



**ATLAS ECONOMIC RESEARCH FOUNDATION
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KEYNOTE ADDRESS BY PRESIDENT FRANCISCO FLORES**

A few years back, our hemisphere was making huge strides to insure political and economic liberties. Except for Cuba, military dictatorships had succumbed to a wave of freedom that produced new and vigorous democracies. In general, governments throughout Latin America were convinced that the key to defeat poverty was to generate sustainable growth.

Economies throughout the region abandoned their protectionist economic policies and embraced free markets. Free trade agreements integrated North and South America, and regional integration rapidly became an engine of growth.

The success of these policies is astounding. Through their consistent application, Chile for example, can no longer be considered an underdeveloped nation. In only ten years, Central America slashed its poverty level down 20% and achieved consistently higher growth rates than the world economy.

Yet what is more astounding, is that today throughout the region, in ever increasing numbers, countries are dismantling their democracies, closing their economies, creating an intense North-South conflict, and going back to class struggle as an explanation of socio-economic realities.

Though the most obvious example is Venezuela, it is not the only one. And perhaps what is most perplexing is that these new versions of the communist or socialist regimes have not been born through the imposition of a revolutionary movement. They have come to power through popular vote, the most democratic instrument imaginable!

Why, we ask? It is important that we search for an answer, especially for those of us who believe that society should be structured around the principle of individual freedom. Where can we begin our scrutiny?

History is a good start, as it allows us to see our contemporary reality in light of a broader perspective. Human nature is of course a necessary and perhaps the essential angle. And of

course politics, as our question is why our hemisphere is turning its back on political freedom. We should not avoid political analysis.

The historical perspective is well illuminated by two examples that eloquently demonstrate, that the periods in western civilization, when humanity has enjoyed freedom, have been sporadic and restricted. This reality is even more noteworthy when we realize that the greatest advances in our civilization have happened in precisely those short periods of human liberty.

The first example has to do with our ideas of the universe. For the Greek and Hellenic mind, the universe existed in an absolute and rigid up and down axis. In the higher sphere dwelled the gods, Zeus presiding in the Olympus; below, the river Styx conducted to Hades, the world of the dead. In between, in a flat plane was the earth, populated by us humans.

This celestial geography had a moral consequence: the greatest sin - hubris or arrogance, was to cross the boundaries. This is the essence of Greek tragedy as exemplified by Prometheus' audacity to steal the sacred fire from the gods and give it to human beings. The greatest virtue was moderation or sophrosyne: never aspire to dwell with the gods nor degenerate into Hades, the sphere of the lower beings.

In the Western mind this cosmology was consolidated by the work of the great Greek philosopher, Ptolomeus, born in Egypt in the first century of the Christian era. To him we owe that powerfully dominating idea that the earth was the center of the universe.

What is most perplexing is that this notoriously flawed concept, aggressively questioned even by Ptolomeus' Greek contemporaries, would dominate the Western mind for 1500 years, until Copernicus proved it wrong in 1543.

How can this be? We ask today. How is it possible that man's questioning of the universe he inhabits would remain frozen for fifteen centuries? The answer runs a chill down our spines. For 1500 years free thinking was prohibited. The man or woman that dared think on his or her own and question dogma was burnt at the stake.

The scientific development of medicine is another clear example. Due to the superstition in Greece and later in Rome, that cutting a dead body meant evoking the wrath of the deceased and his vengeance, no one practiced autopsies. Galen, the famed Roman doctor, had however a great advantage: his medical practice was close to a gladiator school, so he had at his disposal, a plentiful sample of human bodies, conveniently cut up for his inspection.

His great knowledge and abilities made him move from his native Pergamum to Rome, where he achieved immense fame and prestige. However, his mistake of considering the liver as the center of the circulatory system detained the development of medicine for 15

centuries.

No one could criticize Galen because his writings were dogma, and refuting him was considered heresy. It was not until Vesalius the Belgian doctor, criticized him openly, that the path was open to understand the circulatory system.

Here at the Willard Hotel, at a dinner offered by the Atlas Economic Research Foundation, an institution dedicated to the promotion of the essential human liberties, it is easy to believe that freedom of thought and freedom of speech are part of the normal condition of human existence.

They are not. In 2,500 years, the brief periods of the Greek Golden Age, the Renaissance and contemporary democracies, and even these restricted in the first two cases to certain sectors of society and in the third case circumscribed to certain geographical areas, are but brief moments in century upon century of tyranny and human oppression.

