



DIGGINGS

PUBLISHED BY THE BADGER INSTITUTE



Victor Berger

Milwaukee's
(Virulently Racist)
Socialist Icon

BY MARK LISHERON

The resurrection
of socialism

BY MIKE NICHOLS

The Hop's influence on development is a flop

BY KEN WYSOCKY

What are historic designations really protecting?

BY JULIE GRACE

The need to revive courage as a modern virtue

BY RYAN BERG



In a free society, it's better when we the people — not the government — make the decisions

Who decides?

If there is a common thread in our stories in this edition, it's that question.

Who decides whether a property owner gets to raze or move a privately owned house and build something more useful? Who decides whether a nonprofit arts organization gets to take down a few old trees?

Who decides how a whole race of people who don't have political power should be treated? Who decides whether Milwaukee should have a streetcar? Who decides?

This has always been an essential question for a free society. F.A. Hayek wrote brilliantly about it in the chapter of "The Road to Serfdom" titled "Who, Whom?"

"Who, Whom?" was the question the Russian people used to sum up the universal problem of a socialist society, wrote Hayek. "Who plans whom, who directs and dominates whom, who assigns to other people their station in life, and who is to have his due allotted by others?"

It is impossible for government leaders to ever determine a just and equitable allotment of money or jobs even if they are somehow completely free of prejudice or favoritism or self-interest or friends or relatives. And they never are. That is not the nature of most men — let alone abject racists like the one Mark Lisher profiles in our revealing cover story about socialist icon and onetime Wisconsin Congressman Victor Berger.

It was Hayek, by the way, who also wrote of the supreme importance of private property to a free people. Sure, a successful

capitalist can have influence over how we live our lives. But who can seriously deny that the power a millionaire employer "has over me is very much less than that which the smallest *fonctionnaire* possesses who wields the coercive power of the state ... ?"

Julie Grace's excellent analysis on historic preservation commissions demonstrates perfectly how people with a little government-sanctioned authority use their power to decide everything from who can cut down a few trees to who can tear down a privately owned building.

Even when there is a public interest, unfortunately, the wrong politicians and bureaucrats often are making the decisions. Witness Ken Wysocky's irrefutable piece about the propaganda used to hype The Hop with bogus insinuations about economic development downtown. The only reason the streetcar was built in the first place is that somebody out in Washington, D.C., decided to throw some federal money at Milwaukee.

Thankfully, we still have writers who have the courage to speak up about such things. Ryan Berg's take on this ancient virtue — "a type of quotidian courage for the daily grind of political discussions, allowing us to operate and flourish within diverse political communities" — is inspiring.

I hope you'll decide to read it.

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MISSION STATEMENT/

Badger Institute

Founded in 1987, the Badger Institute is a nonprofit, nonpartisan 501(c)(3) guided by the belief that free markets, individual initiative, limited and efficient government and educational opportunity are the keys to economic prosperity and human dignity.

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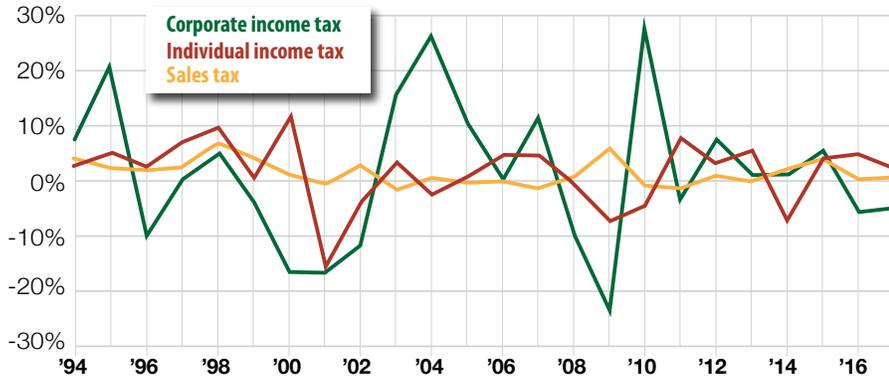
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Free Markets ■ Opportunity ■ Prosperity

Wisconsin tax collection volatility 1994-2017



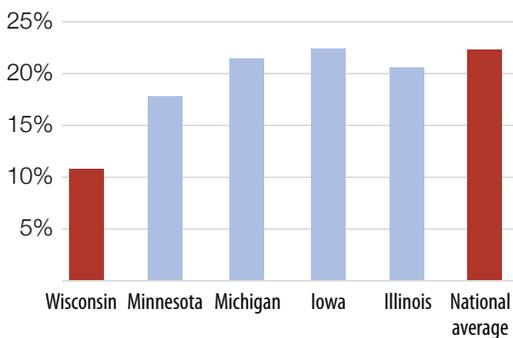
Dollar amounts were adjusted for inflation and expressed in 2017 dollars prior to calculating percentage changes using the Consumer Price Index for all urban consumers (CPI-U) from the Bureau of Labor Statistics. Source: U.S. Census Bureau, state and local government finance.

350,000

Wisconsin workers who would lose their jobs as a result of a \$15 minimum wage, which is nearly a third of all workers currently earning less than that

"Minimum Wage: The High Cost of Increasing the Minimum Wage in Wisconsin to \$15" by Ike Brannon and Andrew Hanson

Share of Medicaid and CHIP eligible children receiving dental treatment in Midwestern states in 2015



Data are from the Dental and Oral Health Services in Medicaid and CHIP report by the Centers for Medicare and Medicaid Services: Medicaid/CHIP – Health Care Quality Measures. National average is the state median.

“Creating the dental therapy profession in Wisconsin could reduce the shortage of dental care providers ... and the size of the underserved population in the state by up to 42 percent.”

– **Jason Hicks and Morris M. Kleiner**, in their policy brief *“Dental Therapists: A Solution to Wisconsin’s Costly Dental Access Problem?”*

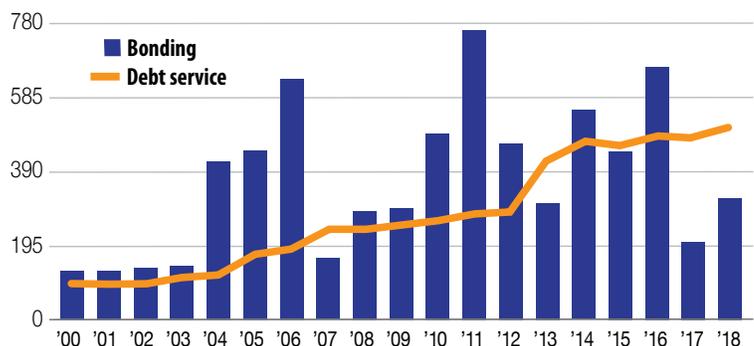
\$5.29

The cost to taxpayers of each and every ride on The Hop for the next 30 years*

*Based on ridership levels on the Milwaukee streetcar for the first three months and the initial \$128 million cost, and assuming that fares and other revenues will cover the additional annual, ongoing operating costs.



Wisconsin transportation borrowing & debt service 2000-'18



The Hop's influence is a



Photos by Allen Fredrickson

By Ken Wysocky

Claims that the streetcar swayed major real estate development decisions in downtown Milwaukee are off track

At a press conference last fall, Milwaukee Mayor Tom Barrett announced that in the three years since city officials approved the \$128 million streetcar project, a.k.a. The Hop, assessments of properties within a quarter-mile of its 2.5-mile route have jumped nearly 28%, to about \$3.95 billion. That compared with a 13.4% increase citywide.

During the press conference, held at a Hop station at the corner of North Broadway and East Wells Street, Barrett said the streetcar was the catalyst behind the \$862 million surge in valuations within the defined areas since 2015.

“You can call it causation, you can call it correlation,” he said. “I call it investment. Because what we are seeing and



what we have experienced since we first passed the file that created the streetcar is a nearly 28% increase in valuation of properties located within a quarter-mile of the streetcar.

“What does that tell me?” he continued. “It tells me that there’s been interest in economic development along the streetcar line. It’s something we anticipated, something we had hoped for and something we had planned for as well.”

With a construction crane and concrete pillars visible behind Barrett at the site of the BMO Tower development and with streetcar tracks nearby, the optics were picture perfect. But Barrett’s assertion was anything but, a thorough examination reveals.

To test Barrett’s claim, the Badger Institute reviewed the 15 real estate projects that contributed most to that \$862 million valuation increase. In all, those 15 large projects — which featured either new construction or significant renovations to existing buildings — generated nearly \$564 million of the gain, or 65%, based on figures provided by the city assessor’s office.

The review was followed by interviews with all but one of the 15 developers. The result: 14 of the developers — whose properties generated over \$558 million of the \$564 million increase — say The Hop did not influence their projects.

In some cases, in fact, the projects were in the planning stages or already underway before the streetcar was approved in 2015.

The bottom line: The Hop had no influence on almost two-thirds of the \$862 million increase in property valuations since 2015. And the vast majority of the remaining third was spread over hundreds and hundreds of smaller properties throughout downtown that arguably could not have been affected much, if at all, by The Hop.

The mayor’s office did not respond to emailed requests for comment about the Badger Institute’s findings.

(Since the press conference last fall, the city assessor’s office has revised the overall property assessments in the defined areas to about \$3.99 billion, which amounts to a three-year valuation increase of \$907 million, or 29.35%. The change does not significantly alter the Badger Institute’s findings.)

Long-running controversy

The Hop, which began running in November 2018, has been a lightning rod for controversy since Barrett first proposed it more than a decade ago.

Consisting of five electric-powered streetcars, The Hop runs from the Historic Third Ward between the Milwaukee Intermodal Station, 433 W. St. Paul Ave., and Burns Commons, at East Ogden and North Prospect avenues.

Passengers ride for free during the first year, thanks to a \$10 million sponsorship by Potawatomi Hotel & Casino. →

Mayor Tom Barrett said:

“What we have experienced since we first passed the file that created the streetcar is a nearly 28% increase in valuation of properties located within a quarter-mile of the streetcar.”



Most developers said:

The streetcar played no role in development decisions.

The Top 15 projects

These real estate developments contributed most to the \$862 million increase in assessed value of property within a quarter-mile of The Hop since 2015.

