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The Influence of American Values

GARRY KASPAROV

Thank you for inviting me here today to speak about a few topics dear to my Soviet-born heart: individual freedom, limited government, and traditional American values. If only my die-hard Communist grandfather could see me now!

In his 1962 book *Capitalism and Freedom*, Milton Friedman wrote, "History suggests that capitalism is a necessary condition for political freedom. Clearly it is not a sufficient condition." That is, we must still fight for human rights and that fight must be fought on principles.

With that in mind, I want to begin by congratulating the winner of the 2014 Milton Friedman Prize for Advancing Liberty, Leszek Balcerowicz.



Garry Kasparov, former world chess champion, is chairman of the Human Rights Foundation and a global advocate of liberty. He gave the keynote address at the 2014 Milton Friedman Prize for Advancing Liberty Biennial Dinner in May.

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Very much thanks to him, Poland has become the success story that gives Vladimir Putin nightmares—and for that I personally thank him! If it can happen in Poland it can happen in Ukraine, and that would be an unacceptable role model for Putin. If only the West's current leadership supported Ukraine as passionately as Ronald Reagan and Margaret Thatcher supported the Polish Solidarity movement. Sometimes I joke that if guys like Barack Obama and David Cameron had been in power in the 1980s, I would still be playing chess for the Soviet Union.

Like probably half the people in this room, I'm currently working on a book project I never have time to finish. Its central theme is the shift in American values over the past four decades. Ronald Reagan's shining beacon on a hill of my Soviet youth has moved away from the freedom agenda, both domestically and internationally. The traditional American values of liberty, sacrifice, risk-taking, and even faith have declined. On the rise are safety over risk, equality over excellence, comfort over sacrifice, and hyper-partisanship that fights harder and harder for smaller pieces of a smaller pie.

> "It is no coincidence that this rise of un-American values has been accompanied by a rise in global criticism of what made the United States so successful."

The working title of my manuscript is a little shocking to some: *Un-American*. But it is perfectly accurate. I am myself literally un-American. Although, I like to say that I was born in the Deep South, right next to Georgia. . . . The Deep South of the USSR, in Baku, the capital city of Azerbaijan, right next to the Republic of Georgia.

But the title *Un-American* also comes directly from the dictionary: "adjective; not characteristic of or consistent with American customs, principles, or traditions." And in my opinion there is much about the America of 2014 that fits that description far too well. This is a tragedy not only for Americans, but for the entire world that has depended on, and learned from, the United States—its economy, its military, its technology, its moral leadership—for over a century.

It is no coincidence that this rise of un-American values has been accompanied by a rise in global criticism of the United States and the system that made it so successful.

By "system" I do not mean democracy, although the rise of China and the arrogance of dictators like Putin and Assad has allowed the superiority of democracy to be questioned. An even more dangerous delusion is the increasing attack on

the free market concept itself, an attack on the principles of capitalism that have created our unprecedented standard of living.

On one hand, the critics are correct. It is important to talk of the ills of society. Many have forgotten that the American Dream was not simply to get rich. Immigrants didn't come because they thought the streets here were paved with gold. The American Dream was for your children to have a better life. The immigrants came because in America they would be rewarded for their hard work. And if they got rich in the process, well, that was okay too!

In recent years the attacks on capitalism have increased as inequality has increased. It is a logical correlation, but also a false rationale. Thomas Piketty's book, *Capital in the 21st Century*, has become that rare economics bestseller, although I'm not sure many of the buyers are actually reading it. But capitalism has not failed us; we have failed capitalism.

I'm afraid my memory is not photographic as some of the legends about me say, but I am sure I would remember if the works of Adam Smith included the phrase, "too big to fail." When the state steps in, deciding which companies live or die, things have gone terribly wrong. If a bankrupt small business in South Carolina can go belly up, so must General Motors, so must Goldman Sachs. Much of the conservative conversation about the government is about making it smaller. But size isn't everything. A small government can still be dangerously interventionist. Limiting the government's power should come before worrying about its size.

> "As someone who looked at America through the Iron Curtain I have strong feelings about the importance of freedom at home and globally."

When you base your policies on principles there is no room for "but." "We believe in the free market but…" That's trouble. Rising inequality is a critical problem today, and it comes from decades of moving away from the principles of excellence that had created the richest society in history by the end of the 1960s. Trying to repair the damage of nearly two generations of value shift with policies that attempt to enforce equality will only make things worse. Trust me, I am from a place where everyone was supposed to be equal, or else, and it wasn't as nice as some of today's liberal commentators seem to think it would be.