Freedom as a human condition and a system of liberties to ensure it, are of all human constructs, the most fragile. The historical record is there to confront us with this disturbing truth. It is therefore necessary that we take a good look at ourselves, the human being, to understand why freedom is such a delicate structure.

What is it in human nature that makes a system of liberty such a brittle edifice that it breaks at the least pressure? These are some thoughts by much brighter minds than my own.

In the natural world everything is predestination, symmetry and repetition. The seasons succeed one another periodically and inevitably. Instinct determines the reproduction cycle and with it, birth and growth. The shape of a leaf of a tree is reproduced with astounding symmetry in all the members of the same species. The form of a given shell is repeated over and over again with astonishing regularity.

All the natural world is involved in the rigorous predestination of the cycle of life - except the human creature. When a child is born, an enigma is also born, as no one can accurately predict what he will become or what he will make of his life. The structure of his conscience is an open project.

Even though he carries within him all the limitations and possibilities of his genetic inheritance, his mind and the structures of his conduct are completely open to the imprint that his formation, self-discovery and choices will have on his inner convictions. And so the human being is an open proposition.

In reality we are born too soon. Without the possibility of communicating, or moving, or even the possibility of feeding ourselves, we are completely vulnerable. Long years must pass before we can dream of being independent. At least one for the first few, tiny and

erratic steps; one and a half to begin the mutterings that foretell the use of language, and more than ten for the development of the brain and central nervous system.

For these reasons we must be born into a structure that will nurture us until we are ready to care for ourselves. In Joseph Campbell's brilliant insight we are much like the baby kangaroo, that from the mother is born into a small pouch close to his mother's breast, where he will be protected at his most vulnerable stage. In the case of the human being the kangaroo's pouch is the family. From the womb of the mother, we are born to another womb. There we find the sustenance and protection we need until we can face the world on our own.

The singular significance of this is that we must be born twice: First, from the womb of the mother into the family, and then from the family into the world. The first birth is primarily a physiological event. The second is primarily a psychological one.

For in the first what is most important is that we are born alive. In the second, the challenge is to leave behind us our dependencies. The expectation is that we become a source of creativity that instead of demanding from society, contributes to expand the possibilities of other human beings to achieve their own development.

This is a crucial moment for the individual and for society. For the individual this is the moment to discover freedom. The vastness of the world with all its possibilities lays waiting for the mature, responsible individual. For the human conglomerate it is equally crucial since the sustainability of the human project depends on the successful completion of this second birth, as civilization depends on the continuous creative contributions of every generation to insure its subsistence.

It is easy to distinguish between those that have successfully completed this process and those who have not. Those that assume full responsibility for their actions, and turn to their creative energies and vision to solve life's challenges have not only discovered a source of solutions for others, but a fountain of deep personal satisfaction. No longer enslaved by a selfishly, reduced focus that demands an external accommodation to their personal problems, they are free to dedicate their creative powers to something larger than themselves: their family, country or humanity.

Those that never assume responsibility for their own destiny, and must continually blame the conditions of their past, their family or society to justify their present problems have not been able to complete this process. It is for this reason that the political proposition that all individual problems are the cause of an unjust system, is so attractive.

By promising the destruction of a "corrupt system" that is of course to blame for all human evil, all personal responsibility is erased. The construction of a state that will assume the direction of every aspect of human endeavor becomes then the dreamed of utopia.

When we witnessed the crumbling of the Berlin wall and with it the disintegration of the Soviet Union, we thought that we would never see in our life time those same ideas taking hold again. Now we are perplexed at the construction in our own hemisphere of that same proposition in present day Venezuela.

What we didn't realize then, however, was that communism or capitalism, are the contemporary political manifestations of a deeper, universal human struggle. Namely, that when dissatisfied with our present condition we are faced with two clearly defined choices: either we honestly admit that our present condition is our creation, and take the tougher course of building a solution, or we take the far easier choice of blaming the system, and convince ourselves of our unquestioned virtue and of course enjoy the leisure of constant procrastination as there is nothing we can really do at a personal level to better our lives. If, for example, we are poor because others are wealthy, then it must immediately follow that only by destroying their wealth we will insure our prosperity.

