

THE COMPETITIVE ENTERPRISE INSTITUTE'S 25th ANNIVERSARY GALA

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PLEASE NOTE THAT THIS IS A VERBATIM TRANSCRIPT

MR. SMITH: Some of you asked what this was all about, and it goes from Ron Bailey—he's been pushing evolution as sort of a new theory that things evolve. And it occurred to me that if you were an individual penguin in a flock of penguins, there are two strategies: one is to look like the other penguins to avoid the predators; but in Washington, D.C., there's no way I can avoid the predators, so they'll find me now.

I'd like to welcome you all to this, our 25th anniversary dinner. CEI was formed, as you all know, in 1984, a date that was also the title George Orwell's prophetic, depressing, gloomy novel. But you know, we weren't gloomy in 1984. Why should we have been? In that period, liberty was on the ascendency. Consider: in 1984, the trend towards dealing with business failures—which had been nationalization, the Conrail experience—had been replaced by privatization, by deregulation advanced by President Reagan, by Margaret Thatcher. We were in the ascendency. Indeed, economic liberalization seemed to be the fashion of the day, and we at CEI wanted to be the fashion leaders.

We realized, of course, that fashion was a bit fickle, but we were still surprised when the Reagan administration gave some of our free market suggestions the cold shoulder. For example, they were irritated by our challenge to antitrust regulations of the computer reservation systems—airline computer reservation systems. Those are the precursors to today's Web-marketing systems. We were puzzled. To us, these were simply the cyber equivalent of what had been on the official airline guide in the print media, and in that world, that provision of information had been protected by free speech, by the First Amendment. And had our interpretations—our theories—of what was going on in the CRS world prevailed, the Web might have advanced many, many decades—well, at least a few decades—before it actually did. And it would have done so even without the benefit of Al Gore.

(Laughter.)

After a while, we began to realize that probably it would not change, but neither Republicans nor Democrats were really that friendly to economic liberty. We began some environmental battles. We worked on biotechnology. Those sharpened our combat skills and led us to promote the idea of free market environmentalism.

You're talking again.

The commonsense idea that people take better care of properties they own than they do of the commons—the properties that everyone owns. We launched in the later '80s a challenge to the Corporate Average Fuel Economy—the CAFE rules—which on the grounds not that it was costing business too much, but on the grounds that it killed people by pushing us into little, bitty, tiny cars. We won that lawsuit and thought that would end CAFE forever.

Well, if any of you were attendant in the last few weeks and you saw the Rose Garden ceremony where even more stringent CAFE standards were announced, you'll know how totally naïve we were in our youth. In the political world, we have learned—as I suspect many in this room have—that logical too often is for losers. But those battles did make us aware that political conflicts are cultural, as well as intellectual. We were wary of the claim of too many in our movement that we were winning the war of ideas. We at CEI thought, if this is winning, what the Hell did losing look like? But our presence did cause—(inaudible)—indicates that in a different way, CEI—and indeed our movement as a whole—has succeeded to some extent. Indeed, if as Winston Churchill defines it, “Success is the ability to go from failure to failure without losing enthusiasm,” then we have been massively successful.

(Applause, cheers, laughter.)

Many of you know, I am a despairing optimist. But I am only despairing and optimistic. I'm as enthusiastic now as when CEI first started. I'm a bit heavier around the midline, but not heavier around the heart. But there are reasons to get worried and be despairing today. A few months ago, when the bottom was falling out—when it looked like the end of Western civilization was near, I called my psychiatrist, and I outlined the gloomy world as I saw it.

“Well,” he said, “how are you feeling?”

And I said, “Well, I'm not depressed. I'm kind of happy.”

“Really,” he said worriedly. “See me first thing in the morning.”

(Laughter.)

The 25th is our silver anniversary, and silver has many attributes. Two of them: first, silver bullets, supposedly effective against blood-sucking werewolves. But that might also work against rent-seeking interest groups. CEI will be firing silver bullets as fast as we can mould them. Second, silver linings—always useful when the clouds are storming, when things are gloomy. But remember, this is not the first time economic liberty has been in some disarray.

Recall what the world was like in 1948, when Friedrich Hayek launched the Mont Pelerin Society. His modest goal was simply to ensure that in the world—the dark world that he thought was unavoidable, there would still be somewhere in the world—an island of economic liberty, a memory of what it was like for men to be free, where liberty would survive. Whatever our despair is today, and we all launch into it from time to time, it is nothing compared to the despair that affected that period, when almost all intellectuals in the world had unquestioningly rejected economic freedom as obsolete. But, of course, it was not obsolete, and CEI and all of us here have made that obvious to more Americans. Over a decade

ago, a newspaper labeled CEI, quote, “Washington’s feistiest think tank.” A phrase that I think still applies today.

(Laughter, applause, cheers.)

But perhaps more impressively, several weeks ago, *Fortune* magazine, discussing Obama’s Washington, picked too think tanks as being among Washington’s new power centers for policy: John Podesta’s Center for American Progress and CEI. It called us both “hot in the swamps.” I don’t know what that means, but since I’m from Louisiana, I take it as a compliment.

(Laughter.)

Throughout the years, our challenges always remain the same: to ensure that the ideas of liberty—the good ideas prevail—and to do so even as the easy battles of the 1980s free market spring have given way to the statist, trench warfare struggles that we’re all engaged in today. And we’re gaining ground. The Supreme Court has accepted our challenge to a key provision of the Sarbanes-Oxley Act.

(Applause, cheers.)

That shows we’re in Washington. That’s a very big deal. You know what a lot of people don’t. Weekly, we’re launching experimental videos and podcasts seeking to give our intellectual message emotional impact. You’ll see some of these later tonight. We will soon form a (c)(4), we want to be more politically active even than we’ve been in the past. And we’ve made progress in reforming some states’ insurance sectors. And day by day, we keep the heat on the global warming alarmists, noting how Mother Nature has a keen sense of humor. Think about it: Al Gore’s speeches get snowed out time after time again. The world will not warm despite the urging of some of the most expensive climate change models in the world.

Global warming has become in many ways a very humorous—global warming alarmism has become in many ways a very humorous event. Some of you saw our calendar this year, the *New Yorker* cartoon, which had two women in a bar, one talking to the other. She says—one talks to the other and says, “You know, I hate to admit it but a guy with a big carbon footprint gets me hot.”

(Laughter.)

Ed Crane of the Cato Institute tells that story a little differently. Ed and I are in a conference room. There are two donors there. One of them—they look at both of us—look at me and then they look at Ed, and they say, “You know, I hate to admit it, but a guy with a big carbon footprint makes me want to write bigger checks.”

(Laughter.)

Sigh.

Americans outside the chattering class have no love of big government, no desire to Europeanize America—maybe save for French and Italian foods. They’re not eager for higher taxes and they’re

learning from the European experience that our welfare and retirement entitlement programs are non-sustainable. Moreover, garnering support to fight these battles may prove much easier in today's target-rich environment. Let's hope so. We at CEI are freedom fighters, not summer soldiers. But of course, even the best freedom fighter can't prevail if they lack logistical support. And while CEI has grown, we're engaged in a war and so have our enemies. Thus, we applaud everyone who has been helping our efforts, everyone who's supporting our work in this area. You make it possible for us to fight today. Your continued support makes it possible for us to fight tomorrow.

I thank all of you who support CEI's work.

(Applause.)

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