PRESIDENT’S MESSAGE

A Call to Action

When government tries to do everything, it fails at its important, legitimate responsibilities.

We’re living through things none of us have experienced. A viral pandemic. A shutdown of substantial portions of our economy. Shelter at home. Wearing masks.

Our thoughts and best wishes go out to all of you. We think often about the well-being of you and your families, especially those who’ve battled COVID-19. And we offer heartfelt condolences to those who have lost friends or loved ones.

Virtually all of us have suffered meaningful economic setbacks, some devastating. Many in the Cato family are struggling mightily with business challenges on a scale none of us ever expected. We’re with you.

I believe the virus is a serious challenge that may be with us for quite a while before life truly returns to normal. But in dealing with the challenge, we’ve witnessed a massive failure of government.

First, testing is crucial. It’s the key element of understanding the extent to which a disease has spread, and to identify individuals requiring isolation. Bureaucratic bungling put us behind the curve from the start. The Food and Drug Administration (FDA) blocked tests in use in other countries and initially allowed only the CDC’s flawed tests. American companies awaiting FDA approval shipped their COVID-19 tests overseas.

As the virus spread, civil society mobilized to protect workers and customers. The major sports leagues suspended their seasons. Employers throughout the country, Cato included, moved to a remote work posture. Individuals began making substantial changes to their daily routines. All without orders from any government.

State governments then moved to impose blanket shutdowns. Some of this was justified in order to avoid gatherings of crowds in tight spaces, but much was heavy handed and an affront to liberty.

Consider the move to shut down all “nonessential” businesses. I don’t want bureaucrats and politicians—ably assisted, of course, by lobbyists and special interests—deciding what’s essential and what’s not. That’s a recipe for cronyism.

The right framework is safe versus unsafe. To mitigate the economic calamity, businesses that can operate safely should be open. Many “nonessential” factories, landscapers, quarries, construction sites, and more can operate with minimal risk. A focus on safety, furthermore, can stimulate innovation to allow even more businesses to operate—and generate new approaches to protect workers in “essential” enterprises as well.

Liberty lovers are naturally dispirited. The exercise of government power—some necessary, much not—has been stunning. The economic costs have been compounded by blanket shutdowns. The attempt to replace our economy with a printing press takes existing mismanagement to a new, higher, and more dangerous level. Bullying state authorities have banned activities that have little risk of disease transmission. And, worst of all, most fellow citizens seem unconcerned about these things.

But this episode reinforces every single reason I’ve supported Cato for two decades. It affirms that liberty is the essential framework for our society and our future. So rather than licking our wounds after a setback, we’re fired up like never before. For this crisis is a real-life case study—for all Americans to see—of much that we believe:

- When government tries to do everything, it fails at its important, legitimate responsibilities—such as public health.
- Bureaucracies are congenitally incompetent and regulations have unintended, sometimes catastrophic consequences.
- Federalism ensures the federal government needn’t reach beyond its legitimate responsibilities, leaving more power to the states—where citizens have a better chance to blunt overreach.
- The decades-long expansion of spending, debt, and the Fed’s balance sheet threatens our future and weakens our ability to face true crises.
- Free people can make the key decisions in their lives and needn’t be treated like children. The private sector moved to implement dramatic change without government edicts.

So many of you are also taking motivation from what is playing out in our nation, and it encourages us. We’ve also been buoyed by some Cato Sponsors who have stepped up with extraordinary contributions in recent weeks, knowing the economic environment will be tough. We can’t thank you enough. You have our firm commitment that, in an environment where liberty faces both threats and opportunities, we’ll continue doing our utmost to confront the former and make the most of the latter.