Name of development	Address	Developer	2015 assessed value	2018 assessed value	Increase	Influenced by streetcar?
1 Northwestern Mutual Tower and Commons	805 E. Mason St.	Northwestern Mutual	\$35,525,700	\$295,000,000	\$259,474,300	No
2 833 East Michigan (office)	833 E. Michigan St.	Irgens Partners	\$5,297,900	\$89,307,000	\$84,009,100	No
3 411 East Wisconsin Center (office)	411 E. Wisconsin Ave.	Riverview Realty Partners	\$74,642,000	\$117,761,000	\$43,119,000	No
4 7Seventy7 (apartments)	777 N. Van Buren St.	Northwestern Mutual	\$7,097,600*	\$47,199,750	\$40,102,150	No
5 Aperture Apartments	1635 N. Water St.	Mandel Group	\$2,264,500	\$23,530,000	\$21,265,500	No**
6 The Buckler (apartments)	401 W. Michigan St.	Phoenix Development Partners/CA Ventures	\$5,000,000	\$24,081,000	\$19,081,000	No
7 Kimpton Journeyman Hotel	310 E. Chicago St.	HKS Holdings	\$588,200	\$19,176,600	\$18,588,400	No
8 1433 North Water Street (office/retail)	1433 N. Water St.	Wangard Partners	\$2,567,000	\$20,359,000	\$17,792,000	No
9 Westin Hotel	550 N. Van Buren St.	Jackson Street Holdings	\$4,487,400	\$22,274,000	\$17,786,600	No
10 Avenir Apartments	1437 N. Jefferson St.	Wangard Partners	\$5,566,000	\$16,646,000	\$11,080,000	No
11 The Mayer Apartments	342 N. Water St.	Pieper Properties	\$3,779,000	\$11,143,000	\$7,364,000	No
12 Homewood Suites by Hilton	500 N. Water St.	Bear Development	\$1,458,000	\$8,820,000	\$7,362,000	No
13 Mercantile Building (office)	318 N. Water St.	Tim Dodge	\$4,026,000	\$9,951,000	\$5,925,000	No
14 Chase Tower (office)	111 E. Wisconsin Ave.	Farbman Group	\$21,083,000	\$26,646,000	\$5,563,000	Yes
15 Milwaukee Marriott Downtown	323 E. Wisconsin Ave.	Jackson Street Holdings	\$37,362,000	\$42,644,700	\$5,282,700	No
TOTAL			\$203,646,700	\$774,539,050	\$563,794,750	

*2017 valuation; parcels not assembled until 2016

**Not reached for comment, but project's inception predated streetcar approval

Source: Assessment data from City of Milwaukee assessor's office

Two federal grants funded about half of the streetcar's construction costs, and another \$59 million is expected to come from three tax incremental financing districts.

The streetcar's future has been clouded because planned expansion of the route is largely dependent on federal funding, which never is a sure thing. In addition, a key component — the proposed \$122 million Couture high-rise apartment project near the lakefront on East Michigan Street — remains in limbo.

Plans for The Couture include a transit concourse through which The Hop would pass on its as-yet-unbuilt Lakefront Line. The Couture's developer, Barrett Lo Visionary Development LLC, still is waiting for U.S. Department of Housing and Urban Development officials to approve a guarantee for the project's construction loan.

Moreover, The Hop's ridership already has faltered. After better-than-expected numbers in November and De-

ember, ridership fell sharply in January to 49,501, compared with about 76,000 during its first two months, a 35% drop. Ridership figures from February and March weren't compiled, thanks to a glitch in an automatic passenger-counting system.

No influence cited

It's no surprise that the property with the biggest three-year valuation jump is the Northwestern Mutual Tower and Commons at 805 E. Mason St., with a \$259 million increase. Northwestern Mutual officials confirmed the obvious: The project was in the works well before The Hop was approved, thus nullifying any potential impact on the decision to build.

The same is true for another big-ticket development, the 833 East Michigan office tower, whose property valuation rose \$84 million. But developer Mark Irgens, owner of Irgens Partners and who expressed support for The Hop while speaking at Barrett's press conference, says the streetcar →

“I don't think anyone looking to make multimillion-dollar real estate investments is looking to The Hop for (their project) to be successful.”

— **Tim Dodge**, majority owner of Hanson Dodge



didn't affect his decision to build the tower. Ditto for his decision to build the \$132 million BMO Tower now under construction at 790 N. Water St.

"Public transportation, and transportation infrastructure in general, is really important to our business," Irgens told the Badger Institute. "With respect to the streetcar, I'm very positive about it ... I think it'll be good for downtown as it expands and goes to more destinations.

"But to be truthful, the BMO and 833 projects were not affected by the streetcar," he admits. "We made those decisions based on our assessments of market demand and working with tenants that wanted to sign (rental) pre-commitments with us."

On the other hand, Irgens says, many tenants view the streetcar as a nice amenity — but not so nice that they're willing to pay higher rent to occupy a building located right on The Hop route, rather than occupy one a block or two off the route with lower rent.

"I give the city a lot of credit for having a vision and taking a risk with the streetcar," he says. "As it expands, I think it will be a much more impactful system."

Developer Stewart Wangard, owner of Wangard Partners, says the streetcar did not influence his decision to develop two properties on the northern end of downtown: the 1433 North Water Street building (the site of the old Laacke & Joys sporting goods store) and the Avenir Apartments/retail building at 1437 N. Jefferson St. The three-year valuation increases for the properties were \$17.8 million and \$11.1 million, respectively.

Nonetheless, Wangard says he supports The Hop, and public transportation in general, provided it runs on time and is cost-effective. "I do think The Hop will benefit us in the long term," he explains. "But the current route is too short to meet the needs of someone who wants to get around the city on a regular basis.

"It won't realize its full potential until the terminus at Michigan Street is completed ... that's the big link between business and tourism," he adds. ***"Until they finish it out, it'll be nothing more than a novelty."***

Tim Dodge, majority owner of Hanson Dodge, an advertising agency in the Third Ward, says the streetcar didn't

prompt him to don a developer's hat and renovate and add onto a building at 318 N. Water St. The building now houses Hanson Dodge and other tenants. The property's valuation increased \$5.9 million.

"The Hop did not influence our decision," he says. "I don't think anyone looking to make multimillion-dollar real estate investments is looking to The Hop for (their project) to be successful."

But like others interviewed, Dodge sees potential value, provided the route is expanded. "If you don't do that, it's worthless," he says. "Either you're all in or you're not."

Lured by other factors

John Mangel, chief executive officer of Chicago-based Phoenix Development Partners, says The Hop had no impact on the decision to turn the old Blue Cross Blue Shield building at 401 W. Michigan St. into The Buckler apartments. (Another Chicago-based developer, CA Ventures, partnered with Phoenix on the project.) The property's valuation increased \$19 million.

"Our project started way before the streetcar was even considered," he says. "Quite frankly, we just looked at The Buckler building as a property we could get out of the recession at a very low basis, plus we loved the location."

Ditto for Riverview Realty Partners of Chicago, which spent \$17 million on renovating the 411 East Wisconsin Center office building before recently selling it to Middleton Partners, another Chicago-based firm. The building's valuation rose \$43.1 million.

"The streetcar didn't influence our decision," says Jeff Patterson, president and chief executive officer. "But it's definitely a good thing for that area ... and as it gets completed, I think it will cause more residential development downtown."

Keith Jaffee, president of Middleton Partners, says The Hop played no role in the company's decision to buy the 411 East Wisconsin building from Riverview. "We just love Milwaukee," he says. "We're a Chicago-based company, but we just love the market there and want to continue to support it — grow our footprint there."

Other real estate developers contacted by the Badger Institute also confirmed that The Hop did not affect their development decisions downtown, but they declined to comment publicly.

The outlier

One developer in the top 15, however, gave The Hop a thumbs up in terms of influence on development decisions.

Andy Farbman, chief executive officer of the Farbman



Group, a Michigan-based commercial real estate developer, says the streetcar was somewhat of a factor in his company's decision to renovate the old Marine Bank building, known as the Chase Tower, at 111 E. Wisconsin Ave.

Based in Southfield, a Detroit suburb, the company bought the building for \$30.5 million in 2016. The property's assessment increased \$5.6 million since 2015.

"Our decisions to invest capital in an asset are based upon many factors," Farbman said in an email. "We were certainly aware of the improvements being made in public transit, and it was an added bonus."

Does mass transit in general affect Farbman's real estate development decisions? "Yes," he says. "All types of transit are important factors when deciding upon development and location. Much of the workforce that our tenants and prospective tenants are focused on retaining rely on all sorts of mass transit."

A prominent downtown developer, Joshua Jeffers, agrees with Farbman, noting that The Hop has strongly influenced his decisions about real estate development downtown. While the owner of J. Jeffers & Co. doesn't have projects in the top 15, he's been a vocal streetcar advocate.

In fact, at the mayor's press conference, Jeffers said that since 2011, when the initial route for the streetcar was proposed, his company has purchased, built or is in the process of building approximately \$132 million worth of properties at six different sites, all directly on the streetcar line.

"So far, they've all been very high-performing investments, and I'm excited to see how they do going forward," he said. "This is a huge milestone for Milwaukee." Repeated attempts to reach Jeffers for comment were unsuccessful.

De-emphasizing the numbers

While Barrett declined to comment for this article, Department of City Development officials downplayed the interpretation of the assessment figures.

"When those numbers were published, the way they were received was a little different than how we intended it," says Dan Casanova, economic development specialist lead. "The 28% increase was supposed to be a minor point, but it's what everyone picked up on.

"Our intention is to track these numbers over time ... and see if they change differently than the rest of the city or

downtown," he says. "We think the majority of the impact will come in one or two years when projects along the route break ground and come online," he adds. "(Media) reports that (the increased valuation) was due to the streetcar ... that wasn't entirely the case for every project. There's never a single factor for why a project happens."

As an example, Casanova cites the Milwaukee Riverwalk as a public-infrastructure project that created value and demand for properties along the Milwaukee River. "But it's not the only reason people want to live and work by the river," he says.

Several developers interviewed also question why the city cast the net of its review of assessment increases a quarter-mile in each direction from The Hop's route.

Moreover, the city included the area around the unbuilt Lakefront spur in its calculations.

Casanova says that in urban-development circles, a quarter-mile is considered the standard distance that people are willing to walk to get to their destinations after disembarking from mass transit.

Great expectations

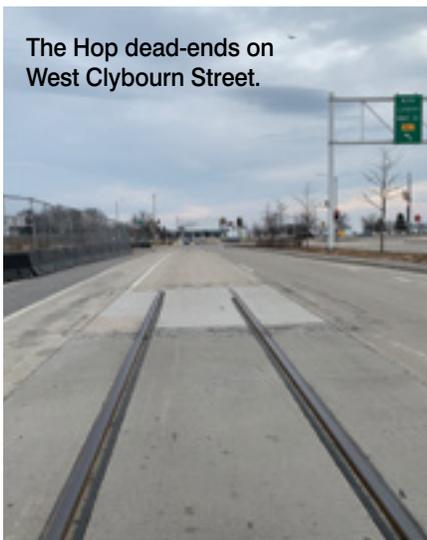
Looking ahead, city officials and others are making big predictions about the streetcar's potential impact.

