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## The Cato Institute Controversy: Why Should Anyone Care What Libertarians Think?

As everyone must know by now, the Koch brothers, extraordinarily capable entrepreneurs who built America's largest privately-held company, are trying to gain control of the Cato Institute which is the world's largest, most influential libertarian think tank.

This comes as a surprise to many people, since Charles Koch boldly provided initial funding for Cato back in the mid-1970s, and both he and David Koch have generously provided much support for Cato until the past couple of years. Their support has accounted for about 4 percent of Cato's revenue during the past decade.

In addition to filing a lawsuit about the Cato shareholder agreement, the Koch brothers are trying to gain control of Cato's board. Currently, pro-Koch board members seem to include a social conservative, a Republican lawyer, a former press officer for John McCain's presidential campaign and an admirer of George W. Bush. In other words, the board is being loaded with conservative Republicans. There would be at least as much concern if the board were being loaded with liberal Democrats, since Cato has always been independent and eager to work with a wide range of people who can help advance an agenda for liberty.

As it happens, conservatives are increasingly hostile to libertarian views, in particular Cato's insistence that (1) government should stay out of people's lives, including out of people's bedrooms, and (2) there are serious unintended consequences of interventionist foreign policies just as there are serious unintended consequences of interventionist domestic policies. Much unfortunate experience suggests it would be better to focus on protecting and defending the United States rather than taking sides in all sorts of disputes around the world, which often ends up multiplying the number of our enemies.

So it seems quite likely that if the Koch brothers and their Bush/McCain allies gain control, libertarian views will be muted or silenced as Cato is directed to conform with whatever the Republican consensus happens to be. The work of a partisan Cato would come to be viewed not as candid

libertarian analysis but as a political calculation about what might serve the self-interest of Republican members of Congress.

Right now, I believe conservative Republicans and libertarians agree on a number of important issues, but Cato's credibility would have been destroyed if it had been a partisan Republican operation during the Bush years of runaway spending and corruption.

Who would have expected conservative Republicans to become such big spenders, after all their crowing about Democratic excesses and their solemn promises to do better?

Obligating Cato to support a single Bush administration initiative – the Medicare drug entitlement – would have wiped out a lot of credibility.

As a partisan organization, Cato's reputation would be hostage to things that neither the incredibly astute Koch brothers nor anybody else could possibly control, namely the behavior of politicians.

Before George W. Bush was elected in 2000, the last time Republicans controlled the White House and both Houses of Congress was during the 1950s when Elvis was rocking, cars had tailfins and Dwight D. Eisenhower was president. Since then, Democrats had controlled the House so long that the succession of their scandals during the late 1980s and early 1990s were, if anything, overdue. Because the Democratic scandals were so embarrassing, and after 2000 Republicans were new at controlling the White House and Congress, there were high hopes for Republican reform.

Who would have expected there to be Republican scandals so soon? For example:

\* 2004: Republican candidate Jack Ryan withdrew from a U.S. Senate race in Illinois, after his divorce records were released, alleging that he had pressured his ex-wife to go to sex clubs.

\* 2004: Virginia Congressman Ed Schrock announced he wouldn't seek a fourth term, after he was reportedly caught on tape soliciting sex from a male prostitute.

\* 2004: U.S. Deputy Secretary of the Interior J. Steven Griles reportedly resigned after disclosure that according to Jack Abramoff's emails, he agreed he would use his power to block an Indian casino that Abramoff was lobbying against. In 2007, Griles reportedly pleaded guilty to obstruction of justice charges.

\* 2005: The Republican House Majority Leader, born-again Christian Tom Delay, resigned from Congress to deal with criminal money laundering charges. He's reported to be appealing his conviction.

\* 2005: California's Republican Congressman Duke Cunningham pleaded guilty to pocketing \$2.4 million of bribes to steer defense contracts to cronies.

\* 2006: Lobbyist Jack Abramoff pleaded guilty to felony counts of fraud, corruption and conspiracy. He spent three and a half years in prison. He had made millions by bribing administration and congressional officials to assist his various schemes.

\* 2006: Ohio's Republican Congressman Bob Ney reportedly resigned from

Congress after pleading guilty of conspiracy and making false statements related to taking tens of thousands of dollars of bribes for special favors.

\* 2006: Florida's Republican Congressman Mark Foley resigned from Congress after it was reported that he had sent sexually explicit emails to under-age boys.

