Cato Institute: Predatory Clique Leads the Attack on Social Security

by Richard Freeman

No organization is more responsible for the forced-march drive to privatize Social Security—stealing trillions of dollars of its funds for Wall Street accounts—than the Cato Institute, a multi-million dollar Washington, D.C. think tank. During the past 20 years, Cato has had more than a quarter of a billion dollars lavished on it in contributions by the most powerful Wall Street banks, and largest right-wing think tanks—led by the ultra-right-wing Koch group of foundations. Cato has spent this money on a host of projects intended to destroy the sovereign nation-state and implement fascist economic austerity. But the lion's share has gone into the privatization of Social Security.

Since its founding in 1977 by Ed Crane, currently its President, and Charles G. Koch, the heir of an oil and energy fortune who is a leading figure of the Mont Pelerin Society, Cato has methodically built up a far-flung network to propagandize for, and enact privatization. Some of that network is hidden, just out of public view; some is public, but the average observer would not know it belonged to Cato—which designed it that way.

A Commission To Steal

Take, for example, President Bush's misnamed Commission to Strengthen Social Security (CSSS), formed in 2001. Its December 2001 final report called for Wall Street-administered individual accounts outside traditional Social Security, and for Social Security retiree benefit cuts ranging from 10-45%. Cato ran the Commission, staffed it, and wrote some of its worst recommendations. But the CSSS was presented to the public as a bipartisan, independent commission acting on behalf of the President. Or consider the "constituency groups" clamoring for privatization: the Alliance for Retirement Worker Security; For Our Grandchildren; the United Seniors Association, etc. These were all directly created by Cato; and members of their boards of directors, and their senior staff, are Cato members or alumni.

There is not a single major policy statement or strategic decision of the pro-privatization forces that is not made by Cato and a small coterie of closely interlinked groups: Freedomworks; the Club for Growth; the Hoover Institution; the Institute for Policy Initiatives; and the Americans for Tax Reform. It is a single coordinated apparatus, with interchangeable personnel—all funded by the same sources, all reading from the same script. Take Peter Ferrara, who for a long time directed and wrote extensively on Social Security policy for the Cato Institute. Ferrara was farmed out, holding the title either of director or senior policy advisor on Social Security for the Club of Growth, the Americans for Tax Reform, and the Institute for Policy Innovation. Same person, four different hats.

EIR has called this network Draculas from a common crypt. But among them, Cato is *primus inter pares.*

Cato and its sister organization, the Institute for Policy Innovation, have written legislation introduced into Congress, calling for the diversion into an Individual Account of the full 6.2% payroll tax that a worker now pays into the Social Security Trust Fund. Millions of Individual Accounts would provide dollars that Wall Street could use to save its endangered position. The world financial system is an advanced phase of disintegration, with crises in the derivatives market, Fannie Mae- and Freddie Mac-issued housing paper, the stock market, and so on. Bankers whose power relies on this failing financial system, are desperate to get their hands on a large stream of money to prop it up. The largest steady stream of cash is the U.S. Social Security system. The bankers' problem is that the money is not theirs, and legally, they can not get their hands onto a penny of it. Hence the "privatization" of Social Security, on a crash basis. Their strategy is to tell whatever lie is necessary, but get the money.

The whole Cato Institute network is now thrown into this fight; and that is quite a bit.

Mont Pelerin Society and Cato's History

To understand what Cato is, and what it can do, it is necessary to understand how and why it was formed. The commonly told tale is that Edward Crane and Charles Koch were active in Libertarian politics in California, and decided in 1977 that a new organization was needed. But that leaves out most of the real story of its creation by the anti-American System and pro-feudalist Mont Pelerin Society.

For this we take a trip to Mont Pelerin, near Vevey on the far side of Lake Geneva, Switzerland. In April, 1947, at the Hotel du Parc, a group of 36 men gathered. They included Friedrich A. von Hayek, the head of the reductionist Austrian School of Economics; Ludwig von Mises, another member of the Austrian School; monetarist Milton Friedman; radical

The patron of Cato is also the "godfather" of Social Security privatization, in Chile and the United States: senior Republican fixer George Shultz of Bechtel (left). He chatted with Hernando de Soto (right) at Cato's gala to present the 2004 Milton Friedman Prize for Advancing Liberty, to de Soto.