Consider a brochure from Milwaukee Downtown/Business Improvement District #21, an organization representing downtown businesses. Titled the "MKE Streetcar Development and Investment Guide," it extols the economic development potential within a quarter-mile of The Hop's current and future routes:

By 2030, the city expects 9,000 new housing units, a 63% jump; 13,500 new residents, a 55% increase; 1 million square feet of new occupied retail space, a 31% boost; 4 million square feet of new occupied office/hotel space, a 28% gain; 20,500 new jobs, a 23% increase; and \$3.35 billion of new development.

Should all of that come to pass because of The Hop, whoever is mayor in 2030 will have a good reason to hold a press conference. And perhaps this time, the assembled media will pause to make sure the numbers touted actually support the rhetoric. ❏

Ken Wysocky of Whitefish Bay is a freelance journalist and editor.



Is it high time to legalize in Wisconsin?

YES...



Legal cannabis will bring health benefits, racial justice and personal freedom

By Phil Anderson

While it's clear that opinions are changing about marijuana legalization, it's equally clear that those who oppose its full legalization are clinging to reasons to justify their position that are false, antiquated and even dangerous.

A January 2019 Marquette University Law School Poll demonstrates the changing attitudes: **59% of Wisconsinites polled support legalization, while only 35% oppose it.** In September 2014, the last time Marquette polled on the issue, 51% were against legalization, while 46% were in favor. Why the change?

Groups, including most prominently the National Organization for the Reform of Marijuana Laws (NORML) and the Libertarian Party, have expanded their messages in support of legalization not only for the sake of personal freedom but also for the benefit of opioid addicts, especially military veterans who are overprescribed opioids upon return from Iraq and Afghanistan.

Advocates also have promoted the facts about hemp production as an economic boon and the tax revenue gains for states that have legalized. In addition, advocates and their supporters have pointed to cannabis-related health benefits, such as those from CBD oil.

To further the legalization discussion, many of us who ran for office in 2016 and 2018 pointed out the vast racial disparity in arrests, prosecutions and prison sentences between blacks and whites for cannabis-related offenses, costing billions of taxpayer dollars nationally on enforcement.

While marijuana use among blacks and whites is fairly equal, blacks are nearly four times more likely to be arrested for possession. Wisconsin data show the disparity exists here: Prison admissions in 2016 for marijuana offenses

See **ANDERSON** on Page 14

NO...



The harmful effects on health and society outweigh any potential benefits

By Van Wanggaard

Fifteen years ago, Wisconsin outlawed public smoking because it is harmful. Today, many of the same anti-smoking advocates favor legalizing marijuana because they believe it isn't harmful.

The increasing popularity of recreational marijuana is not reason to legalize it. In fact, the more we learn about the impact of recreational use, especially in Colorado, the more we should take caution. Crime and traffic deaths have increased. There are more than twice as many marijuana stores as there are McDonald's, according to a 2018 report by the Rocky Mountain High Intensity Drug Trafficking Area.

The negative impacts in Colorado, where marijuana has been legal since 2014, outstrip any revenue gains. In short, the reality of legalized marijuana doesn't match the rhetoric.

While advocates claim marijuana isn't a "gateway" drug, the facts are clear. While not every marijuana user goes on to "harder" drugs, the U.S. Department of Health and Human Services reported in 2013 that marijuana users consume more legal and illegal drugs. The Centers for Disease Control and Prevention found that marijuana addicts are three times more likely to be addicted to heroin. That's because marijuana "primes" the brain for enhanced responses to other drugs. ***By its very nature, THC — marijuana's main psychoactive compound — serves to make a user desire other drugs.***

The marijuana from the 1960s and '70s doesn't resemble the marijuana of today. It's been genetically engineered over time to heighten its effects. In fact, marijuana today is three times more potent than it was just 20 years ago, according to the National Institute on Drug Abuse.

See **WANGGAARD** on Page 15

Cannabis is a plant, with a multitude of industrial, medical and recreational uses — all of which are superior to what is currently legal.

ANDERSON from Page 13

were higher for black offenders than white offenders.

Gov. Tony Evers, in his biennial budget, proposed decriminalizing the manufacture, possession and distribution of marijuana in amounts of 25 grams or less, and allowing people who have completed sentences or probation for those crimes to have their records expunged.

“Too many people, often persons of color, spend time in our criminal justice system just for possessing small amounts of marijuana. That doesn’t make our communities stronger or safer,” Evers said in February.

While public opinion has shifted, why haven’t opponents acknowledged that the right, just and fair course is full legalization? Many opponents, mostly Republicans and conservatives, are still committed to and labor under false and dangerous ideas.

Misconceptions on risk

One is that marijuana is more harmful to a person’s health than substances that are legal, such as alcohol and tobacco. This claim has been shown to be false.

According to a study that quantitatively measured the risk of dying after long-term recreational use of 10 substances, “alcohol was at the highest-risk and cannabis at the lowest-risk end,” said lead author Dirk Lachenmeier.

The findings, published in Scientific Reports in 2015, suggested that the risk of cannabis was “overestimated in the past,” while the risk of alcohol was “commonly underestimated.”

Another misconception is that marijuana is a “gateway” drug. ***The only reason that marijuana use sometimes leads to the use of “harder” drugs is because it’s illegal — it is necessary to engage in criminal activity to obtain it.***

In actuality, evidence shows that legal use of prescription opioids and alcohol has a greater likelihood of leading to illegal use of opioids, and related criminal activity, than marijuana use. And, as the National Institute on Drug Abuse points out, the majority of people who use marijuana do not go on to harder drugs.

Another response often used by legalization opponents is an ad hominem fallacy. Rather than attempt to refute the massive amount of scientific and legal data, and personal testimony and experience offered in support of legalization, opponents say that advocates are just “potheads” or support legalization merely so they can get high. (The utter hypocrisy

is lost on these folks. They assuredly don’t want beer made illegal and would fight vigorously if prohibition laws were ever proposed again.)

It is likely that a person familiar with cannabis and its benefits would advocate for legalization whether their personal experience stemmed from smoking marijuana, using CBD oil or just reading about it because they’d be less likely fooled by the propaganda and misinformation.

Lastly, a sizable portion of the voting public and elected officials believe it is their right to decide how everyone lives — not just their right but their responsibility. This egotistical attitude is not confined to one political party, nor just on the cannabis legalization issue, but it is on full display here.

Many people believe that they need to keep cannabis away from the public because the masses apparently are just too morally weak or stupid to make their own

decisions. ***How insulting to the spirit of mankind, the freedoms espoused in the Declaration of Independence and the whole idea of a government by, of and for the people.***

Cannabis is a plant, with a multitude of industrial, medical and recreational uses — all of which are superior to what is currently legal.

Marijuana isn’t 100% safe, but neither is butter. While it is true that plant breeding has produced more potent strains of marijuana in recent years, even the most potent strains have yet to result in a death from overdose, whereas the increase in the potency of cocaine derivatives and perhaps even alcohol content in some drinks likely has. Marijuana has caused fewer deaths than alcohol, tobacco, prescription opioids, sugar, caffeine and slippery bars of soap.

It is time to end the war on pot, which enriches criminals and puts innocent people in jail, all at a huge cost to taxpayers.

It is time to fully legalize. Cannabis never should have been illegal in the first place. ❏

Phil Anderson of Fitchburg is a real estate broker, a member of the Libertarian National Committee and chair of the Libertarian Party of Wisconsin. He was the libertarian candidate for governor in 2018.



Marijuana today is three times more potent than it was just 20 years ago, according to the National Institute on Drug Abuse.

WANGGAARD from Page 13

In the first three years of Colorado’s legalization, marijuana potency increased nearly 25%. Worse yet, I recently learned from the Milwaukee Police Department that nearly all the marijuana sold in Milwaukee is laced with the highly addictive and dangerous opioid Fentanyl.

While the effects of the new, more powerful strains of THC haven’t been studied in depth, the older, less powerful ones have been studied. The results aren’t encouraging.

Persistent marijuana use leads to a significant decline in verbal ability and IQ and alters brain development, studies have indicated. Canadian studies have shown that there is a relationship between marijuana use during and following psychiatric episodes and violence. Other studies have shown links between marijuana use and increased risks in offspring of psychiatric disorders including schizophrenia, depression and anxiety. Ironically, advocates often claim that marijuana eases these disorders, not that they cause them.

In Colorado, short-term health detriments associated with legalized marijuana have emerged as well. Marijuana hospitalizations are up 148% in four years, and emergency room visits have increased 52%, according to the HIDTA report. A new study found a 300% spike in marijuana-related ER visits in that period. Suicides in which a person shows traces of marijuana are up 60% to 140%, depending on the year and age.

Harm beyond the individual

Some will argue that marijuana only harms the person using it, implying the state should stay out of it. That might be a valid argument if only it were true. ***We have all sorts of laws that limit personal freedom for the greater good.*** For the safety of everyone, government either prohibits or requires something — from building permits to seatbelt use to mandatory insurance.

Those marijuana hospitalizations cost everyone, not just the patient. In Colorado, violent crime has increased almost 20%

since legalization, and property crime is up over 8%, according to the HIDTA report. Traffic deaths have increased 35%, and just marijuana-related traffic deaths are up 151%.

Supporters will point to racial disparities in the enforcement of marijuana laws, but those disparities are not unique to marijuana laws. The solution isn’t to eliminate laws. To the extent that more African Americans are arrested and prosecuted for marijuana possession than other races, that disparity is little different than the disparities for other crimes.

While we’re at it, ***let’s dispense with the argument that we’re filling up our prisons with people convicted of simple pot possession — black or white.*** It rarely happens. The 11% of inmates in Wisconsin prisons on drug-related convictions aren’t just marijuana users. They’re dealers and worse.

The argument that drug-related crime will decrease with legalization is false as well. Organized crime is on the rise. In California, 74 marijuana “grow houses” in the Sacramento area were underwritten by Chinese organized crime, authorities say. Chinese, Cuban and Mexican drug rings have set up shop. In Colorado, over seven tons of black-market marijuana were seized, the HIDTA report said.

