



Remembering Donald Smith, a Great Champion of Free Markets and Liberty

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I first met Donald Smith in the fall of 2003. It was on a boat tour of Charleston during a Cato Institute retreat in the southern city. Don was one of Cato's foremost financial supporters, and I was a newly hired fundraiser for the libertarian think tank.

Though there were all manner of prominent professional types on the boat, not to mention top policy scholars, Don took the time to get to know me. And that's very much the point about this incredibly generous supporter of the global liberty and free market movement: he treated everyone around him exceedingly well. Though he could have easily and understandably moved about in distant fashion in keeping with immense stature earned through his brilliance as an investor, Don made a point of getting to know the people – high and low – who were part of the organizations he so generously supported.

Which speaks to another essential point about Don: his support wasn't just financial. All too many in his position understandably contribute to organizations in grand fashion without spending too much time at their events and retreats. They do so with good reason. Their achievements away from the non-profit world make all sorts of non-profit scholarship, advocacy and aid to the desperate possible. It's just that Don was different. Even though his eponymous investment firm managed over \$10 billion worth of client funds, Don always matched his extraordinary financial support with extraordinary time spent at the organizations whose robust nature he very much helped make possible.

Along these lines, I remember well a May 2008 boat tour organized by the Cato Institute around the island of Manhattan. The night before Don and his family's Smith Family Foundation had sponsored Cato's biennial Milton Friedman Prize for Advancing Liberty dinner, and the boat tour the next day was meant to give out-of-towners something to do while in New York. Even though Don and his family lived in Manhattan, he and they were in attendance on what was a gray Friday morning.

All of this rates mention simply because I asked Don what he thought of the markets and the economy at the time. He expressed a bearish countenance and said he was positioned for troubled times ahead. His view of the future proved prescient as readers now know, and also fortunate for the countless liberty organizations he supported. Amid very difficult funding times in the non-profit world, Don's always generous support continued.

Mentioned two paragraphs before is that Don was based in Manhattan, was a superstar in the profession (money management) that most symbolizes the most prosperous and most talent-laden island in the world, but he didn't live like a Manhattan-ite despite his remarkable achievements in the city once described by Ken Auletta as "the final test" for "those with talent." On trips down to Washington, D.C. Don could be seen on busses with names like Bolt on them, while it wasn't uncommon on airplanes for him to greet individuals whose organizations he supported in first class as he walked back to his seat in coach. Though Don's immense wealth put him well into the top .01 of the 1 percent, its purpose was to advance liberty over his own comfort or convenience.

Scott Barbee, now the most prominent fund manager in the small cap value space, worked for and was mentored by Don early on. Over the years I've come to know Scott pretty well, and once asked him what, among other things, made Don so good at his chosen profession. Scott said you could be in a meeting with him, and the executives of a company he was considering investing in, and near instantaneously he understood the business they were in while having an intimate sense of the same company's financials. Scott said Don's numerical brilliance was otherworldly.

Despite this genius, Don never put on airs. Indeed, as I thought about what Scott told me I was embarrassingly reminded of times in the past when I'd presumed to talk markets with Don. Rather than dismiss the proverbial 8-man high school football quarterback presuming to match notes with Aaron Rodgers, Don would always take time to listen to me while providing an abridged assessment of a financial world he understood all-too-clearly. Don was clearly one of the best at what he did, but he didn't act like it.

But since Don's investing acumen was quite a bit more than rare, he made it possible for people around the world to pursue what animated their own talents. So many of us are thrilled when Mondays come around because work in support of free markets and individual liberty is what animates our existence.

Don played an outsize role in making possible what so many of us so passionately do for a job. He worked very hard and effectively for decades so that all too many are now able to work very hard making the world a freer, more prosperous place.

Don passed away last week. To say he will be missed brings new meaning to understatement. The main thing is that Donald Smith won't be forgotten. The work so many around the world so energetically do, including my own, will be a happy and regular reminder of this great champion of free markets and individual liberty.