Aristotelian philosopher Karl Popper; and the slavishly pro-British American "liberal" journalist Walter Lippmann. Most of the 36 were fanatical ideologues. But representatives of the higher layers of the wealthy oligarchical families, for whom these ideologues served as "Leporellos," were there, including Sir John Clapham, long time official, and official historian of the Bank of England, who had served as President of Britain's oligarchical power center, the Royal Society. Not present at the first meeting, but asserting themselves at subsequent meetings were Otto von Hapsburg, pretender to the throne of the Hapsburg empire, and Max von Thurn, of the immensely wealthy, Bavarian-based Thurn und Taxis family. Bankers of the City of London and Wall Street would soon appear.

The ideology of Mont Pelerin was that of radical free-trade, unrestricted free-market speculation, monetarism (financial aggregates, not men, rule society), deregulation, and so on. This witches brew was called "liberty." They reacted in fear and loathing against the General Welfare clause of the United States Constitution and Alexander Hamilton's American System of Economics. They rejected the Common Good, preferring the rats' nest of pleasure/pain-based radical "individual self-interest." The 1947 meeting occurred just two years after the death of U.S. President Franklin Roosevelt. The Mont Pelerinites viscerally hated Roosevelt's towering General Welfare achievements, the pro-development Bretton Woods fixed exchange-rate international monetary system, and among his notable domestic accomplishments, the Social Security system. This, they vowed, they would tear down.

The wealthy oligarchical families that had directed the Synarchist/Nazi movement from 1921-45—and were defeated by Roosevelt—saw in the Mont Pelerin Society the instrument to re-establish that program internationally. The Mont Pelerin Society's economics was no different than that of the Bank for International Settlements, Hitler, or Mussolini.

Take the case of Friedrich von Hayek. In the 1920s, von Hayek concocted a theory of "maladjustments" in production, which was extended into inflation and monetary quantities as well. Based on this wacko theory, in the 1930s, Von Hayek assessed that the ongoing 1929-32 Depression had been caused by a "maladjustment in production," and the collapse had to run its "natural free-market course." The evidence showed that this caused destruction of production, the labor force, and the fabric of society. But Von Hayek denounced those who would use monetary expansion or deficit spending to halt the slide. Von Hayek's only recommended program was to "bring labor into balance," which was his term for further gouging living standards. But this was Hitler's program too. In fact, Von Hayek's shrill demand that the collapse be allowed to hit rock bottom, was fulfilled in the social dislocation and impoverishment which created the recruiting ground for Hitler's Nazis.

Von Hayek was the first President of the Mont Pelerin Society, from 1947-61. The Society realized that it needed to create "satellite think-tanks" to do its work. It created the Institute for Economic Affairs in London in 1955, directed by Lord Harris and Sir Anthony Fisher. In 1977, it supervised the creation of the Cato Institute.

Cato is merely an operational arm of Mont Pelerin. The Cato Institute's headquarters at 1000 Massachusetts Avenue in Washington, D.C., is a virtual shrine to Friedrich Von Hayek. The main gathering center is the Friedrich Hayek auditorium, and the walls are festooned with von Hayek's grim, soulless visage. Fourteen members of the Mont Pelerin Society serve in core positions at the Cato Institute, either as members of Cato's Board of Directors, as Cato Adjunct Scholars or Fellows, or as members of the editorial board of *The Cato Journal* (see box). The Cato Institute carries out the fascist policies of the Mont Pelerin Society.

Cato promotes radical globalization (it helped sponsor NAFTA), extreme speculation (Theodore Frostmann, a Cato board member, is one of america's biggest Leveraged Buy-Out pirates), deregulation, drug legalization, and economic austerity.

"Economic hit-man" George Shultz, because of his direction of the Mont Pelerin Society's Chicago Boys, has special oversight over the Cato Institute. In 1995, Shultz's network made his protected asset, the fascist José Piñera who privatized Chile's Social Security system, the co-chairman of Cato's Project on Social Security Privatization. Its goal was nothing less than imposing the fascist Chilean model upon the United States.

