Frederick Douglass stood six feet, two inches tall, a broad-shouldered man with wide-set eyes and a deep baritone voice. He was a dazzling orator—and even before he taught himself to read, he seemed to instinctively understand the basic principles of his country. Douglass never knew who his father was. His mother, who died when he was seven, used to sneak into his cabin at night and lull her son to sleep. She called him “my little valentine,” and for the rest of his life Douglass would celebrate his birthday on February 14th. No one, including him, knew the actual date. This wasn’t the type of record that masters usually kept on behalf of the human beings they owned.

It is now generally agreed upon that Douglass was born in 1818—at a moment in history which was, like all others, a terrible time to be enslaved.
If you go back to the beginning of slavery in what would become the United States of America, it was in many respects more customary than statutory. The first slaves arrived on the shores of Jamestown in 1619, on a Dutch ship that had been blown off course. They landed literally by accident. Slavery didn’t make much sense in early Virginia—or the rest of the South, for that matter—because life expectancies were so short. It was more economical to sponsor indentured servants from England: laborers who voyaged across the ocean to work under contract for five or six or seven years. At the end of their terms, these workers typically received a plot of land—an arrangement subsidized by the government of Virginia through what was known as the headright system. This was a great deal for plantation owners—early on, most servants didn’t survive their terms of indenture—and the land remained with them.

But as the decades passed, life expectancies grew and more indentured servants were freed to pursue farming on their own. In the middle decades of the 1600s—in a world where both blacks and whites were unfree—class cut deeper than race. The settlers in that early frontier environment were fairly open-minded in that whites and blacks married each other, traded with each other, sued each other, and owned each other’s labor. This all changed in 1676, with Bacon’s Rebellion, when a number of former indentured servants rose up because the gentry-controlled government of Virginia, which wanted to stomp out economic competition, refused to allow them to gain more land in the west. After the rebels were stopped, the gentry passed laws that were anti-competitive in nature. It turned away from indentured servitude and toward permanent, race-based slavery.

It became illegal to emancipate someone who was enslaved, African Americans lost the right to own guns and testify in court—and the headright system became a thing of the past. Soon, slavery was seen throughout the country as a necessary evil.

With the invention of the cotton gin in 1793 and the insatiable demand for labor that followed, people began to argue that slavery wasn’t just a necessary evil. The social theorist George Fitzhugh, for instance, justified it as a positive good: “Slavery here relieves” the African “from a far more cruel slavery in Africa. . . . It christianizes, protects,
supports andcivilizes him; it
governs him far better than
free laborers at the North are
governed. . . . The master labors
for the slave, they exchange in-
dustrial value. But the capital-
ist, living on his income, gives
nothing to his subjects. He
lives by mere exploitations.”
Unlike the “wage slaves” (a
term Fitzhugh coined), African
Americans were cared for from
the cradle to the grave. If you
think he sounded like an early
socialist, you’re correct. “Slavery is a
form, and the very best form, of so-
cialism,” Fitzhugh wrote in 1854.
For once, he was right.
This is the environment that
Frederick Douglass endured grow-
ing up. Yet when he was just 12 years
old, he went into Knight’s Book-
store—clutching 50 cents he had
saved up from shining shoes—and
bought a compendium of political
essays called The Columbian Orator. It
was the first thing he had ever
owned. The collection included rous-
ing dialogue on the value of individ-
ual liberty, and it opened Douglass’s
eyes. “Freedom now appeared, to dis-
appear no more forever,” he later
wrote.
At the age of 20, Douglass was
hired out to work at a shipyard in
Baltimore, from which he made sev-
eral unsuccessful attempts to es-
cape. He would become good at a
great many things, but he was al-
ways a terrible slave—a reputation I
assume he was quite proud of. One
of the men to whom he was hired
out was a military officer who want-
ed to be called “master,” but Dou-
glass insisted on calling him “cap-
tain.” He insisted on being his own
master—and with the papers of a
free black sailor, Douglass eventual-
ly boarded a ship, left Baltimore for
New York, and began his life as a
free man.
He began networking with indi-
viduals like William Lloyd Garrison,
who pointed out the irony that the
land of the free was a nation of mas-
ters and slaves. “Every Fourth of
July,” Garrison said in 1829, “our
Declaration of Independence is pro-
duced, with the sublime indigna-
tion, to set forth the tyranny of the
mother country, and to challenge
the admiration of the world. But
what a pitiful detail of grievances
does this document present, in com-
parison with the wrongs which our
slaves endure!”
Douglass anchored his argu-
ments upon similar claims. “What
to the American slave is your Fourth
of July?” he once asked an audience
in Rochester, New York. “I answer: a
day that reveals to him, more than
all other days in the year, the gross
injustice and cruelty to which he is

‘Slavery is a form,
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1854. For once, he
was right.”
the constant victim. To him, your celebration is a sham... a thin veil to cover up crimes which would disgrace a nation of savages. There is not a nation on the earth guilty of practices more shocking and bloody than are the people of the United States, at this very hour.”