As someone who looked at America through the Iron Curtain I have strong feelings about the relationship between the importance of freedom at home and caring about freedom globally.

Ronald Reagan had two things more recent free world leaders lack: principles and the credibility only

principles can provide. The Cold War was not won just because of American technology or the disastrous Communist economy. It was also values, what the whole world calls—or used to call—American values. For those of us behind the Iron Curtain, we knew people outside genuinely cared, that we were not alone, that Americans believed individual liberty was for all, not just those lucky enough to be born into



it. Is that true today? Reagan said that "freedom is never more than one generation away from extinction." We cannot take it for granted.

Let us turn to a more academic note for a moment. Think of three fundamental documents that established in writing our definitions of modern civil society. The English Bill of Rights in 1689. The American Declaration of Independence in 1776. And the French Declaration of the Rights of Man in 1789. So, how many times is the word "democracy" mentioned in them? The answer is zero. The method by which leaders were chosen was not yet a relevant issue. The fundamental rights that defined the relationship between the government and the people, that is what mattered. The right to opportunity. The right for the government only to protect, not to promote. And that is still true today. Individual freedom is the basis for the free market system of all successful economies.

Risk, excellence, sacrifice, faith, unity. American values that were good for the world and good for the American economy. Not coincidentally, these are also the values of innovation and entrepreneurialism, of new technologies, new industries, and new jobs. Since roughly 1970, there has been a shift away from those values and toward their opposites. A shift toward security, equivalence, comfort, cynicism, hyper-partisanship.

In the span of one generation the world's greatest entrepreneurs and capitalists convinced themselves that there could be reward without risk. It is time to wake up from this dangerous delusion, built on a mountain of debt. It is time to dream again of exploration and excellence and everything else that made, and makes, America great.

In 1980 Milton Friedman said, "Society doesn't have values. People have values." Yes, and we must talk to people about these principles of freedom—work with people and not against them, not even for them—to

rediscover the values of big challenges, of seeking new opportunities, of doing things because they are hard. It is, or should be considered, un-American, anti-capitalist, and anti-democratic to expect a government or employer or any other institution to take care of you beyond physical security and maintaining a level playing field.

> "The best way for America to lead is for it to once again serve as a model of how successful a nation can be when the government stays out of the dreams of its people."

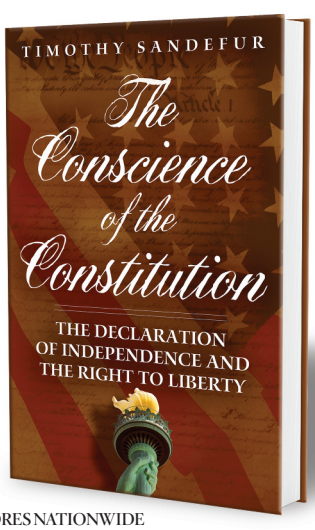
For the government to get out of the way, the people have to demand it. Aiming high, believing in yourself and the power of your desires to change the world is an essential part of citizenship in a democracy, especially the greatest one of all. The best way for America to thrive and to lead is for it to once again serve as a model of how successful a nation can be when the government stays out of the dreams of its people.

Thinking short-term, thinking about the next poll or the next election or the next term, has very strict limits. It can work tactically sometimes, but will fail strategically. Barry Goldwater lost terribly in 1964, but the ideas of his campaign laid the foundation for the Reagan Revolution. At some point you have to run on principles not just policies and sound bites. You have to run on the future of the country, and the future of the world. ■

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—GEORGE WILL, writing in the *Washington Post*



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CATO SCHOLAR PROFILE

Nicole Kaeding

Nicole Kaeding is a budget analyst for the Cato Institute focused on federal and state spending policy. Previously, she was the state policy manager for Americans for Prosperity Foundation (AFPF), where she oversaw the organization's activities in 34 states. Before that, Nicole was a manager and bank officer at Fifth Third Bancorp and a financial adviser at American Express. She graduated from Miami University with bachelor's degrees in finance and political science and holds a master's degree in economics from DePaul University.

WHAT DREW YOU TO CATO?