\* 2007: Idaho's Republican Senator Larry Craig was arrested for lewd behavior in a men's room at Minneapolis-St. Paul Airport and pleaded guilty to a lesser charge of disorderly conduct. He declared his innocence but decided not to be a candidate for another term.

\* 2007: Randall L. Tobias, the U.S. Director of Foreign Assistance, resigned after it was reported that he had used an escort service owned by Deborah Jean Palfrey (the "DC Madam"). She was later convicted of racketeering.

This is probably an incomplete listing, but it's surely enough to suggest the risks of transforming Cato from an independent think tank into a partisan operation.

Meanwhile, conservatives might ask why anybody should care what libertarians think.

Well, consider that if libertarian contributions were stripped out of conservatism, it would be substantially gutted.

First to go would be the libertarian philosophy of natural rights to life, liberty and the pursuit of happiness.

Especially after the French Revolution, conservative heroes like the Irish statesman and philosopher Edmund Burke objected to natural rights as "morally and politically false." This view was supported by modern conservative authors like Russell Kirk who wrote *The Conservative Mind* (1953).

The libertarian natural rights philosophy provides the only moral basis independent of government for judging its legitimacy and defending liberty. Again and again, when a constitution and/or laws have supported bad policies, it has been impossible to defend liberty with legal arguments. Friends of freedom have made their case with natural rights.

A natural rights agenda for liberty was first articulated by John Lilburne (1614?-1657) and other English libertarians who, during the 1640s, advocated secure private property, freedom of speech, freedom of the press, freedom of association, freedom of religion, freedom of trade, trial by jury, a separation of powers and a written constitution. Natural rights principles were elaborated during the 1680s by John Locke (1632-1657) who would have been executed by King Charles II if his agents ever tracked him down with a copy of his *Second Treatise on Civil Government*. Natural rights principles were given wings by Thomas Jefferson (1743-1826), in the Declaration of Independence, and by Thomas Paine (1737-1809), in his revolutionary writings – especially *Common Sense* (1776), *American Crisis* (1776) and *Rights of Man* (1791).

When William Lloyd Garrison (1805-1879) began to energize the American abolitionist movement, he couldn't make a constitutional case against slavery, since the Constitution supported it. He had to make a natural rights case. As he travelled around the North giving antislavery speeches, he

repeatedly quoted from the Declaration of Independence. He declared that “Black children possess the same inherent and unalienable rights as ours.”

Ironically, although a number of American Founders including Jefferson owned slaves, natural rights principles that soared with his eloquence convinced large numbers of people to help the West do what no civilization had ever done, namely abolish slavery. After having been around for thousands of years, slavery ended in the West only about a century after the first abolitionist society was formed.

Moreover, Martin Luther King Jr. (1929-1968) couldn’t make a legal argument against compulsory racial segregation, since it was mandated by state laws, so he too developed a natural rights argument. His “I have a dream” speech recited immortal lines from the Declaration of Independence.

Similarly, when Mary Wollstonecraft (1759-1797) started to explain why women should have the same economic freedom as men, she couldn’t make a legal case, so she developed a natural rights case. Her great book was *A Vindication of the Rights of Woman* (1792). Later, Seneca Falls, New York housewife Elizabeth Cady Stanton (1815-1902) wanted to start a movement to achieve equal rights for women, and she found that she had to make a natural rights case. She issued her *Declaration of Rights and Sentiments* (1848) that helped launch the seven-decade struggle for equal economic and political freedoms.

In addition to natural rights, conservatives owe just about all of their economic understanding to libertarians.

The great Austrian economist Ludwig von Mises (1881-1973), who demonstrated why socialism could never deliver higher living standards for ordinary people, didn’t consider himself a conservative. Nobel Laureate Milton Friedman (1912-2006), the most versatile libertarian scholar and the most formidable debater, repeatedly corrected journalists who called him a conservative, but they pigeon-holed him anyway. Nobel Laureate F.A. Hayek (1899-1992), who explained crucial links between economic freedom and political freedom, wrote a chapter titled “Why I Am Not A Conservative” in his book *The Constitution of Liberty*. Nobel Laureate James M. Buchanan (1919-), who helped develop the basis for new strategies to limit government power, wrote a whole book titled *Why I, Too, Am Not A Conservative* (2006). These and other libertarian economists originated compelling logical and empirical arguments against progressivism, socialism, the New Deal, high taxes, excessive regulations and other odious aspects of big government.