Building Up the Network

Immediately after its creation, the Cato Institute began fulfilling Mont Pelerin's special purpose of assailing Social Security. By the early 1990s, Cato would be Wall Street's command-and-control center for privatization. The think-tank worked from a template with three principal points. First, claim that the Social Security faces an alleged imminent fi-

Some Mont Pelerin Society Members at Cato

1. **Ed Crane**—Founder and president, Cato Institute.
2. **Gary Becker**—Cato Project on Social Security Privatization; president of Mont Pelerin Society, 1990-92; professor, University of Chicago.
3. **Leonard Liggio**—*Cato Journal,* Editorial board; president of Mont Pelerin Society, 2002-04; secretary-treasurer of Mont Pelerin Society; executive vice president, Atlas Foundation.
4. **Milton Friedman**—"spiritual leader" of Cato Institute (Cato presents each year the Milton Friedman Prize for Advancing Liberty); founding member, Mont Pelerin Society.
5. **Arnold Harberger**—Cato Project on Social Security Privatization; "Chicago Boys" pal of George Shultz, who supervised privatization of Chile's Social Security system, 1981; professor at UCLA.
6. **Charles G. Koch**—Founder and heavy funder of Cato Institute; head of Koch Industries.
7. **David H. Koch**—Cato Institute, Board of Directors; Koch Industries; Citizens for a Sound Economy.

nancing crisis, to spur action; second, claim the solution to the crisis is setting up private accounts managed by Wall Street, to be invested into the stock and other financial markets; and third, claim the government is not legally bound to honor Social Security obligations.

Already in 1980, Cato issued a 484-page book, *Social Security: the Inherent Contradiction* by Peter Ferrara.

At that time, the Social Security Trust Fund (formally, the Old-Age Survivors and Disability Insurance [OASDI] funds), did have a shortfall in incoming pay-ins (one that its 1935 designers had foreseen for approximately 1980), but not a crisis. In 1983, the enactment of a payroll tax increase corrected that shortfall, and the basis was set into motion for the Social Security Trust Fund to build up a surplus. According to the 2003 report of the Board of Trustees of the Social Security Administration, following that 1983 payroll tax rise, there would not be a Social Security financing problem until 2042; the Congressional Budget Office says that that problem would not occur until 2052. Despite this undeniable reality, Cato has never ceased to shriek about a "Social Security crisis."

But what jumps out about the Cato Institute 1980 study is this striking assertion: "Under traditional principles of equity, therefore, the Social Security pact . . . is unfair, immoral, fraudulent, and *voidable*" (emphasis added). While clearly rejecting Social Security *in principle,* it signals Cato's belief that the Social Security system does not have the force of law, and the system does not have to pay its retirees their benefits. Cato "analysts" have frequently made this statement during the past five years, and officials from the Bush Administration insinuated the point during the past few months, but Cato was asserting this 25 years ago!

During the 1980s, Cato published books with such titles as *Social Security: Averting the Crisis* (1982). In March, 1992, it released *Cato Policy Report 14,* with the provocative title, "Will the Social Security System Survive till 2001?"

In 1995, Cato went into a higher gear, establishing the Project for Social Security Privatization. It brought in George Shultz's protected asset, the butcher of Chile's Social Security system, José Piñera, to be its co-chairman. In 1973, Shultz's network had installed General Pinochet as dictator of Chile in a coup-massacre; and in 1981, under this condition, Piñera had privatized the nation's Social Security system, which (see *EIR,* Jan. 21) banks have since looted. Cato called on Piñera to replicate that in the United States. Showing the bankers' strong hand, Cato appointed as the Project's other co-chairman William Shipman, who has for many decades been a top officer of the Boston-based aristocratic State Street Bank, which is part of what is called the "Boston Vault" power structure.

The Privatization Project's 20-member "Advisory Committee," dominated by bankers and speculators, has a prominent Chilean connection. Conspicuous is Arnold Harberger, one of the capos of George Shultz's Chicago Boys, who regularly flew to and periodically lived in Chile during the 1970s, to give direction to the economic policy of Augusto Pinochet's dictatorship. In 1981, Harberger personally oversaw the privatization of Chile's Social Security system implemented by Piñera.

Wall Street's claim that it has no vested interest in privatization is shattered merely by the "Who's Who" list of elite financial institutions which, during the past decade, have poured big bucks into the Cato Institute, and more especially, its Project on Social Security Privatization: J.P. Morgan Chase; Citicorp/Salomon Brothers; Fidelity Investments (mutual funds); the American International Insurance group of dirty money-linked Maurice "Hank" Greenberg; American Express; Prudential Securities; the Chicago Mercantile Exchange; the Bond Market Association; the *Economist* of London; and others. According to a 2004 study by University of Chicago Business School Professor Austan Goolsbee, financial firms that manage the workers' Individual Accounts that would be set up by privatization, could rip off management and other fees equal to 15-25% of the value of the accounts—an immense windfall.

The Bush-Cheney Trojan Horse

In November 2000, the U.S. Supreme Court had hardly decided by a 5-4 vote to declare George W. Bush the winner of the Presidential election, when the network of the Mont

Cato Directors: A Group of Predators

Chairman: William Niskanen; president: Edward Crane. 90 staff members, 60 adjunct scholars, 16 fellows.