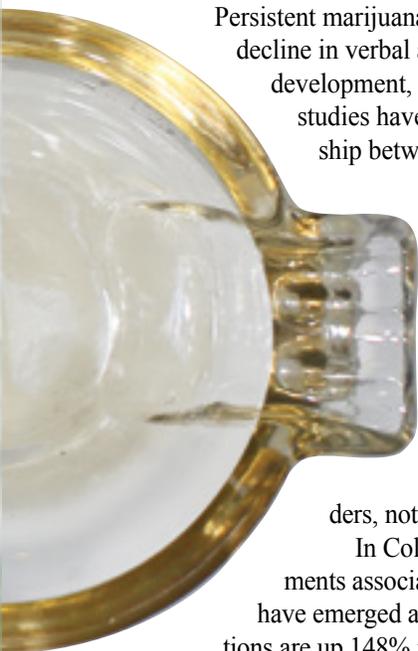
You may wonder why Colorado even has black-market marijuana since it is legal there. From the Boston Tea Party and the Whiskey Rebellion to today, Americans go to great lengths to avoid taxes. Hence, the rise in organized crime and black-market marijuana to skirt the 15% tax.

That’s not to say Colorado doesn’t earn revenue from its legal marijuana. The state is earning about \$250 million per year — that’s less than 1% of all revenues. In Wisconsin, it would be an even smaller percentage.

When one looks dispassionately at the evidence, the conclusion is clear. Following marijuana legalization, crime and traffic deaths have spiked. Organized crime and human trafficking have moved in and/or expanded. Hospitalizations and suicides have increased. The research on individual health effects is mixed at best and downright scary at worst. Taxpayers and families bear the burden of these costs — all for less than 1% of state revenues. And by the way, marijuana remains illegal under federal law.

The costs of legalizing marijuana for recreational use outweigh the benefits — and it’s not close. ❏

State Sen. Van Wanggaard (R-Racine) served as a Racine police officer for nearly 30 years. He is chairman of the Senate Committee on Judiciary and Public Safety.



Protecting history or promoting agendas?



ALLEN FREDRICKSON PHOTO

A grove of horse chestnut trees at the Marcus Center for the Performing Arts in Milwaukee sparked a historic preservation battle.

The use of historic designation nowadays often has nothing to do with preservation

ANALYSIS

By Julie Grace

Take a drive through downtown Milwaukee, and you'll notice iconic landmarks that have contributed to the city's rich history. Such as the Historic Pabst Brewery — the first major brewing company to take root in Milwaukee in 1844. Or Turner Hall — the 1882-built ornate ballroom designed by German American architect Henry C. Koch. Or City Hall, also designed by Koch and the world's tallest inhabited structure in the 1890s.

There's no doubt those sites are historic, but what about the Marcus Center for the Performing Arts, built just 50 years ago and already remodeled multiple times?

Or a former pharmacy on the city's south side that most recently housed a beauty salon?

Or a house in Madison that not all that long ago was owned by a former politician who helped enact gay rights legislation?

Are those sites uniquely historic? Culturally significant enough to be indefinitely protected from any external changes or demolition?

There are now some 180 places on the list of locally historic districts, sites or structures in Milwaukee alone, and that number is rapidly growing. So are questions about whether the push for such designations is driven by agendas that have less to do with history than latter-day politics, less to do with cultural or architectural significance than opposition to what ought to be free-market transactions or private property rights.

How historic preservation works

While the impacts of local historic designations are far-reaching, the process is fairly simple.

Any resident can nominate a site or structure that he or she believes is of historic, architectural or cultural significance. In Milwaukee, for example, nominators submit applications describing the property and why they believe it is significant along with a \$25 fee (aldermen are exempt from the fee).

The nomination then is presented to the Historic Preservation Commission, a seven-member panel often



ALLEN FREDRICKSON PHOTO

A potential hostile takeover of Gannett Co. Inc., owner of the *Milwaukee Journal Sentinel*, prompted two aldermen to nominate the newspaper building for historic designation.

composed primarily of unelected citizens appointed by the mayor. The commission defines “historic” as “the attributes of a district, site or structure that possess integrity of location, design, settings, materials, workmanship and association.”

Yet the considerations used to determine whether a site fulfills the definition are so numerous, subjective and general that virtually any property could qualify. They include criteria such as “location as a site of a significant event” and “portrayal of the environment of a group of people in an era of history.”

If the site meets at least one of the 10 broad criteria, the application is approved and sent to the Common Council for a final vote. (*See the list of criteria on Page 20.*)

Once a property is designated as historic, it cannot be exteriorly altered or demolished without the commission's approval. This is true all around the state.

In other words, when homeowners in historic districts want to replace certain windows, install a new roof or add a porch, they must obtain approval from a small government body that decides if the changes are “sympathetic to the historic character of the property.” The same goes for businesses that wish to expand →

or add on to a historic building.

What often happens, though, is preservation commissions deny the property owners' requests in order to block specific development plans.

Prudent or ridiculous?

In 2015, state Rep. Scott Allen (R-Waukesha), chair of the Assembly Committee on Community Development, co-authored a bill to address the issue.

His legislation, which became law, requires local governments to notify property owners who would be affected by a proposed historic designation and to hold public hearings before new properties or neighborhoods are designated. If owners oppose the designation, they can appeal to a local governing body. However, a majority vote of the body is needed for a reversal.

"There is certainly value in historic preservation, but just because something is old doesn't mean it's good," Allen says. "When are historic designations prudent? And when are we getting ridiculous? We need engaged citizens to bring common sense to the table."

The Apartment Association of South Central Wisconsin hears complaints from a wide array of Wisconsinites about the problem, says spokesperson Nancy Jensen.

"The (historic designation) statutes are well-intended, but they're often misused," she says. "Whether it's a large developer, a smaller property owner or a farmer, they're all having the same problems with trying to do renovations to their properties and running into a group of unelected individuals who stop them from doing what they want to their own property."

"We're seeing some rather wealthy commissioners who are misusing these statutes to overrule what property owners actually want to do," she adds.

Journal Sentinel building

In most cases, property owners are not the ones nominating their buildings for historic designation.

For instance, in February, Ald. Bob Bauman — the one elected official on Milwaukee's Historic Preservation Commission — and Ald. Michael Murphy nominated the Journal Sentinel building at 333 W. State St. The commission approved the designation in March.

In recent years, potential buyers have expressed interest in the building, but it was not until Digital First Media began a hostile takeover bid for Gannett Co. Inc. — owner of the *Milwaukee Journal Sentinel* and its building — that historic designation was considered. Digital First Media has a reputation for expediting the demise of newspapers



and selling off the buildings.

The official rationale for the nomination included the 1924 building's architect, Frank D. Chase, the simple "design and form" of the building and the fact that it housed "the most successful and influential newspaper in Milwaukee and Wisconsin."

But Bauman, who represents downtown, admits that he nominated the building in response to the takeover bid. The report presented by commission staff was equally forthright about the motivation.

There's nothing necessarily improper about trying to save a historically significant building from the wrecking ball. However, ***the purpose of historic designation is to preserve history — not to prevent a specific property transaction or development plan.***

In the case of the Journal Sentinel building, there was a very public discussion of the Milwaukee Bucks' apparent interest in razing the building for the new arena that eventually was built just down the street — a project with broad political support. At that time, no one nominated the building for historic designation.

Earlier this year, Gannett reportedly entered a purchase agreement with developers Interstate Development Partners LLC and J. Jeffers & Co. And before that, in 2017, there was another preliminary deal to buy the building, which fell through. Neither of those potential sales spurred a historic designation effort.

Bauman told the Badger Institute in an email: "The current buyer — a partnership of two local developers who have developed several historic properties in Mil-



“It felt like the odds were stacked against us. For some reason, this random building meant something to them.”



Patrick Landry,
*Notre Dame
School of Milwaukee
president*

Notre Dame School of Milwaukee had planned to raze this vacant commercial building for a playground but was thwarted by an 11th-hour historic designation.

JULIE GRACE PHOTOS

four failing trees in the grove, with the stipulation that they be replaced within a year with the same type of tree. Soon after the commission’s vote, the center cut down the four trees.

Reasons cited for the designation include the location, which “was symbolic of Milwaukee’s renewed optimism with regard to the arts” after World War II and the Korean War, its “Brutalist/Formalist style,” the “significant modernists” who designed the building and landscape, and the “site in the heart of” downtown.

The Marcus Center, in arguing against the designation, pointed to the center’s 11 major renovations, which it said voided the site’s historic integrity. The center has stated repeatedly that the designation greatly affects its redevelopment plan. Residents also have voiced concerns, citing the need for the center to adapt and grow.

The designations for both the Marcus Center and the Journal Sentinel building still require Common Council approval, which could come on April 30. The Marcus Center has already said it will appeal the decision.

Notre Dame School of Milwaukee

These historic designations are hardly the first to derail development or override a property owner’s plans.

When Notre Dame School of Milwaukee, 1418 S. Layton Blvd., sought to demolish a vacant commercial building it purchased as part of an expansion plan, it was barred from doing so when the Historic Preservation Commission granted historic designation — right before demolition was to take place.

The commission cited the building’s architectural characteristics (the “use of stone, brick and stucco, twisted columns or colonnettes, tile inserts, iron balconets, tile roofs and shaped parapets” common in Mediterranean Revival-style buildings) and its unique location (on “a prominent corner of two busy traffic arterials”).

An area resident nominated the building after learning of the school’s demolition plans.

“It was a very frustrating experience,” says school President Patrick Landry. “The building was not historic →



waukee — is comfortable with historic designation.”

Marcus Center for the Performing Arts

Meanwhile, another downtown site, the Marcus Center for the Performing Arts, became embroiled in a historic preservation dispute over a grove of 36 horse chestnut trees designed by Dan Kiley.

The nonprofit center, built in 1969 at 929 N. Water St., unveiled plans in December to revamp its campus, which called for removal of the trees. In response, two landscape architects nominated the center for historic designation in January.

On April 1, the Historic Preservation Commission approved the designation but granted permission to remove

The criteria for historic designation in Milwaukee

The 10 considerations used by Milwaukee's Historic Preservation Commission to determine if a site is historic are:

- Its exemplification and development of the cultural, economic, social or historic heritage of the city, state of Wisconsin or the United States.
- Its location as a site of a significant event.
- Its identification with a person or persons who significantly contributed to the culture and development of the city.
- Its portrayal of the environment of a group of people in an era of history characterized by a distinctive architectural style.
- Its embodiment of distinguishing characteristics of an architectural type of specimen.
- Its identification as the work of an artist, architect, craftsman or master builder whose individual works have influenced the development of the city.
- Its embodiment of innovation in architectural design or engineering, pre- or post-World War II, expressed in design, details, materials craftsmanship, construction techniques or function of one or more buildings or structures.
- Its relationship to other distinctive areas which are eligible for preservation according to a plan based on a historic, cultural or architectural motif.
- Its unique location as a singular physical characteristic which represents an established and familiar visual feature of a neighborhood, community or city.
- Its association with a pre-European settlement.

when we purchased it (in 2016), or we wouldn't have spent the \$150,000 to buy it."