While many conservative Republicans disliked big government, for a long time they didn’t seem to publish policy analyses that critiqued it, and they never developed a compelling argument against it. For example, the Great Depression was universally blamed on capitalism, and conservatives couldn’t figure out how to answer that devastating charge. If a conservative suggested that capitalism worked better than government bureaucracies, the inevitable counter was always, “What about the Great Depression?” It was Milton Friedman who, with Anna Jacobson Schwartz, documented how Federal Reserve policies did much to trigger the Great Depression – which meant it was a government failure. This was a game-changer.

Sometimes conservative Republicans seem to be seduced by a charismatic personality, even if he promotes policies they supposedly abhor. How else to explain the stubborn admiration that Newt Gingrich, Karl Rove and other

conservative Republicans have for Theodore Roosevelt who disparaged the Constitution, who encouraged politicians to enact an income tax, who multiplied business regulations, who filed antitrust lawsuits against the most successful discounters, who disrupted privatization of government lands and who promoted a government dam-building monopoly (eventually some 600 dams). It was Theodore Roosevelt who declared, "I don't think that any harm comes from the concentration of power in one man's hands." President Obama rightly admires TR as a fellow progressive, but conservatives seem to forget about all that and become misty-eyed when they see photographs of TR with his cowboy hat and his big toothy grin.

Muting or silencing libertarian views would basically mean turning off many of the brightest lights of Western civilization.

For the benefit of readers whose understanding of libertarian views might come mainly from conservative talk show hosts, I'm providing below a quick summary of 21 individuals who made vital contributions to liberty, selected to illustrate the enormous richness of the libertarian tradition. By no stretch of the imagination is this complete. My book *The Triumph of Liberty, A 2,000-Year History Told Through Freedom's Greatest Champions* (2000) chronicles the lives of 64 individuals, which is more than anyone else has covered but leaves out plenty of worthy individuals. These are human beings, so they have flaws, and certainly not all are consistent libertarians, but I believe there's more liberty because they lived. You're invited to browse.

Marcus Tullius Cicero (106 B.C.E.-43 C.E.) expressed principles that became the bedrock of liberty in the modern world. He insisted that law is legitimate only when it is consistent with standards of liberty and justice, based on what he called natural law. He declared that government is morally obliged to protect human life and private property, and he honored daring individuals who helped overthrow tyrants. As Rome's most famous orator, Cicero prosecuted crooked politicians and defended citizens against rapacious officials.

During the early 16th century, an era of religious persecution and frequent wars, Desiderius Erasmus (1469?-1536) emerged as the first modern champion of toleration and peace. "I am a lover of liberty," he wrote with his only weapon, a quill pen. He denounced persecution by both Catholics and Protestants. He urged an end to burning heretics, witches and books. When Martin Luther declared that human beings cannot choose their destiny, Erasmus defended free will. Erasmus opposed Spanish colonialism and wrote the first European book making a case for peace.

William Penn (1644-1718) made major contributions to liberty in both the New World and the Old World. He became the leading defender of religious toleration in England and was imprisoned six times for speaking out. He alone proved capable of challenging oppressive government policies in court – one of his cases helped secure the right to trial by jury. At a time when Protestants persecuted Catholics, Catholics persecuted Protestants, and both persecuted Quakers and Jews, Penn established the largest American sanctuary for freedom of conscience. He traveled unarmed among the Indians and negotiated peaceful purchases.

Benjamin Franklin (1706-1790) pioneered the spirit of self-help in America. He made himself an influential author and editor; started a successful printing business, newspaper and magazine; and developed a network of

printing partnerships throughout the American colonies. In Philadelphia, he helped launch the city's first police force, the first volunteer fire company, the first fire insurance firm, the first hospital, the first public library, and the academy that became Pennsylvania's first institution of higher learning (University of Pennsylvania). He's credited with many important discoveries and inventions. His greatest invention is the American dream.

Before Adam Smith (1723-1790), most people seemed to believe government was necessary to make an economy work. But in his breakthrough work, *An Inquiry Into The Nature And Causes Of The Wealth Of Nations*, Smith showed why subsidies, tariffs, monopolies and other government interventions made people poorer. He issued a clarion call for economic freedom. He recommended liberating Britain's American colonies, and he denounced slavery. He made it clear why the most reliable way to achieve peace and prosperity is to set people free.

