

Bailout Raises Libertarians' Market Value

To the ramparts, then. The bailout has been like a Libertarian Full Employment Act. In the five business days since Treasury Secretary [Henry M. Paulson](#) Jr. declared the sky was falling, Cato scholars have been summoned to opine on more than 30 radio and television shows, where they deliver zingers such as: "Capitalism without losses is like religion without hell."

The talk in the halls and via the virtual water-cooler of e-mail is, "What can you write? Do you have an op-ed?" Boaz says. "Do you have a study? Is there even time for a study? . . . Op-eds and blog items are the best you're getting."

Still, though the struggle is bracing and the cause of the crisis can be interpreted as a perverse confirmation for Cato's point of view, the solution being proposed can't help but be depressing. Rank socialism. The nanny state on steroids.

"It's despair, frankly," says Chris Edwards, director of tax policy studies. "There's no standard-bearer of our free market message on the national scene."

They come to work despite any despair.

Every morning in the atrium, waiting for elevators, the scholars stand next to a display of seminal texts they cherish: An 1823 printing of the Declaration of Independence and a 1776 first edition of "An Inquiry into the Nature and Causes of the Wealth of Nations," Vols. I and II, by Adam Smith.

Through the bombast of bailouts and hand-wringing, the scholars labor to remain true to the ideals they find in those documents, and to the ideals of heroes likewise honored in the libertarian bunker: Outside Cato's Friedrich Hayek Auditorium, named for the late revered free-market economist, is a picture gallery of pioneers from John Locke to Thomas Paine to [Ayn Rand](#).

Cato himself was a Roman republican opponent of [Julius Caesar](#).

At times like these, a scholar might draw courage from such examples.

John Samples, director of Cato's center for representative government, is in his office taking a break from his book-in-progress, which happens to be about "1980 and afterwards, the struggle to limit government."

Now comes this huge bailout proposal. It will go in the chapter about the [George W. Bush](#) administration, which most Cato scholars disdain, Samples included. He rests his head on his left hand. He looks weary.

Last Friday, when the scope of the bailout became clear, was "a dour morning," he says.

He says he tends toward pessimism on a morning like that, when the ideals seem to be slipping away. But on the bright side, he imagines how much worse things would be if he and his colleagues were not fighting the good fight.

He says: "You have to have a blind kind of faith that you represent what America is all about. It is sort of like a religion. People fail, they don't live up to ideals. But the ideals: You stick with them."