For many years, the building, built in 1896 and remodeled in 1931, was a local pharmacy. It later housed a tax service, a copying service and, most recently, a hair salon. The school had intended to build a playground in the space but now plans to gut the building and use it for storage.

"There are bullet holes through the glass, so using the space for educational purposes is really not an option," Landry says.

"To be honest, it felt like the odds were stacked against us," he adds. "For some reason, this random building meant something to them."

The same year, the commission granted historic designation to the Historic White House Tavern in the Bay View neighborhood — a restaurant that was vacant for years — after a development group sought to add a patio. The developers insisted they would preserve the history of the 1890 building, at 2900 S. Kinnickinnic Ave., and would only allow a tenant with the same priorities.

The commission cited the tavern's Queen Anne style, the fact that it had been a gathering place for politicians for years and its location "at a bend of Kinnickinnic Ave."

Clarenbach house in Madison

Historic designations stymie developments outside of Milwaukee as well. In Madison, the city's Landmarks Commission is considering the historic designation of a house at 123 W. Gilman St. near Capitol Square, where some of the state's first LGBT legislators and activists had lived and gathered.

The former residents include the first openly gay elected official in Wisconsin (Madison Ald. Jim Yeadon), a former Dane County supervisor (Lynn Haanen) and, most notably, former state Rep. David Clarenbach, who lived in the house while he helped to pass the Gay Rights Bill of 1982 — the first of its kind in the country. Preservation supporters say the 1886 house also served as a place where LGBT activists discussed strategies, politics and legislation.



“We’ve found that it is becoming more mainstream for people to weaponize the (historic designation) ordinance to obstruct development.”



Margaret Watson,
CEO of Steve Brown
Apartments



A house on West Gilman Street in Madison where LGBT legislators and activists lived and gathered in the 1980s is being considered for historic designation.

Since 1989, Steve Brown Apartments has owned the house and considered building apartments there. But shortly after its plans were announced, a local historian filed an application for historic designation in late 2017.

The company proposed what it thought was a sustainable solution — offering to donate the house to the City of Madison and pay to move it to a plot just one block away in the same historic district.

“Our understanding of historic preservation is a little bit more in-depth,” says Margaret Watson, CEO of Steve Brown Apartments. “But we also respect Clarenbach and support his work, which is why we’re willing to donate the house and move it at our own expense within the historic district.”

However, Watson says, her company has not heard back from the Landmarks Commission in about a year.

“We’ve found that it is becoming more mainstream for people to weaponize the (historic designation) ordinance to obstruct development,” she says. **“How is it that anyone walking down the street can submit an application for your property?”** It’s a bit of an injustice that owners

are not involved more in these decisions.”

Jensen, of the Apartment Association, agrees. “What it really comes down to is that (the preservation advocates) don’t want development on the lot,” she says.

State and national registries

Not all forms of historic preservation come with such strict guidelines. In fact, the state and national registries are both “honorary” programs, meaning that property owners do not need government approval to make changes to the properties.

There are over 90,000 properties on the National Register of Historic Places, which says it is the “official list” of the nation’s historic sites. In Wisconsin, there are about 2,500 historic state and/or national properties. Unless there are tax credits attached to the sites, owners do not need permission to make changes to their properties.

That’s why, as many affected by these decisions have argued, so many *local* historic preservation commissions are used to protect properties through historic designation.

A policy solution?

Jensen and Watson say they’d like to see reintroduced in this legislative session a measure similar to one that was stripped from Allen’s bill in 2015. The provision offered more protection to property owners in the form of an essential veto: If owners oppose the designation or if two-thirds of property owners oppose the designation of a historic district that includes their homes, the designation would not pass.

“People serious about historic preservation need to have everyone at the table for these discussions,” Watson says. “But property owners — those taking on the most risk from these decisions — aren’t part of the conversation on the front end, and that’s a problem.”

“What we really want is owner consent,” Jensen says. “We live in a democracy, so it’s shocking that little commissions of unelected people can make decisions that affect so many people across the state.” ❏

Julie Grace is a policy analyst for the Badger Institute.

Victor Berger: Virulent Bigot

The untold story — finally — of Milwaukee's socialist icon and his appalling views toward blacks, immigrants and women

By *Mark Lisher*

On the day it was announced that Milwaukee would host the Democratic National Convention in July 2020, the executive director of the Wisconsin Republican Party said the decision made perfect sense.

“No city in America has stronger ties to socialism than Milwaukee,” Mark Jefferson said in March. “And with the rise of Bernie Sanders and the embrace of socialism by its newest leaders, the American left has come full circle. It’s only fitting the Democrats would come to Milwaukee.”

Milwaukee historian John Gurda was interviewed by *The Washington Post* to fact-check Jefferson’s assertion. Gurda, as he has done so many times over the past few decades, recounted the story of how socialists cleaned up Milwaukee’s political corruption and built the much-admired parks system and public water system, hence the nickname “Sewer Socialists.”

Grateful Milwaukee voters, Gurda said, elected three socialist mayors over a span of 50 years: Emil Seidel, Daniel Hoan and, finally, Frank Zeidler, who served until 1960. Perhaps more significantly, Milwaukeeans sent the first socialist to Congress: Victor L. Berger.

A few years ago, Berger was named one of the “100 Greatest Americans of the 20th Century” by Peter Dreier, a professor of politics at Occidental College. To plug his book of the same name, subtitled “A Social Justice Hall of Fame,”

Dreier wrote an essay for *The Huffington Post* asking, “Why Has Milwaukee Forgotten Victor Berger?”

Unlike the much-beloved socialist mayors of Milwaukee, Dreier lamented, not a street, a building and certainly no bridge is named after Berger. “Unless we know our history, we will have little understanding of how far we have come, how we got here and how that progress was →





Victor L. Berger, shown here in 1923, was the first socialist elected to Congress.

LIBRARY OF CONGRESS PHOTO



**MIKE
NICHOLS**

The resurrection of socialism

Democrats on the far left embrace redistribution of income and other modern-day socialist ideals

It's hard to know whether socialist icon Victor Berger — were he to wake up today at the spot on Dr. Martin Luther King Jr. Drive where he went down after being nailed by a Milwaukee streetcar in 1929 — would be more aghast or gratified.

A virulent racist, he surely would be aghast at the name of the road, which was known as Third Street when he died and renamed after the civil rights leader in 1984. Like most socialists and many a Progressive, Berger believed in equality only so much as it extended to others who thought and looked like him.

But, then, the onetime newspaper editor and U.S. congressman might find much to revel in today as well, including a renewed interest in socialism — at least the modern version of it.

The “definition of socialism” Berger wrote in 1898, “is the collective ownership of all the means of production and distribution,” and for most of his

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Socialism

In 1902, Berger authored and published an editorial headlined “The Misfortune of the Negroes” on the front page of his newspaper, the *Social Democratic Herald*.



WISCONSIN HISTORICAL SOCIETY PHOTO

Berger (center of photo with hat in the second row from bottom) and his newspaper staff pose for a portrait at *The Milwaukee Leader*, established in 1911. He also published *Wisconsin Vorwaerts*, established in 1892, and the *Social Democratic Herald*, which began printing in Milwaukee in 1901.

made thanks to the moral convictions and political skills of great Americans like Victor Berger,” he wrote.

Perhaps this exploration of the ideas and beliefs of Berger, the founding father of American socialism in the early 20th century, will help the socialists, economic redistributionists and social justice warriors descending on Milwaukee next summer heed Dreier’s call to know their history.

Forgotten or overlooked by Gurda, unmentioned in the biography of him by the Wisconsin Historical Society and unknown to many modern historians is the fact that Berger

was a virulent racist.

Although an immigrant himself, Berger was steadfast in his opposition to immigration. And while the national and local Socialist parties favored it, Berger also railed against women’s suffrage, which he insisted would “delay the triumph of Socialism.”

The peculiar evolutionary socialism subscribed to by Berger and others in the right wing of the Socialist Party at the time, with its hierarchy of races and blacks doomed to extinction, would much later be wrenched into the national socialist philosophy of the Nazi Party.

On the afternoon he stepped into traffic at Third and Clarke streets and was struck by a slow-moving streetcar, according to a *Milwaukee Sentinel* article from July 17, 1929, Berger was nearly a decade removed from national Socialist Party politics. But it is impossible to imagine the recent re-emergence of distinctly American socialism without returning Berger to his rightful place, alongside Eugene V. Debs, as a founder of the movement.

Milwaukee's German migration

Born to a Jewish family in 1860, Berger came to Milwaukee in 1881, three years after his parents, prosperous innkeepers in the Nieder-Rehbach region of what was then the Austrian Empire, immigrated to Bridgeport, Connecticut.

Milwaukee was then known as the German Athens of America, its development spurred by successions of German immigration. At the end of the 19th century, more than 150,000 of the city's 285,000 people were either born in Germany or were children of Germans.

Educated at the universities of Vienna and Budapest, Berger began teaching German in the Milwaukee public

schools. His passion, however, was for the ideas of the German industrial workers who fled the societal strictures of the German unification in 1871 and comprised

Milwaukee's second great German immigration. By 1892, Berger had purchased a German language newspaper, calling it *Wisconsin Vorwaerts* ("Forward"), using it primarily to proselytize for his socialist ideas.

As his foremost biographer, historian Sally Miller, wrote, Berger contributed nothing to the body of socialist theory. He believed in the eventual government takeover of the means of production but refused to be wedded to Marxist doctrine. He thought socialism could be transcendent without a violent revolution.

Berger "argued that it was possible to act on the basis of relevant socialist principles within the American political system," Miller wrote in her long-out-of-print book, "Victor Berger and the Promise of Constructive Socialism."

This eagerness, which was critical to him being elected to Congress five times, formed a schism with a Socialist Party left wing that would have agreed with U.S. Rep. Alexandria Ocasio-Cortez's (D-N.Y.) contention that →

"There can be no doubt that the negroes and mulattoes constitute a lower race."

– Victor Berger

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life at least, he was an ardent believer. Capitalists, in his eyes, were "exploiters" and "tyrannical." Socialism was inevitable.

"Just as feudalism followed the ancient customs of slavery," he wrote, "so will socialism follow capitalism." While he — like other Milwaukee socialists who followed — pushed somewhat incremental reforms, he saw them as "stepping stones." The ultimate aim, he wrote, was "to abolish the capitalist system entirely."