James Madison (1751-1836) recognized that the idea of checks and balances – a separation of powers – had great potential for limiting government power, and he pushed the idea further than anyone else. Previous political thinkers had talked about checks and balances with a monarch in the mix, but Madison helped apply the principle to a republic. He insisted that checks and balances could help protect liberty in a large republic. He played a major role in the drafting of the U.S. Constitution and securing its ratification. He subsequently drafted the first 10 amendments – the Bill of Rights. Dictatorships have developed elsewhere, because people didn't have a political system with checks and balances.

The freedom fighter marquis de Lafayette (1757-1834) was a hero of two worlds. He helped defeat the British at Yorktown, winning American Independence. In France, he helped topple two kings (Louis XVI and Charles X) and an emperor (Napoleon). Lafayette championed the abolition of slavery. He was imprisoned during the French Revolution. He corresponded with freedom fighters throughout Europe, inspiring Poles, Hungarians, Greeks, Spaniards and Portuguese as well as people in South America. Hundreds of thousands of people cheered him as he toured America in 1824, and when he died a decade later, he was buried in American soil that he had gathered at Bunker Hill.

Friedrich Schiller (1759-1805) was one of the world's greatest poets and dramatists for liberty. Schiller's most beloved play, *Wilhelm Tell*, celebrated a legendary freedom fighter. It inspired Gioachino Rossini's opera *Guillaume Tell* whose famous overture became the theme of *The Lone Ranger*, the popular television series about the pursuit of liberty and justice. Schiller wrote the play *Don Carlos* about liberating the Dutch. His play *The Maid of Orleans* was about liberating the French. Performances of Schiller's plays were banned by both Napoleon and Hitler. The downfall of Hitler was celebrated in Germany by 26 theatrical companies that toured the country, performing Schiller's plays.

Ludwig van Beethoven (1770-1827) inspired the world with his titanic liberating spirit. He was an outspoken republican in a continent of kings. He denounced Napoleon. Beethoven admired England for its House of Commons, and he followed parliamentary debates reported in German-language newspapers. As for his music, wrote critic Paul Bekker, "The sum of Beethoven's message was freedom – artistic freedom, political freedom, personal freedom of will, of art, of faith, freedom of the individual in all

aspects of life.” Beethoven’s opera *Fidelio* is about a man who’s imprisoned and condemned to death for telling the truth about a corrupt tyrant but is saved by his valiant wife.

Historian Thomas Babington Macaulay (1800-1859) ranks among the most eloquent of all authors on liberty. He called for the abolition of slavery, advocated the repeal of laws against Jews, defended freedom of the press, celebrated the achievements of free markets, spoke out for free trade and the free movement of people. Macaulay thundered against “profuse expenditures, heavy taxation, absurd commercial restrictions, corrupt tribunals, disastrous wars, seditions and persecutions.” He believed women, like men, should be able to have secure private property – “that great institution to which we owe all knowledge, all commerce, all industry, all civilization.”

Frédéric Bastiat (1801-1850) ranks among the most spirited defenders of economic freedom. A prolific essayist, he had a gifted pen and was able to frame issues in a way that everyone could understand. “Nothing enters the public treasury,” he wrote, “for the benefit of a citizen or a class unless other citizens and other classes have been forced to put it there. Heavy government expenditures and liberty are incompatible.” His 1850 essay “What Is Seen And What Is Not Seen” helped people recognize unintended consequences. Bastiat influenced friends of freedom in England, Belgium, Germany, Italy, Spain and Sweden as well as France.

Novelist Victor Hugo (1802-1885) inspired an outpouring of generous sympathy for wretched oppressed people. He chronicled the evils of arbitrary police power, spoke out against capital punishment, opposed war, denounced taxes and expressed confidence in the ability of free people to achieve unlimited progress. Hugo’s most popular work, *Les Misérables*, identifies government as a chronic oppressor. He shows poor people being helped by the charitable works of private individuals. The musical based on Hugo’s novel has been seen by more than 40 million people in 22 countries.