The frightening conclusion is that humanity will ever be tempted by a proposition that explains all human suffering as caused by a social system that is to blame for all the shortcomings in our life, and that eliminating all personal responsibility proposes a most simple solution - the only thing that needs to be done is to destroy the present state of affairs and a just, peaceful, prosperous world will spontaneously emerge.

In our hemisphere, the success of the radical left is also due to profound strategic changes in their tactics to seize power. The radical leftist movements in our continent have had the following five distinguishing mutations. First as to their method: they believed that power could be seized only through guerrilla warfare; that democracy and its accompanying electoral system was a façade for the domination of the ruling classes and must therefore be sabotaged.

Now, armed warfare has been abandoned and elections have become the new method. Once the first election has been won, a new election is called to reform the constitution. This new platform, a constitutional assembly, dismantles the division of independent judicial and legislative bodies and concentrates power in the executive. The limitations in presidential terms are eliminated, and new laws are passed to effectively control the media and free speech.

This is modern day Venezuela. Bolivia, Ecuador and Nicaragua are following with different dynamics the same overall path. Contrary to the world's outrage for Pakistan's declaration of martial law, there has been no indignation for the dismantling of democracy in these countries. A dictatorship is being born, just as in Pakistan, but with the novelty that it has been sanctified by popular vote. A frightening metaphor is that the same concept used by Bin Laden during his 9/11 attack is now applied to democracies in our hemisphere: use their own resources to destroy them.

The second change has to do with their leadership. The guerrilla movements used to be publicly and effectively operated by someone that embodied the Marxist radical program. This of course entailed, decades ago, a direct relationship with the Soviet Union and recently in Latin America, with Cuba.

Today leadership is carefully chosen to ensure the support of public opinion. During elections a carefully managed campaign portrays their candidate as an authentic national leader. His independence from a leftist support network is stressed during the electoral campaign so that his success is in no way compromised. It is only afterwards that the same old radical program is revealed.

The third change has to do with entrepreneurs. For radical movements the true enemies of the proletariat were the wealthy entrepreneurs. Anyone that could be labeled prosperous was an oppressor and an accomplice in the brutal injustice of the system against the poor. Previously they were called oligarchs and were their main target. Today businessmen are never antagonized in the radical left's route to power.

On the contrary, through careful manipulations, communications with key entrepreneurial leaders are established. Sometimes, there are those businessmen that are naïve enough to believe their intentions and are later profoundly embarrassed to confess their campaign contributions. Most likely they believe they are really clever and think that if they strike an individual arrangement with the regime, they will be spared.

Somehow, the obvious fact eludes them. A public appearance with their previous enemies is what legitimates the new public persona of the radical left, and ironically they willingly provide them with the single most effective element of their communications strategy: the message that they are different, that they have changed, and now you can trust them.

Perhaps the most dramatic strategic change is the fourth. I mean the relationship with the national army. The army was detested as the oligarchy's instrument of oppression, and it had to be destroyed and substituted by a people's army. The archenemy of the left is now not only never confronted, but is co-opted and becomes part of the new regime.

Those that favor the new regime are strategically located at key positions. Those courageous enough to alert the dangers of political involvement are demoted or banished from the ranks. After decades of being held responsible for the abuses of military dictatorships, they are now placed in the position to participate in governing the country as a key element. The new guerrilla movement is now pro armed forces.

The fifth strategic change has to do with religion. True to Karl Marx's belief that religion is the opiate of the people, guerrilla movements were atheist movements. Any organized religion was perceived in the same way as the political system - a superstructure designed to

maintain the dominance of the economic exploitative relationship or inner structure. In present day Venezuela, the Chavez regime's penetration of the urban and rural poor communities is named "mission cristo" or Christ mission. It seems that atheism was not politically profitable so it has been abandoned.

These strategic changes in the radical left's tactics have had huge success. Every year a new country in our hemisphere takes apart its hard-earned democracy to embrace a new version of the old dictatorships and joins the ranks of the "new socialism of the 21st century."

Understandably the United States, after the national security challenges of 9/11, has had different priorities, Latin America not being one of them. But even with that perspective in mind, isn't it cause for thought that the most aggressive diplomatic and cooperation ties are being built by Iran with precisely these countries? And that the combination of petroleum, radical left, and furious anti U.S. feelings might make this hemisphere profoundly insecure?