Berger preferred to be called a Social-Democrat because, unlike the revolutionaries, he believed in "the use of the ballot" — at least at first. "We do not deny that after we have convinced the majority of the people, we are going to use force if

the minority should resist," he wrote in an essay titled "Real Social-Democracy" in 1906.

There's much debate over whether the far left of the Democratic Party nowadays is fairly described as socialist. While U.S. Rep. Alexandria Ocasio-Cortez (D-N.Y.) has pronounced capitalism "irredeemable,"

no one has suggested the outright transfer of the means of production to the government. Perhaps in a nod to political expediency, even U.S. Sen. Elizabeth Warren (D-Mass.) has pronounced herself "a capitalist to my bones."

Austrian economist F.A. Hayek, were he still alive, would find that laughable. Hayek began writing "The Road to Serfdom" in the 1930s, and it was published in the mid-1940s.

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Ocasio-Cortez



Warren

the capitalist system within which Berger set out to work was “irredeemable.”

There was a second yawning gulf between the Socialist Party wings of the time — that of the place of African Americans in the movement.

In his 1903 essay, “The Negro in the Class Struggle,” Debs, the leader of the party’s left wing, wrote, “We have nothing special to offer the Negro.” The much-repeated quote is not only truncated but taken out of context.

The full quote ends with “and we cannot make separate appeals to all the races,” and Debs declared, “The Socialist Party is the party of the working class, regardless of color — the whole working class of the whole world.”

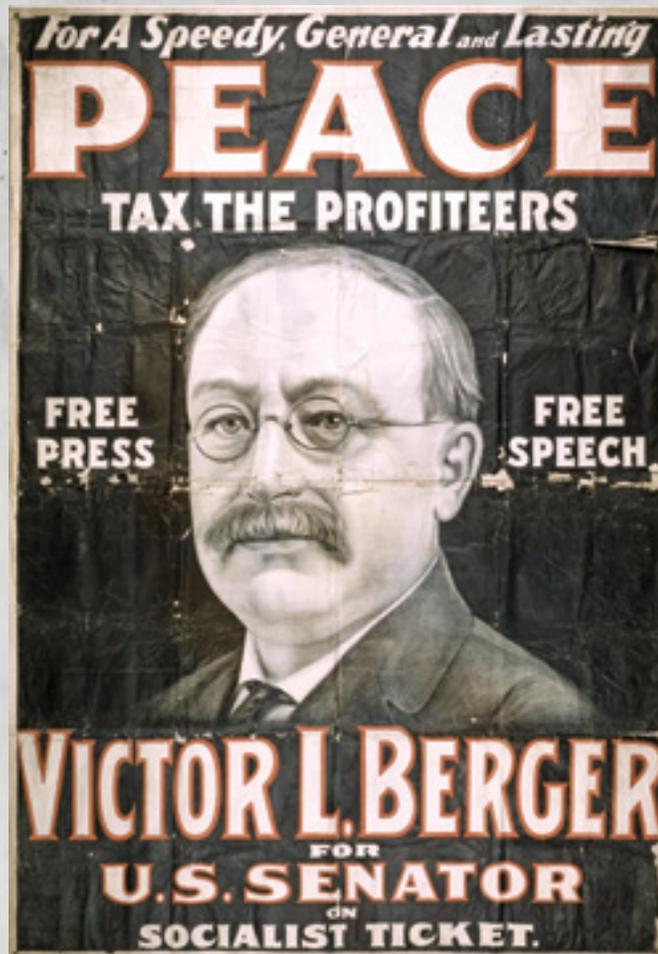
Blacks deemed inferior

Berger offered up a very different idea of what socialism had to offer African Americans in an editorial he wrote and published in May 1902 on the front page of the second newspaper he had acquired, the *Social Democratic Herald*.

The “negro question” will someday give socialists “a good deal of headache,” he wrote, but socialists shouldn’t trouble themselves now with the travail of future generations. Berger was straightforward in his reasoning.

“There can be no doubt that the negroes and mulattoes constitute a lower race — that the Caucasian and indeed even the Mongolian have the start of them in civilization by many thousand years — so that negroes will find it difficult ever to overtake them,” Berger wrote.

“The many cases of rape which occur wherever negroes are settled in large numbers prove, moreover,



WISCONSIN HISTORICAL SOCIETY PHOTO

This campaign poster was for an April 1918 special election to the U.S. Senate, which Berger lost.

that the free contact with the whites has led to the further degeneration of the negroes, as of all other inferior races,” he added.

“In the case of the negro all the savage instincts of his forefathers in Africa come to the surface,” he continued.

Miller, whose views on Berger’s brand of socialism are measured but admiring throughout her biography, referred to him as a “virulent bigot.”

In the July 1971 *Journal of Negro History*, Miller said Berger had made it clear in his writings that he believed African Americans were incapable of being organized and were a societal problem outside the scope of party ideology and politics.

“In almost a pyramidal view he spelled out distinctly superior and inferior racial and ethnic classes. White was at the top of the color pyramid, yellow below and black at the

bottom, and potential for education, unionization and even morality progressively declined,” Miller wrote. **“All contemporary strains leading toward racism coalesced in the European-born Berger.”**

While marginalized by recent histories, these contemporary strains played a significant role in the development of American socialism. Some socialists, including Berger, had by the 1880s found in the evolutionary theories of Charles Darwin and Herbert Spencer a scientific framework for explaining the inevitability of socialism.

Lewis Henry Morgan, an American anthropologist who died in 1881, laid out his theories of racial hierarchy in “Ancient Society,” an 1877 book that influenced the later work of Karl Marx and Friedrich Engels.

Morgan built on the work of naturalist Ernst Haeckel, the great popularizer of Darwin in Germany. Twenty years earlier, in his book, “Natürliche Schöpfungsgeschichte,” or “The Natural History of Creation,” Haeckel posited that there were 10 distinct races. At the top were Caucasians. At the bottom were Negroes, whom he compared in physical makeup to “four-handed apes” and whose relative lack of development eventually would lead to their extinction.

Haeckel was, not unlike many Germans of his genera-

tion, an anti-Semite, which lent a nationalist frisson to his supposed scientific work. As University of Chicago professor Robert Richards has written, Haeckel’s work would survive and decades later provide a scientific underpinning for the theory of racial purity that helped define the national socialism of the Nazis under Adolf Hitler.

However “virulent” Miller found Berger’s bigotry, it’s important to place it in the context of his time and particularly of his place. Although he became internationally known as a socialist leader, Berger’s worldview →

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“At the time I wrote, socialism meant unambiguously the nationalization of the means of production and the central economic planning which this made possible and necessary,” he wrote many years later in the preface to the 1976 edition.

By the 1970s, things had changed.

Socialism, Hayek wrote, came “to mean chiefly the extensive redistribution of incomes through taxation and the institutions of the welfare state. In the latter kind of socialism, the effects I discuss in this book are brought about more slowly, indirectly, and imperfectly. (But) I believe that the ultimate outcome tends to be very much the same.”

By that measure, much of what is advocated on the left today — universal, government-funded health care, the Green New Deal, “free” college, the \$15 minimum wage — is indeed a latter kind of socialism that Hayek feared could slowly destroy the market economy and smother the creative powers of a free civilization.

Socialism, he also might point out, is today marked by more than mere misguided economics. It is eerie how some of the language and strategy of the far left echo the socialist impulses that have historically metamorphosed into totalitarianism: i.e., the rise of group-think so counter to individual freedom, the vicious demands

for intellectual adherence to acceptable opinion that others have likened to “struggle sessions,” the maligning of big business and banking.

Berger perhaps might be gratified by the resurrection of socialist thought were he to reappear — though, like many socialists, his disdain of profit and capital turned out to be pretty theoretical.



Hayek

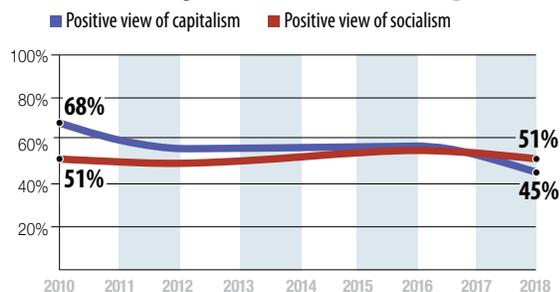
In “The Family Letters of Victor and Meta Berger,” it appears even he occasionally realized the absurdity of his beliefs. Berger, in fact, bought land and acquired stock in several companies.

Toward the end his life, according to the book, Berger came to lament “that I feel like a sinner at times — since I had the natural ability to make money in any business, and thus having had the gift easily to secure a comfortable and care-free old age for my wonderful wife and for myself — and to leave some wealth for my children — that I missed these opportunities by spending my life in a thankless movement.”

Those who want to bestow upon Berger some sort of nostalgic socialist sainthood might be chagrined to find that, in the end, he didn’t even have steadfast convictions — except, it seems, racist ones of the worst kind. ❏

Mike Nichols is president of the Badger Institute and editor of Diggings.

Views about capitalism and socialism Ages 18-29



Source: Gallup

sprang organically from and never really left Milwaukee.

Milwaukee's blacks ignored

At the turn of the century, in a city of 150,000 Germans, there were fewer than 900 African Americans in Milwaukee. In 1915, that number had increased to just 1,500. And even with an influx of workers for wartime industrial jobs, the African American population in 1920 was about 2,200.

Race was neither the defining social issue nor the political force it would become decades later. *Berger and the rest of the Milwaukee socialists could readily afford to ignore African Americans at little cost to their electoral success.*

This casual ignorance is reflected in the substantial collections of documents and personal papers of Berger's at the Wisconsin Historical Society in Madison and the Milwaukee County Historical Society.

The consideration of race is almost entirely absent, for example, in Frederick Olson's nearly 600-page seminal

“He remained indifferent to the plight of the black population.”

— Sally Miller,
Berger biographer

study from 1952, “The Milwaukee Socialists, 1897-1941.” There are no demands for racial justice in the platforms of the turn-of-the-century Social-Democratic Party of Milwaukee, formed in 1897 when Milwaukee Socialists joined with the labor movement.

The overwhelming predominance of Germans and their predisposal to socialist and unionist ideas made the rise of Berger and his party not only possible but inevitable. Membership in the Socialist Party nationally grew from about 16,000 in 1903 to more than 118,000 a decade later. The gains during that time in Milwaukee were much more dramatic.

Milwaukee's Social-Democrats began entering local political races in 1898. While candidates promised voters public utility ownership, parks and infrastructure projects, inevitably, they turned their attention to the major-party corruption at City Hall.