He was right. No one wanted to hear this, but the truth was on his side. Moreover, here was this slave—a man who wasn’t even allowed to read—redirecting the course of the debate more articulately than anyone. What gave him credibility was not only the self-evidence of his argument, but also the consistency of his position. You see, even within the abolitionist movement, Douglass was exceptional.

In 1848, he attended the Seneca Falls Convention, which itself appealed for women’s equality using the language of the Declaration—but was far from being universally supportive of women’s suffrage. Douglass was unequivocal. “I hold that this cause is not altogether and exclusively woman’s cause,” he said. “It is the cause of human brotherhood as well as the cause of human sisterhood, and both must rise and fall together. Woman cannot be elevated without elevating man, and man cannot be depressed without depressing woman also.” To him, one man’s rights were only as secure as the next woman’s.

Douglass was a tireless advocate for the rights of everyone—a position he maintained even when his approach changed. Early on he was a pacifist, but as time passed, the indignities of slavery mounted, the positions in the North and South hardened—and Douglass began to change his mind. The Compromise of 1850 was particularly polarizing. Despite its high points, it included a rigorous Fugitive Slave Act, and the thought of being recaptured horrified Douglass. He resolved that he would not go gently. There were certain things worth fighting for. The “true remedy” to this law, he said, was “a good revolver, a steady hand, and a determination to shoot down any man attempting to kidnap a fugitive slave.”

In a sense, Douglass shadowed Thomas Jefferson—the pen of independence. He echoed John Adams—the mouth of independence. But he also followed George Washington. He was willing to take up arms in defense of liberty. Eventually, the country would come to blows over the issue of slavery, and people across the United States began to understand that this was a struggle about more than just the Union. “Every soldier knows he is fighting
not only for his own liberty,” a captain of the Union Army in New York said, “but [even] more for the liberty of the human race for all time to come.” Douglass knew he was fighting not just for black self-determination, but individual self-determination—the principle that no one was subject to others, nor dependent upon them.

In the month that Lincoln died, Douglass delivered one of his most famous addresses. “The American people have always been anxious to know what they shall do with us,” he said. “I have had but one answer from the beginning. Do nothing with us! Your doing with us has already played the mischief with us. . . . If the apples will not remain on the tree of their own strength, if they are worm-eaten at the core, if they are early ripe and disposed to fall, let them fall. I am not for tying or fastening them on the tree in any way, except by nature’s plan, and if they will not stay there, let them fall. And if the negro cannot stand on his own legs, let him fall also. All I ask is, give him a chance to stand on his own legs. Let him alone!”

“Your interference is doing him a positive injury,” he continued. “Let him fall if he cannot stand alone. . . . Let him live or die by that. If you will only untie his hands, and give him a chance, I think he will live. He will work as readily for himself as the white man.”

What an empowering message. What a hero. Fitzhugh himself makes the point very well: the movement for liberation is one that is incompatible with the centralizing, patriarchic, socialist notions that men and women cannot be masters of their own destinies. And that is a libertarian message. Frederick Douglass is a voice for liberty—one that should echo, resound, and inspire others in the lingering struggle to bring equality of treatment to men and women throughout the United States.

Douglass lived a long life. He died in 1895. He held political positions after the Civil War, and eventually became a diplomat. His first wife passed away, and he married his second love: a white woman. This is a man who saw no boundaries. And when you think about the movements that would follow—the continuous efforts to purge America of hypocrisy—his story becomes an inspiration to us all. If Frederick Douglass—a man born into slavery—can liberate himself and help to liberate others, just think what’s within our grasp.

“\nThe American people have always been anxious to know what they shall do with us,” Douglass said. ‘I have had but one answer from the beginning. Do nothing with us!’\n\n”
Secretary of Education Arne Duncan has referred to No Child Left Behind as a “slow-motion train wreck.” Yet the administration seems poised to implement a solution that’s worse than the problem. What solution is that? NCLB is a train wreck and has been since day one. While it has allowed politicians to talk tough about “high standards” and “accountability,” it has essentially begged states to set low standards, give easy tests, or use weak definitions of “proficiency” to stay out of trouble under the law. But such is the nature of government schooling: politicians do things that sound great but are plagued by unintended consequences.