Now gentlemen what are we to do? For me a very productive question would be, in the face of these new challenges, to ask ourselves, what would Sir Antony Fisher have said and done. I think it obvious that he would have clearly understood that once again the age old conflict of liberty versus oppression, freedom versus dictatorship has once again surfaced around us. And he would have been reaffirmed in his great vision of the crucial significance of the Atlas Economic Research Foundation's mission. Never has it been so relevant to foster 'intellectual entrepreneurs' that will correctly understand the dynamics, risks and solutions that the system of liberty presents today. To commit ourselves to that mission and to support the effective pursuits of Atlas under Alex Chafuen's leadership seems to me the single most important decision that we can make tonight.

For my part, I will tell you what we did, in my country, when faced with these challenges. In 1972, the more radical sectors of the communist movement decided that conditions were ripe for an armed insurgency in El Salvador. These isolated groups were greatly stimulated by the Sandinista victory in 1979 in neighboring Nicaragua. A year later, under the direct command of the Castro regime, the full support of the Soviet Union, and the logistical compromise of the Sandinistas, the various guerrilla movements were integrated under a unified movement.

The Reagan administration decided to help the Central American governments to stop the communist takeover of the region. And so, El Salvador became from 1979 onwards, the last armed scenario of the Cold War.

El Salvador was destroyed by 13 years of armed conflict. Every Salvadorian family had to mourn the loss of at least one of its members. In one of the greatest diasporas in modern history, one-third of the population fled to neighboring countries. Our streets were filled

with beggars due to the brutal impoverishment of our campesino ["farming"] families.

I cannot erase from my mind the image of young men hanging by their necks in the bridges at the entrances of San Salvador, our capital city, with signs tied to their chests labeling their corpses "oligarchs" or "terrorists" depending at whose fanatic's hand their lives had ended.

And yet today, only fifteen years from the events I describe to you, El Salvador is a different country. It has slashed its poverty level by half, from 60% in 1992 to 30% today. El Salvador has achieved the highest poverty reduction rate in the continent.

After having interest rates around 30%, we achieved by 2004 the lowest interest rates in the region, 6.8%, thereby giving a chance for a great part of our population to own a home, to purchase a vehicle, to pay their debts and to invest as small entrepreneurs.

From a socialist dictatorship, we now have a vibrant democracy, a free and independent press, a true separation of powers.

What is El Salvador's secret? What can explain this dramatic change in less than fifteen years? I am convinced that it has to do with choosing freedom as the structuring principle of our society. Political freedom to incorporate all actors and end the war. Freedom of speech and independent branches of government so that every administration is directly responsible to its people and is accountable to them. Freedom of opportunity for the poor so that in an open free economy they can choose their path to defeat poverty. Economic freedom so that the productive and creative energies of the country are unleashed.

After what we lived in El Salvador, and though a foreigner, I will take the liberty to propose an answer to the question of what we must do. We must decide to defend the freedom we now enjoy in our countries. Do not take yours for granted. Be conscious of the risks that surround you.

Participate. If it is not to your liking the way your country is conducted offer your help. Transform your frustrations in a positive involvement that will allow you to make a difference.

Choose involvement over criticism. Decide that you will leave behind you a better world than the one you inherited.

In my own Salvadorian generation's name I will tell you this. The war exploded under our feet. There is not one of us that didn't have to mourn the death of his loved ones during that time. It was dangerous to work, it was dangerous to walk our streets, it was even dangerous to speak our mind. Yet we didn't back down.

Even though everything seemed lost we decided to defend our country. That tiny corner of

the world that destiny had willed was our home. We defended it and built a new nation.

One's country is like the air we breathe. We aren't even aware that it exists, yet if we were to lose it, we would asphyxiate in a world without meaning. We would have lost our roots and with them our memories.

Our sadness and our joys have become so impregnated into the valleys and volcanoes of our country that we can no longer distinguish between them and ourselves. They are our identity.

If the day comes when you must defend your country do not doubt it.

Liberty is scarce and fragile. Living in freedom means to live by the dictates of our own conscience. It requires courage to raise our voice and challenge abusive authority. Liberty demands responsibility, risk and constitutes a great personal challenge. It is for these reasons that liberty is so fragile.

So even in the face of the dangers that this commitment requires we must fight for our freedom.

This from someone that has fought for his country has had the joy of seeing it reborn and carries proudly the scars of having done his responsibility.

Thank you, very much.



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