Berger — variously described as egomaniacal and self-effacing, ruthless and generous, loyal and unsparing, “with a deep and naive faith in himself” — orchestrated all of these socialist campaigns, including his own. The

LIBRARY OF CONGRESS PHOTO FROM 1905



LIBRARY OF CONGRESS PHOTO

In 1920, Berger leaves the U.S. Capitol in Washington, D.C., after the House refused to seat him due to a legal battle over his antiwar stance.

father of the socialist movement in Milwaukee would export it to the rest of the nation.

In the spring of 1910, Milwaukee voters elected Emil Seidel, a Berger protégé and the city's first socialist alderman, the first-ever socialist mayor with a commanding plurality. All seven aldermanic candidates and two civil judges on the Socialist Party ticket also were elected.

First socialist congressman

In the fall of 1910, Berger was elected to the U.S. House of Representatives.

The work of the socialists who cleaned up rampant corruption in Milwaukee in the early 1900s was impressive, although their sometimes extreme budget-consciousness would be more recognizable in today's Republicans than Democrats.

Berger's two-year term in Washington, D.C., was another matter.

He was praised for demanding and getting a federal investigation of a crackdown on striking woolen mill workers in Lawrence, Massachusetts. He also was assigned to a committee to oversee affairs in the District of Columbia.

There, he introduced nothing that might have aided the large African American population in D.C., Miller →

Berger's views on...

Race

The many cases of rape which occur wherever negroes are settled in large numbers prove, moreover, that the free contact with the whites has led to the further degeneration of the negroes, as of all other inferior races. ...In the case of the negro all the savage instincts of his forefathers in Africa come to the surface."

— Victor Berger

In almost a pyramidal view he spelled out distinctly superior and inferior racial and ethnic classes. White was at the top of the color pyramid, yellow below and black at the bottom."

— Biographer Sally Miller

Immigration

During the last 20 years, Slavonians, Italians, Greeks, Russians and Armenians have been brought into this country by the million. ...they have crowded out the Americans, Germans, Englishmen and Irishmen from the workshops, factories and mines. ... And in the steel mills of Pittsburg, Chicago and Milwaukee, where 30 years ago the so-called princes of labor used to get from \$10 to \$15 a day, the modern white coolies get \$1.75 for 12 hours a day, seven days in the week."

— Berger, in a 1911 address to Congress

Women's suffrage

Vast numbers of women are still under the domination of reactionary priests and ministers with regard to social and political matters and would vote against Socialism if they had the chance."

— Berger, in a correspondence while in Congress

wrote. “He remained indifferent to the plight of the black population.”

And when given his first opportunity to address the House on June 14, 1911, Berger used the issue of tariffs to launch an attack on the immigration of Armenians, Italians, Russians and Slavs, “modern white coolies” whose presence in America threatened the jobs of the settled working class from the previous German and British immigrant waves (Pages 2025-30 in the Congressional Record).

Against the advice of his fellow socialists that year, Berger warned Congress against women’s voting rights. Women, he said, “are not as favorable to Socialism as men are. Vast numbers of women are still under the domination of reactionary priests and ministers with regard to social and political matters and would vote against Socialism if they had the chance.”

Berger lasted just one term. He had managed to lose touch with his local base of support, at the same time alienating the Socialist Party’s left wing, which disdained his prostituting himself in electoral politics.

Berger’s war opposition

Shorthand histories say World War I killed the Socialist Party in the United States. Party membership, however, had been dropping for three years after hitting its 1912 high and actually ticked up a bit and flattened out as America’s involvement in the war became a fait accompli.

Only in Milwaukee could a socialist — particularly one opposed to the war — get re-elected to Congress.

For the first and last time in his political career, Berger chose to stand outside of the system, arguing that America had little to gain and much to lose by going to war. His position was the opposite of European socialists eager to exploit the chaos and misery of war and an American public

that would come to despise opposition to it.

“Berger’s momentous blunder led to the party’s complete alienation from the American public and to its own political failure,” Miller wrote.

The socialist demise was hurried along by the wartime overreach of the federal Committee on Public Information, which had been created to drum up support and stamp out opposition to entering the war. The Espionage Act of 1917 and the Sedition Act of 1918 followed, giving the government the authority to censor and punish anyone thought to pose a threat to national security.

Socialist editors, including Berger, lost their second-class mailing privileges, crippling their ability to make a living through their publications. Next, he and four others were charged with conspiracy to violate the Espionage Act, were convicted and sentenced to 20 years in the federal penitentiary in Leavenworth, Kansas.

It took until 1921 for the U.S. Supreme Court to overturn the convictions. “Crucifixion had cost him the promise he had seen in the party, the paper and the country,” Miller wrote.

The remaining left-wing members made official their leaving Berger behind by voting at their 1919 convention to leave the party themselves, splitting into two competing communist parties.

Socialist membership in 1920 was less than 27,000, about the same as it was in 1906.

In Milwaukee, Daniel Hoan would continue as an enormously popular mayor for 26 years, the longest tenure in the city’s history until Henry Maier served 28 years from 1960 to 1988. Socialist Frank Zeidler would serve 12 successful years in between.

Those mayors quietly had adopted the same inclusionary positions on civil rights, suffrage and immigration as the



In this undated photo, Berger (far right) meets with Emil Seidel (second from left), Milwaukee’s first socialist mayor, and Progressive reformer Frederic C. Howe (second from right).

WISCONSIN HISTORICAL SOCIETY PHOTO



LIBRARY OF CONGRESS PHOTO

In this 1924 photo, Berger (left) stands with Bertha Hale White, executive secretary of the Socialist Party of America, and Eugene V. Debs, leader of the party's left wing.

ragged remainder of the Socialist left.

Although Milwaukee voters sent Berger back to Washington for four terms between 1918 and 1929, he essentially was done with national Socialist politics. He acknowledged the rise of Wisconsin's Progressives by persuading Socialists at the very least not to oppose Robert M. La Follette's last U.S. Senate campaign in 1922. Berger's hope for a Socialist coalition with the Progressives in Wisconsin never came to pass.

Berger's death at age 69, a couple weeks after his street-car accident, put a coda on his quirky brand of socialism.

In the April 2019 edition of *American History* magazine, noted journalist and historian Richard Brookhiser singles out Berger as the most successful of all of the socialists, reformers and radicals of his time. And like most of the modern accounts, there is no mention of Berger's virulent racism or opposition to new immigration or basic

women's rights.

In his paean to Berger, Dreier mentions that there once was a Victor Berger Elementary School in Milwaukee. It was slated in the fall of 1991 to become one of the first two immersion schools exclusively for Milwaukee's African American children, according to the *Christian Science Monitor*.

A year later, the name of the school, at 3275 N. 3rd St., was changed to Dr. Martin Luther King Jr. Elementary School, as it is to this day.

Whether the name Victor Berger or what he stood for had anything to do with the change has, like many of the essential and disturbing facts of who he really was, been lost to history. ❖

Mark Lisher is a freelance writer in Austin, Texas. He spent 30 years as a reporter for newspapers, including 14 for The Milwaukee Journal and the Milwaukee Journal Sentinel.



Ryan Berg is a Latin America research fellow at the American Enterprise Institute in Washington, D.C. Born and raised in Wisconsin, Berg focuses his research on topics ranging from political philosophy to transnational organized crime in the Western Hemisphere. This essay was adapted from “Can Courage be a Modern Virtue?: Seeking Insight in Tocqueville, Mill and Arendt,” Berg’s 2018 thesis submitted for a Ph.D. in Politics at Oxford University.

Courage as a modern virtue

By Ryan Berg

many authors have lamented a “crisis of civility” and “moral panic” in our political environment. The demotion of civility as a virtue by President Donald Trump has been taken to heart and reciprocated by his political opponents to burnish their credentials as part of “the resistance.”

While both approaches are deplorable, the problem with efforts to tamp down on putative incivility is that its prosecution often transforms into outright persecution. In other words, disagreements over an idea or manner of expression can descend quickly into suppression, and what is essentially a defensive mechanism occasionally can evolve into an offensive weapon.

The consequences are well-known by those observing or frequenting the political arena: the demand for safe spaces, trigger warnings and political correctness that represent ideational closure; the concepts of “implicit bias” and “micro-aggressions,” which advance the idea that small comments during a contentious exchange are

Rather than demand safe spaces and PC, exhibit mental toughness and focus on how to disagree better

so catastrophic to one's being that the offended must withdraw in the name of personal safety; and the "no-platforming" of speakers whose ideas are judged to be dangerous and unworthy of our contemplation before they are even heard.

While some have deemed this crisis to be unprecedented in its scope, we have been here before. After all, the human tendency to retreat into enclaves of like-minded groups and to view the "other" as the enemy, even within environments whose explicit purpose is intense dialogue and philosophical inquiry (e.g., the university), is nothing novel.

What may be novel, however, are the phenomena — mostly social media and the rise of ersatz "digital communities" — exacerbating these trends.

As free societies have seen the foundations for amicable but honest disagreement slip away, the necessity to cultivate a kind of mental toughness seems even more imperative.

Mental toughness would allow us to maintain the space within which we could have productive discussions and conduct the business of politics without devolving into screaming matches and ad hominem attacks.

As the great political philosopher John Stuart Mill says, in order to have productive exchanges, it is important that we recognize the limitations of our individual perspectives and treat others as true interlocutors — perhaps even as our worthy educators.

How might we go about cultivating this kind of mental toughness and epistemic humility?

In a word: courage.

A new kind of courage

The ancient virtue of courage is the one most closely associated with assessing and overcoming threats. Obviously, threats can take many forms, usually corresponding to different types of courage: martial courage to overcome a bodily threat in battle, political courage to overcome the threat to self-interest when seeking the common good (*res publica*) and moral courage to overcome the classic moral predicament, for example.

Yet, what we require is a more run-of-the-mill kind of courage — a type of quotidian courage for the daily grind of political discussions, allowing us to operate and flourish within diverse political communities.

Put a different way, what our society is lacking is not the same virtue that propelled the Greatest Generation to storm the beaches of Normandy, somehow plucked from its ancient birth →



and inserted into the modern context, but an altogether new application of courage.

Modern courage and the mental toughness it gives rise to are the linchpins to remaining in the arena against those we find uncivil — and perhaps even beyond the pale. Courage helps us during unpleasant exchanges and prohibits our retreat from the public square where we practice politics and encounter our fellow citizens in their full diversity.

While at first glance, modern courage might appear to be nothing more than cohabitation with different people, like its ancient predecessor, it actually is quite demanding. After all, it sustains us in open disagreement and even occasional contempt for our opponents, believing that this is a stronger foundation for a free society.

Regrettably, we have entered a time when political opinions, especially, are considered by many to be an important part of their identity that is beyond rational scrutiny.