Unfortunately, the Obama administration is making the fundamental problem—centralized government control—worse by offering waivers from NCLB’s requirements but only letting states grab them if they agree to adopt administration-dictated policies. As a result, not only is the federal government absorbing more power in an area over which it has no constitutional authority, it is destroying the separation of powers between the legislative and executive branches. Essentially, the executive is implementing its own education law.

President Obama has pledged to help the United States lead the world in college attainment by 2020. But isn’t it federal programs that are making higher education less affordable? When you subsidize the procurement of something, prices go up—and the federal government seriously subsidizes college education. According to data from the College Board, inflation-adjusted aid per student—most of which comes from Washington—rose from $4,665 in 1979 to $12,894 in 2009, a near tripling. But instead of keeping prices steady, colleges have raised them at rates eclipsing even inflation in health care. This isn’t surprising professors and administrators are just as self-interested as the next guy, with new projects they want to undertake, buildings they want to build, and compensation increases they’d like to get. The fact that Washington shoves more and more money at students simply allows schools to raise prices and get the dollars they need to make their employees—rather than students or taxpayers—better off.

You’re in the process of writing a book. Can you tell us about it?

Maximizing social harmony is a laudable goal, but what I hope to illustrate in my book is that forcing people to support government schools is precisely the wrong way to do that. People simply refuse to surrender strongly-held beliefs, resulting in conflict, not comity. Meanwhile, forced integration leads to self-segregation within school walls and political warfare outside them.

How can we promote social cohesion? Freedom. Let parents choose options that fit their values. Allow educators to decide what and how they’ll teach. Conflict will dwindle when diverse people can voluntarily attend schools offering shared values that bridge their differences.
Many friends of Cato are finding that charitable gift annuities truly work both ways—helping you and Cato at the same time. In this era of low interest rates, charitable gift annuities are a popular and straightforward way to boost cash flow.

Setting up a gift annuity is simple: you transfer cash or marketable securities to Cato and, in return, Cato issues a gift annuity contract that will pay you or your designated beneficiary a guaranteed annuity for life. The annuity rate paid is based upon tables that take into account the age of the annuitant. Rates are set at the time the annuity is set up and do not change once established. A portion of the annuity payments made to you will typically be tax free. This tax-free component represents the recovery of your investment in the contract, usually cash or the cost basis of securities transferred.

At your or your beneficiary’s death, Cato retains any principal remaining in the contract. Thus, gift annuities are characterized as part gift and part purchase. This means that you will receive an immediate income tax charitable deduction for the gift portion of the transfer. Of course, in order to take advantage of this deduction, you need to be someone who itemizes your deductions. You should also bear in mind that charitable deductions are limited to a certain percentage of your adjusted gross income in a given year. If you exceed this limit, your excess deduction can be carried over to five future years.

Charitable gift annuities also offer a potent tax deferral opportunity. If you decide to fund your annuity with appreciated securities, the appreciation or built-in gain will not be subject to immediate taxation. Instead the gain will be spread over the life of the annuity and taxed at capital gains rates. Hopefully capital gains rates will continue to be substantially lower than ordinary income tax rates. Cato’s scholars would eliminate the tax, but at a minimum certainly advocate for the continuance of reasonable capital gains rates and, in general, for overall tax rates that foster capital formation and prosperity.

To summarize, gift annuities offer the following:

- Quarterly payments for life at a fixed rate
- Eligibility for an immediate federal income tax charitable deduction
- Tax deferral possibilities if your annuity is funded with appreciated securities
- The satisfaction of knowing that you have made a substantial gift to Cato

Let’s close with a quick illustration of how gift annuities work. Attracted by the idea of receiving steady payments, George Janis, at age 74, decided to use $100,000 to establish a gift annuity. In return, he will receive payments at the rate of 6.3 percent ($6,300 annually) and a federal income tax deduction of $40,079. Remember that a portion of his payments will be tax free.

Funding a gift annuity is an important financial decision, which should be discussed with your financial adviser. If you need more information about gift annuities or other gifting ideas, please contact Gayllis Ward, Cato’s director of planned giving, at gward@cato.org or 202-218-4631.
Monetary Reform in the Wake of Crisis

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