Richard Cobden (1804-1865) did more than just about anybody else in his time to reduce trade barriers in England and Western Europe. When there was less government intervention in the economy, there was less risk that economic disputes would escalate into political disputes. Nations had less incentive to attempt military conquest, because people on one side of a border could tap resources about as easily as people on the other side of the border. Trade expanded, strengthening the stake that nations had in the continued prosperity of one another as customers and suppliers. Free trade did more than any other policy to reduce the danger of war.

Mark Twain (1835-1910) attacked slavery, supported black self-help, spoke out for immigrant Chinese laborers who were exploited by police and judges, acknowledged the miserable treatment of American Indians, denounced anti-Semitism and favored women’s suffrage. Defying powerful politicians like Theodore Roosevelt, Mark Twain served as vice president of the Anti-Imperialist League. “What is the difference between a taxidermist and a tax collector?” he grinned. “A taxidermist takes only your skin.” He wrote, “I am a moralist in disguise, and it gets me into heaps of trouble.”

Booker T. Washington (1856-1915) was one of the most compelling advocates of self-help. He did more than anybody else to help blacks lift themselves up from slavery. He started a great institution, Tuskegee (now Tuskegee

University), that helped tens of thousands of blacks gain skills they needed. He raised money to build thousands of elementary schools for blacks, and he raised money for Howard University and Fisk University, two major institutions of higher learning for blacks. His autobiography *Up From Slavery* (1901) was translated into every major language and is still in print.

In her dramatic philosophical novels, Ayn Rand (1905-1982) probably did more than anyone else to develop a compelling moral case for individualism, liberty and free markets, and she won over millions to the philosophy of natural rights which had fallen out of fashion. She developed a coherent view of ethics, economics and politics. According to a survey by the Library of Congress, her novel *Atlas Shrugged* ranked second after the Bible as the book that most influenced people's lives. Some 20 million copies of her books have been sold, and new collections of her writings and books about her continue to be published. The movie *Atlas Shrugged, Part 1* was released in 2011, and Part 2 is scheduled to be released in late 2012.

The pioneering science fiction writer Robert Heinlein (1907-1988) captured the imagination of millions for liberty. Five of his novels chronicle rebellion against tyranny, other novels are about different struggles for liberty, and his writings abound with declarations on liberty. Even the *New York Times Book Review* conceded that Heinlein as "one of the most influential writers in American literature." His novel *The Moon Is A Harsh Mistress* (1966) developed one of his favorite themes, adapted from a line by Milton Friedman: "TANSTAAFL – There ain't no such thing as a free lunch...anything free costs twice as much in long run or turns out worthless...You get what you pay for."

President Ronald Reagan (1911-2004) changed the terms of public policy debates. He helped revive confidence in the private sector and provided vital support for policies to stop high inflation and unemployment, that had plagued three previous presidents. By ushering in a great economic boom, Reagan was able to put pressure on the Soviet Union, and within a few years it collapsed – ending the cold war peacefully. Reagan talked a lot about freedom which, he observed, "must be fought for, or one day we will spend our sunset years telling our children's children what it was once like in the United States where people were free."

In 1944, Raoul Wallenberg (1912-1947?) defied racists, torturers, assassins and even Hitler's chief executioner, Adolf Eichmann. He saved lives inside enemy territory – Nazi-controlled Hungary – since escape was impossible. He was armed only with a pistol which he never used. He liberated thousands of Jews from boxcars bound for the gas chambers. He pulled Jews out of death marches and saved Jews from being shot and dumped into the bitter-cold Danube. He helped thwart Nazi plans to massacre some 70,000 Jews in the Budapest Central Ghetto. After Stalin's Red Army entered Budapest in January 1945, Wallenberg was seized, dispatched to a Moscow prison, and he vanished in the gulag.

During the 20th century, governments got into just about every imaginable business. But government enterprises performed poorly, and they lost money, requiring subsidies that aggravated government deficits and inflation. Reform seemed politically impossible until Margaret Thatcher (1925-), a grocer's daughter inspired by F.A. Hayek and other libertarian thinkers, became Britain's Prime Minister in 1979. She embarked on a program to privatize government enterprises, get their losses off the



government's books and force the enterprises to become competitive. Privatization did much to revitalize the British economy, and many other countries followed the example that Thatcher had set.

For 35 years, the Cato Institute has championed this glorious heritage of liberty. It would be appalling if Cato's independent voice were to be muted or silenced now— in America, of all places.

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