Peter Ackerman—former head of a speculative criminal enterprise, Drexel Burnham Lambert; head of Rockport Financial.

Richard Dennis—President, Dennis Trading Group, one of America's biggest speculative commodity and derivatives trading firms; major funder and board member of pro-legalization Drug Policy Foundation.

Frank Bond—president, U.S. Term Limits; disciple of fascist Ayn Rand.

Theodore Frostmann—Principal of Frostmann, Little & Co, a large predatory corporate takeover firm; close business dealings with criminal Michael Milken.

David Padden—President, Padden & Comp; Koch family mouthpiece; Acton Institute.

Pelerin Society and Wall Street firms backing the Cato Privatization Project descended on the White House. They told Bush he needed to set up a Presidential Commission on Social Security, because the system was in crisis. Bush was compliant. In the first months of 2001, he announced the President's Commission to Strengthen Social Security.

Cato made the President's Commission a springboard for its own agenda. The Commission would have 16 members, two of whom—former New York Sen. Patrick Moynihan, and AOL Chief Operating Officer Richard Parsons—were co-chairman. Three members of the Cato Institute were made Commission members: two members of Cato's Project on Social Security Privatization, Sam Beard and Tim Penny; and Leanne Abdnor who had been the Cato Institute's Director of External Affairs. This gave Cato nearly 20% of the membership, but its influence was greatly amplified because some Commission members, like Social Security guru Estelle James of the World Bank, had worked on joint ventures with Cato for years.

But that was just the start. Much of the research and drafting for the Commission was done by its staff, and its leading staff member was Andrew Biggs, who happened to be the Cato Institute's lead Social Security analyst. Randy Clerihue, another Cato Institute member, was made the spokesman for the Commission to Strengthen Social Security. During 2001, according to a Cato Institute report, Cato's Privatization Project distributed pro-privatization "briefing books to members of the President's Commission to Strengthen Social Security."

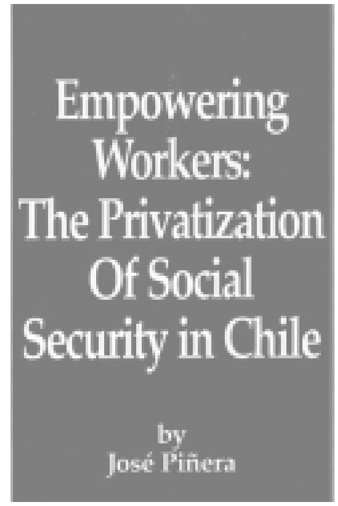
Should anyone be surprised that in its December 2001 final report, the President's Commission, so stacked with Cato members, warned of a dangerous crisis, and came out recommending privatization? All 16 members of the Commission favored some form of privatization going in; but some members were less aggressive than Cato, which created some friction. The Commission's Model 2 plan (the principal plan) recommended that 2%, roughly one-third of the 6.2% payroll tax paid to the Social Security system, should instead be diverted into Individual Accounts managed by Wall Street (there would be a $1,000/year investment limit for each Account). This money would be stuffed into the collapsing stock and other financial markets.

Who Funds Cato?

Cato Institute is heavily funded by the leading banks and insurance companies: J.P. Morgan Chase; Citicorp/Salomon Brothers; Fidelity Investments (mutual funds); the American International Insurance group; American Express; Prudential Securities; the Chicago Mercantile Exchange; the Bond Market Association.

It is also funded by the big ultra-right-wing foundations: the Sarah Mellon Scaife Foundation, the Harry and Lynde Bradley Foundation, and the Olin Foundation.

The biggest funders of Cato are the three interlocked Koch Foundations: the Charles G. and David H. Koch Foundations, and the Claude Lambe Foundation. In 1977, the establishment of the Cato Institute was undertaken jointly by Ed Crane and by the billionaire synarchist Koch brothers. Their wealth derives from the Wichita, Kansas-based Koch Industries, an energy producer and speculative-trading company. The Koches' three foundations have put nearly $23 million into the Cato Institute since its founding.



Cato's chief promoter of privatization is José Piñera, who was fascist General Pinochet's Labor Minister when pension privatization was imposed on Chile's oppressed workforce in 1981. Piñera's "Chile model" is George W. Bush's exemplar for privatizing Social Security.

