the Salvation Army, where he preferred to do his shopping. And he gave millions to Cato, because, apparently, Steve loved to listen to talk radio and enjoyed Cato scholars’ commentary on how to correct government overreach. Susan told us, “Steve saw Cato as bringing libertarianism out of the wilderness and to people like him through radio—so he chose to leave support for a strong voice for limited government. He was a student of politics—always standing for the little guy, and opposing big government.”

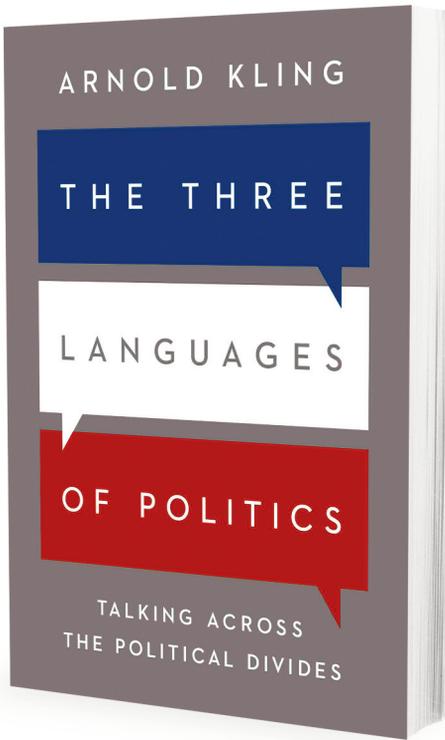
Barbara and Susan were able to join us for a recent San Francisco City Seminar. As Cato president Peter Goettler described Cato’s mission, Susan smiled and said she felt Steve’s presence—these ideas were his passion.

Our only regret is that we didn’t have a chance to know Steve personally. We are committed to honoring the intent of estate gifts to Cato and planning with our Legacy Society members for the implementation of their wishes. ■

IF YOU WOULD LIKE TO DISCUSS THE VISION AND INTENT OF YOUR LEGACY AT CATO, PLEASE CONTACT BRIAN MULLIS DIRECTLY AT BMULLIS@CATO.ORG OR 202-789-5263. REGARDLESS, THANK YOU FOR YOUR PARTNERSHIP IN THE INSTITUTE’S FIGHT FOR A FREER, MORE PROSPEROUS WORLD.

“It changed the way I look at the world.”

—RUSS ROBERTS, host of *EconTalk*



“Arnold Kling offers a spectacularly clarifying matrix for understanding our political debates. After reading this insightful book, you’ll never think about politics (including your own views) the same way again.”

—YUVAL LEVIN, editor, *National Affairs*

The Three Languages of Politics: Talking Across the Political Divides could not be any timelier, as Americans talk past one another with ever greater volume, heat, and disinterest in contrary opinions. An accessible and insightful guide on how to lower the barriers coarsening our politics, this is not a book about one ideology over another. Instead, it is a book about how we communicate issues and our ideologies, how language intended to persuade instead divides, and how that can be transcended.

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