

# Toward the Ownership Society



**F**ew organizations that support dynamic market capitalism and individual liberty were more critical of the policies and practices of George W. Bush's first term than was the Cato Institute. Our commitment has always been to the ideals of a free society, not to any political party. So when the administration imposed punishing tariffs on steel imports, our Center for Trade Policy Studies spoke out vociferously in opposition, as they did with the administration's support for so-called anti-dumping laws.

During this four-year administration, spending skyrocketed nearly 30 percent—more than half a trillion dollars. Again, our fiscal policy studies department documented and criticized this fiscal profligacy. As the *Washington Times* wrote, “If you want to know the full extent of waste in Washington, get a copy of an eye-opening new report from the Cato Institute, titled ‘Downsizing the Federal Government.’”

And when the Justice Department supported the administration's claim that the president of the United States has the authority to strip an American of his citizenship rights (to an attorney, to due process of law, and more) Cato filed an amicus brief with the Supreme Court on behalf of Jose Padilla. Not because we have any affection for Padilla (believe me, we don't), but because we do care about the *rights* of all Americans. The Supreme Court, by the way, agreed with us.

On military affairs, Cato was one of the first organizations in the wake of 9/11 to call for U.S. intervention in Afghanistan to eliminate the Taliban and Al Qaeda threat to our national security. But when the administration talked about war in Iraq, we questioned the wisdom of diverting resources from the pursuit of Al Qaeda. As the *New Republic* wrote, “Cato was one of the first think tanks to warn that the lack of postwar planning” would make the reconstruction effort exceedingly difficult, as it has proven to be. In that regard, the replacement of Secretary of State Colin Powell with Condoleezza Rice is not very encouraging.

So, why am I so enthusiastic about the prospects of a second Bush administration? Primarily because of its domestic agenda. To begin with, the influence of Big Government neoconservatives in the administration has been greatly diminished, not only because of their wildly off-the-mark predictions about Iraq, but also because their support for big domestic spending programs has led to unacceptably high deficits. Plus, Attorney General John Ashcroft, whose personal views seemed more influential in the Justice Department than was the Constitution, will be replaced by Alberto Gonzales, who was often at odds with Ashcroft's apparent disdain for civil liberties.

Now it appears President Bush is going to concentrate on a domestic agenda that his campaign dubbed the “Ownership Society.” Unlike New Deal, Fair Deal, or Great Society, Ownership Society means something—something very important. It means control over our own lives, which is the essence of a free society. This domestic agenda includes Social Security privatization, fundamental tax reform, and judicial reform. We have, as readers of *Cato Policy Report* well know, long advocated all three initiatives. The administration has even talked about, for the first time, getting control of domestic spending, something Cato scholars will be more than happy to help them with.

We also are in a unique position, by virtue of being so steadfastly nonpartisan, to work with Democrats as well as the administration to see that these and other opportunities to roll back federal intrusion into civil society become a reality. This is going to be especially important with Social Security reform, something that must be promoted in a bipartisan manner if it is to succeed. Two of the rising stars in the Democratic Party are Rep. Harold Ford and Sen.-elect Barack Obama, both of whom have expressed an openness to the idea of personal

accounts. They could be a Nixon-to-China phenomenon with Social Security that could change American history.

Noting that the Bush administration was going to propose Social Security privatization, *Time* magazine wrote after the election that Social Security privatization was a dormant idea until “Ronald Reagan ignited a Republican revolution and the recently formed libertarian think tank the Cato Institute latched onto personal accounts as a free-market fix.” That was in reference to Cato's 25-year history of promoting the idea. *Time* noted José Piñera's meeting with President Bush to discuss the idea, and called Cato Project on Social Security Choice director Mike Tanner “one

of the architects of the private account movement.”

There is also growing support across the political spectrum for serious simplification of the 40,000-page IRS code. If liberals think there are too many lobbyists in Washington (and there certainly are), they should help pass a flat tax, sit back, and watch thousands of lobbyists pack their bags and leave Gucci Gulch. Very often a single sentence in the tax code means a very comfortable life for a lobbyist. Likewise, conservatives have got to get over their fascination with the social engineering that comes from tax credits (I know, Cato scholars support tuition tax credits, but not at the federal level).

Whether or not you consider President Bush to have a “mandate” (and it is a bit of a stretch to call 51 percent such a thing), this is an opportunity for some positive reform of American domestic policy. The Cato Institute will be doing everything in its power to help make that happen.

—Edward H. Crane

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