The Commission's other notable proposal is austerity, and has become notorious: It recommended a change in the indexing of initial Social Security benefits from the wage-based system currently in use (consistently replacing just under 40% of a retiree's career-average wage), to a consumer-price index-based system, which change would slash retiree benefits over several decades down to about 20% of that average wage. Such deep cuts would be necessary to compensate for the shortfall in the Social Security system's funds caused by diversion of a portion of payroll taxes out of the fund, and into Wall Street.

For the first time in the 70-year history of Social Security, the Cato Institute had gotten a sitting Presidential Commission on that subject to endorse privatization.

But the onrushing financial collapse left Wall Street needing, and demanding more. On Feb. 17, 2004, the Cato Institute's Michael Tanner, executive director of the Privatization Project headed by Piñera, released the Cato report entitled, "The 6.2 Percent Solution: A Plan for Reforming Social Security." This presents Cato's maximalist demands. The report asserted that *all* of the 6.2% workers' payroll tax should be diverted into workers' Individual Accounts, rather than into the Social Security system, and thence into the stock market.

The Cato "6.2%" plan is premised on a sharp reduction of benefits that the Social Security system would itself pay out to retirees, although for deceptive reasons, the plan doesn't go into detail.

Finally, the plan drops the bomb of default. Tanner states that according to his reading of the law, under Social Security, "workers have no legally binding contractual or property right to their Social Security benefits, and *those benefits can be changed, cut, or even taken away at any time*" (emphasis added). Tanner is cold-bloodedly arguing that the government can default on the $1.5 trillion in Treasury bonds held by the Social Security Trust Fund (Treasuries securities are the way that the Trust Fund holds its surplus), and that the U.S. government can severely cut or repudiate its Social Security benefit obligations to millions of elderly citizens. Immediately after Bush's re-election, Bush Administration officials started regurgitating Tanner's treacherous argument. Tanner et al. are rabidly fighting to get the Bush Administration to adopt Cato's maximalist policy of diverting the full 6.2% of a worker's payroll tax into Individual Accounts.

Cato Gestapo Operations

In preparation to ram Social Security through during the Bush Administration, Cato recognized that it needed to create a string of captive front organizations, staffed and run by the same shop-worn crew of privatizers, to claim "grassroots support." Cato has poured big money into these fronts, and spread them outwards. This is "popular support" a mile wide, and a millimeter deep, and one can see how some of the widely cited grassroots groups really operate. As well, Cato made a power grab to take over the Social Security Administration itself, so that it could radiate its lies from inside.

Of the many cases of this, two examples are sufficent to make the point: Leanne Abdnor and Andrew Biggs.

Leanne Abdnor should be called the Madame of Cato's stringers. From 1995 through 1998, Abdnor, as Cato Institute's Vice President for External Affairs, ran the campaign to try to shove Social Security privatization through Congress, or as Cato put it, "she educated Congressional members and staff on the virtues of personal retirement accounts in Social Security reform."

In 1998-99, Cato launched Operation Front Group, and deployed Abdnor to set up the Alliance for Worker Retirement Security (AWRS), an umbrella group that drew on money and office space from the National Association of Manufacturers (NAM), and had approximately 35 other groups as participants. To push Cato's perspective, Abdnor was made AWRS's Executive Director. While campaigning for President Clinton's removal from office, on Sept. 27, 1999, AWRS director Abdnor shrieked, "President Clinton knows as well as anyone that *the Social Security Trust Fund is a fraud,* a pile of IOUs that amounts to nothing more than a claim on the income taxes of the future" (emphasis added).

The Social Security Trust Fund, in fact, holds Special Obligation Treasury Bonds of the United States. A fraud? Would one want to publish that statement today in Chinese and Japanese, perhaps, and speculate on the reaction in U.S. Treasury debt?

In 2001, Abdnor was selected as one of the members of the Cato Institute contingent, on the President's Commission on Strengthening SociaOBl Security.

In 2001-02, Cato deployed Abdnor again, this time to manufacture the For Our Grandchildren (FOG) organization, where she is President. This group parades as a "grass roots organization" of grandparents who are concerned that their grandchildren won't get Social Security, and targets propaganda at young workers. FOG uses the buzz-slogan, "Strip power away from Washington and return it to the individuals where it belongs." In addition to Abdnor's presidency, the chairman of FOG is Tim Penny, a Cato Institute Senior Fellow, and member of the Advisory Committee member of Cato's Privatization Project (and of President Bush's Commission). Hilariously, among the more than half-dozen Cato members who serve on FOG's National Advisory Council is that venerable American grandfather, Jose Piñera, the privatizer of butchered Chile.