I was introduced to Cato while in graduate school; a study on immigration policy was required reading. Suddenly, I needed to read everything that Cato produced. It became my source for current, up-to-date libertarian analysis. I knew even then that I wanted to work here at some point during my career. Cato policy papers and conversations with scholars informed my policy analysis at AFPF. Again and again, the strength of the Institute's research and scholars exceeded my expectations.

WHY ARE TRANSPORTATION PROJECTS SO NOTORIOUS FOR RUNNING OVER BUDGET?

The U.S. government spends more on highways and transit than it collects in fuel tax revenue, which has depleted the Highway Trust Fund. Cost overruns are a large driver of this imbalance. One 2003 study examined 258 large transportation projects across Europe and North America. Eighty-six percent of projects went over budget, with an average cost overrun of 28 percent.

In the United States, cost overruns are partly caused by the complex nature of transportation funding, which reduces political responsibility. The federal government collects much of the revenue, divides it up, and sends it back to the states. Grants are handed out mostly by formula, and the states are generally not rewarded for frugality. As a result, neither level of government has an incentive to control costs.

Controlling spending on projects would help to close the $14 billion annual gap between spending and revenue in the Highway Trust Fund. Unfortunately, the new Senate highway bill actually increases spending. A better approach is the proposal by Sen. Mike Lee and Rep. Tom Graves, which would devolve most transit spending to the states. This would give governments stronger incentives to control costs if their own taxpayers were footing the bill.

ISN'T THE DEPARTMENT OF DEFENSE ALSO HAVING SIGNIFICANT PROBLEMS?

In April, our colleague Chris Edwards discussed a failed DoD attempt to replace the president's helicopter fleet. The project was canceled after several years due to large cost overruns and schedule delays, which ended up wasting $3.2 billion. Again, this is hardly unique.

Later that month, a report by the Government Accountability Office (GAO) provided further insight. GAO tracked the progress of 80 weapons systems, which have total projected costs of $1.5 trillion. Combined, these projects have gone over budget by a huge $448 billion. The report estimates that the average project is 28 months behind schedule, up from 23 months in fiscal year 2011.

The problem is misaligned incentives. Once weapon system procurements get underway, it is very unlikely that they will be canceled before completion. For the many projects that turn into white elephants, officials tend to throw good money after bad. ■

Invest in the Future—Give to Cato



The Cato Institute is consciously and actively engaged in connecting with upcoming generations. If our society is to have any chance of remaining free and prosperous, we must effectively counter the "government solves all" message of our present educational system. Infusing in the next generation love of liberty and respect for the transformative power of free markets and the rule of law is critical to Cato's commitment to preserving and expanding free, open, and civil societies.

Our array of carefully crafted student programs includes Cato's highly competitive semester-long internship program. We offer this signature program for students three times annually—in the fall, spring, and summer. Assigned to specific policy departments based on their interests and backgrounds, students are able to work one-on-one with scholars and staff on constitutional issues, health care, foreign policy, media, and more. Along with training on writing and interview skills, interns also participate in a tailored program of educational research seminars which address libertarian history, economics, political philosophy, law, and public policy issues.

A great many students and young people also choose to attend Cato University, an intensive weeklong introduction to libertarianism. Most participants find Cato University to be an enjoyable, sometimes life-changing, experience. Support from our Sponsors currently allows us to offer scholarships—the Bastiat Scholars program—to 50 students. These lucky students are able to attend with no cost for registration, meals, lodging, or materials—and there is no limit on the number of scholarships we could fill!

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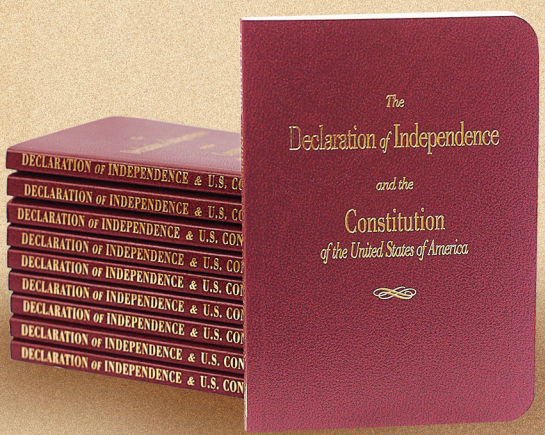
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Whatever option you choose, you can be sure that your gift or bequest will leave a lasting legacy of freedom. Planned gifts literally "touch" the future and help ensure that generations yet to come will know the prosperity and peace bestowed by a civil society. ■

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