Abdnor is naturally an Advisory Committee member of Cato's Privatization Project. Dorcas Hardy, former Commissioner of Social Security, a speculator who sits on the board of the Options Clearing Corporation, is also an Advisor to Cato's Privatization Project. Hardy is one of the chief organizers and leaders of **United Seniors Association,** Cato's main elderly "constituency group" for privatization.

The second example is the shocking scandal of **Andrew Biggs.** The 37-year old Biggs, a graduate of the London School of Economics, was the Cato Institute's senior Social Security analyst. In 2001, Cato made Biggs the lead researcher for the President's official Commission. In May 2003, Biggs was promoted to Associate Commissioner for Retirement Policy at the U.S. Social Security Administration (SSA), part of Cato's coup-effort to take over the whole agency. Biggs sits just below the Deputy Commissioner who runs the Office of Policy, who "is responsible for major activities in the areas of strategic policy planning, policy research, and evaluation," as well as all statistical analysis, according to the SSA.

Biggs is running a Gestapo operation inside the SSA. Last year, Biggs wrote a "policy brief" internal document that mandates that all Social Security managers are required to present the idea "that Social Security faces dire financial problems requiring immediate action," in the words of the Jan. 15, 2004 *New York Times.* It would require the SSA to "insert solvency messages in all Social Security publications"; that is, to say that Social Security is in crisis. It would make Social Security managers spread Wall Street-lies in every public forum, as well as at non-traditional sites like farmers' markets and "big box retail stores." Biggs is illegally using money from the Social Security Trust for this campaign.

This is but a small sampling of the myriad ways by which Cato mingles manufactured crisis, and manufactured "grassroots" support, to spread its campaign.

The Guiding Role of George Shultz

The oligarchy finds Cato Institute an indispensable instrument to "intelligently handle" many of its other major designs to tear down the nation-state.

One example is drug legalization. On Oct. 5, 1999, at its von Hayek auditorium, the Cato Institute held a major drug policy conference, entitled, "Beyond Prohibition: an Adult Approach to Drug Policies in the 21st Century," that carried the themes that drugs should be decriminalized, and that the War on Drugs was a "$50 billion waste of money." The 100 attendees featured the pro-dope denizens of the drug world: Kevin Zeese, the 1980s head of the National Organization for Reform of Marijuana Laws (NORML) and Ethan Nadelman, the head of the George Soros-funded Lindesmith Center, a leading coordinating point for decriminalization; partisans of *High Times* magazine, among others.

Cato was in its element. Since its inception, Cato has pushed to create a legal market for marijuana, cocaine, and heroin. Representative of this, long-time Cato Adjunct Scholar Thomas Szasz wrote *Our Right to Drugs: the Case for a Free-Market* in 1992, and *Ceremonial Chemistry* in 1974. Richard Dennis, long-standing member of Cato Institute's board of directors and a wealthy derivatives speculator, is board member and funder of the pro-drugs Drug Policy Foundation.

Ed Crane, Cato's President, speaking at Cato's Oct. 5, 1999 conference, stated, "There are reasons . . . why some of the most prominent critics of the War on Drugs come from libertarian and conservative backgrounds. People like William F. Buckley, George Shultz . . . Milton Friedman. . . . They understand what the great Nobel Laureate F.A. Hayek called the fatal conceit. . . . They understand the powerful forces of supply and demand."

For those Mont Pelerin Society oligarchs, George Shultz directs the drive toward Social Security privatization, and broader fascist looting of the economy's and the labor force's funds. Shultz, with Henry Kissinger, authored Pinochet's Chile dictatorship in 1973, and oversaw that country's Social Security privatization in 1981, through the Chicago Boys networks that he controlled. He tried to bring the "Chile model" into the United States as early as 1981, in the Ronald Reagan Administration (see *EIR,* Jan. 21).

From August 1971 to 1974, Shultz was the key figure in the Nixon Administration who blew up Franklin Roosevelt's Bretton Woods monetary system, and brought in globalization, "free-floating currency exchange rates."

Ed Crane's praise of Shultz at the October 1999 Cato pro-drug legalization conference, merely reflects Shultz's long-time broad oversight and influence over Cato. When Cato celebrated its 25th anniversary at a 2,000-person black-tie gala at the Washington Hilton Hotel in 2002, Shultz was one of the luminaries selected to give Cato congratulations on a special video tape, stating: "Keep doing what you're doing."