In Francis Fukuyama's latest book, "Identity," he laments that the universal recognition brought about by the advent of modern democracy has been replaced by narrower and more tribal forms of recognition — nation, ethnicity, gender — that have colonized our politics. Cherished beliefs form such a part of our identities that disproving them can leave us anchorless and filled with angst.

The internet exacerbates our tendency to avoid an exchange aimed at critiquing and to silo in communities of like-minded individuals. In general, the range of ideas to which we are routinely exposed — and our ability to countenance them — is winnowing.

Only in modernity can we understand such phenomena as the Dunning-Kruger Effect, which holds that the less skilled and competent individuals are, the higher their level of confidence that they are good at what they do.

These trends suggest that we are practicing something different from courage in modern politics. But there are many ways the practice of courage can enhance our political experience.

Tolerance and persuasion

Among other things, one of the most important aspects of courage is that it provides us the ability to live with uncertainty — i.e., that reassurance ought to come not from the size of our tribe but in the form of political possibility. In other words, modern courage inclines citizens toward the possibilities of politics and dialogue and away from its

polar opposite: orthodoxies and dogmas. Modern courage combats the desire for ontological security at all costs and impels us to trust our fellow citizens to use their liberty responsibly, rather than licensing it only on certain conditions.

The practice of courage, then, ensures that we exhibit some measure of tolerance toward the ideas of others, sympathize with life projects and commitments not our own and internalize value conflict and value pluralism. Courage helps us remain comfortable in the value of our life projects and withstand the criticism of them by others or, conversely, to admit that our beliefs and projects are not as persuasive as others' are upon greater reflection and consideration.

Demonstrating tolerance in a consistent manner is far more demanding than repression. In the words of Spanish philosopher José Ortega y Gasset in "The Revolt of the Masses," tolerance is the "determination to live with an enemy, and even more, with a weak enemy."

While the tactics of some groups indicate that we have forgotten the lesson, real change in a free society ought to come from persuasion and robust speech practices, not violence or the abrogation of civil norms.

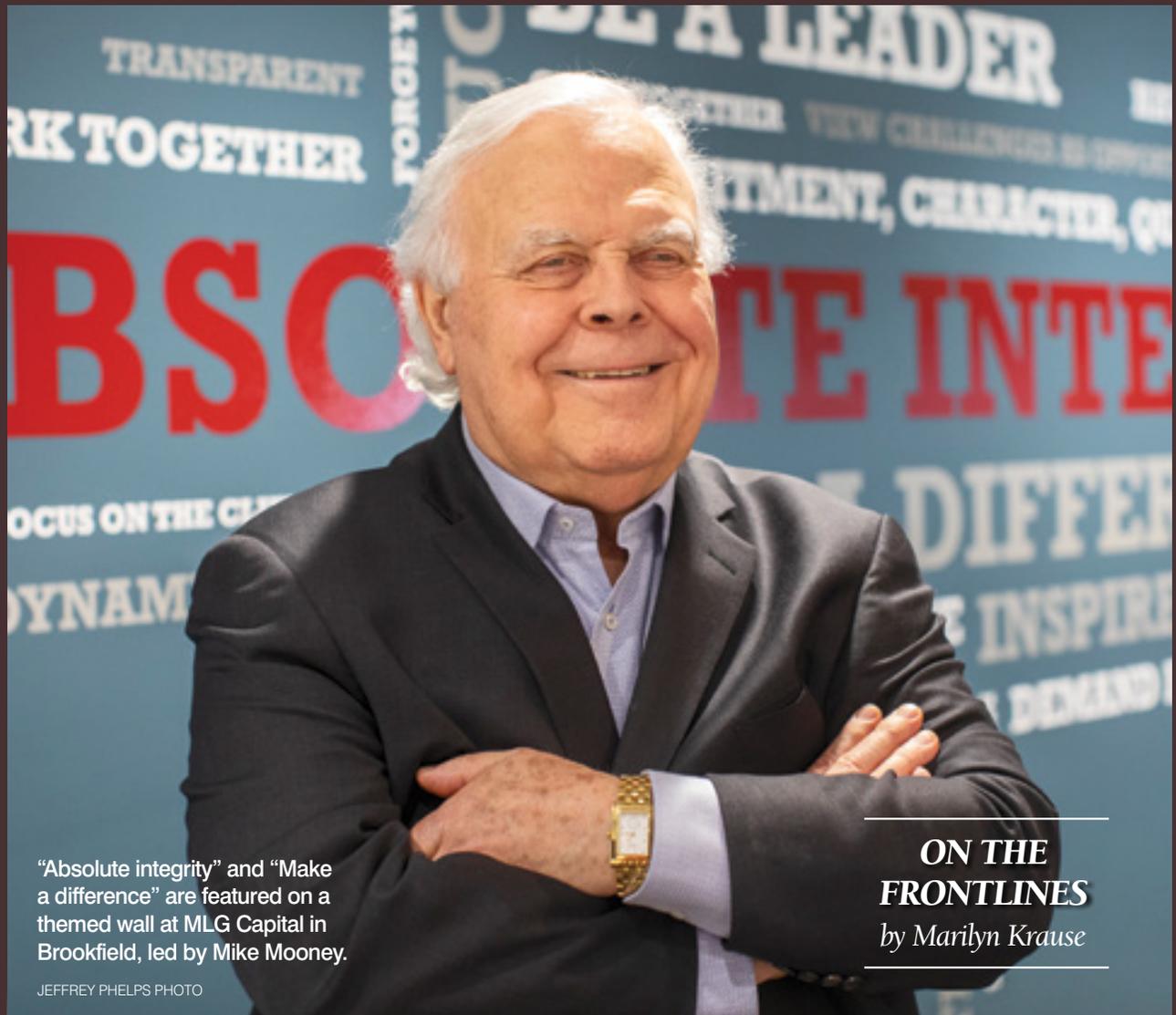
To be sure, persuasion seems out of reach in many political exchanges. While it is possible that we have lost the ability to persuade, it appears more likely that persuasion is not the objective of many political discussions at all. Rather, political exchange has become a vehicle to signal one's moral purity and for emotional venting.

We recognize this as the familiar speech patterns of those who participate in the moral outrage machine. But we cannot expect progress in the way John Stuart Mill meant it — the betterment of our moral condition, as opposed to cosmetic societal changes — if we are unwilling to speak to one another and participate in a vigorous exchange of ideas.

The modern need for courage, therefore, does not require the reinvigoration of ancient heroism and resignation to all of its attendant ills. Instead, modern forms of courage find their greatest relevance not in physical conflict on the battlefield but in the context of persuasive and intense speech exchanges.

We must thicken our skin in the face of criticisms from our fellow citizens in an era when the tools at our disposal make it all too easy to retreat to our corner of kindred spirits. Rather than finding a way to disagree less, we ought to focus on how to disagree better through the practice of courage. ❏

Demonstrating tolerance in a consistent manner is far more demanding than repression.



“Absolute integrity” and “Make a difference” are featured on a themed wall at MLG Capital in Brookfield, led by Mike Mooney.

JEFFREY PHELPS PHOTO

**ON THE
FRONTLINES**
by Marilyn Krause

On his own terms

Detours, obstacles and deals gone bad didn't deter Mike Mooney, chairman of leading commercial real estate firm MLG Capital

To those who knew him when, J. Michael Mooney's prospects after high school were not exactly promising. He hauled garbage after his college football scholarship evaporated. A walk-on spot the next fall fell through when he got sick before the season began. After stints on a pig farm

In 1949, Mike, 7, and his beloved uncle, Dan O’Connell, display their day’s catch. Mike spent 11 summers up north helping his uncle restore and run a resort.

MOONEY
FAMILY
PHOTOS



and as an ironworker, he attended the University of Wisconsin-Milwaukee but left without a degree.

So how did a guy self-described as “not a great student” go on to lead one of the nation’s top commercial real estate companies?

The answer lies far back into his childhood.

When 7-year-old Mike Mooney was sent to northern Wisconsin one summer as company for a beloved uncle whose young wife had died, he could not have imagined it was the first of 11 summers he would spend helping that uncle restore and run a resort — or that it would be key to identifying his inner strengths and life goals.

But that is exactly what Mooney credits for much of who he is and what he has accomplished.

The Mike Mooney you meet today — self-made co-founder, chairman and principal of MLG Capital — is grounded in those summers. Schooled in people skills by his Uncle Dan, Mooney learned from every setback or triumph and each person he met along the way. He was determined

to succeed on his own terms.

A real estate juggernaut

MLG, a leading commercial real estate investment firm that also comprises management and development, is the successor to multiple companies and partnerships over 33-plus years, including the original Mooney LeSage & Associates Ltd.

“I viewed (real estate) as the last bastion of the free-enterprise system.”

— *Mike Mooney*

Since its founding in 1987, the firm has developed more than 7,000 acres in Wisconsin, divided equally between business parks and residential subdivisions. Its 20 business parks have a tax base of about \$1.5 billion and have generated an estimated 30,000 jobs, while the nearly 50 subdivisions have a tax base

above \$1 billion, according to MLG estimates.

MLG employs more than 300, including 60-plus at its Brookfield headquarters and about 250 in Dallas, and has

investments in Wisconsin and 10 other states.

Mooney, 76, often greets visitors to MLG in the Founder’s Room just off the reception area and millennial-friendly employee lounge — sporting air hockey and ping pong. MLG bought the former Brennan’s Market on bustling Bluemound Road and relocated in July 2018 after an extensive renovation, including a massive bocce court and patio in the former open-air produce section.

The Founder’s Room is a deliberate choice: Its north wall showcases a word cloud that describes the company, highlighted by “absolute integrity” and “make a difference while making a living.”

“This is what we stand for,” Mooney says. “This is our heart and soul.”

But that’s getting ahead of the story.

Rooted in family

Hubert (Red) and Betty Mooney lived near Wright Street in Wauwatosa’s East Town neighborhood, in a series of ever-larger homes as their Irish Catholic family grew. Mike was the oldest among four girls and two boys.

His eyes twinkle as he recalls hanging out with Red, a partner at Russell Real Estate, and Red’s childhood friends, the “Hi-Mount Rover Boys.”



In 1955, the teenage Mooney was honing his people and social skills at the Shorecrest Resort in McNaughton in Oneida County.

Mooney (#49) played middle linebacker, fullback and halfback at Marquette University High School in Milwaukee. He went on to play football at UWM.



Most of Red’s pals were entrepreneurs, too, and they played in baseball and basketball leagues after work. After games, Mike tagged along to neighborhood taverns, where he soaked up every detail as they bantered about work and the corporate world. That left a deep impression.

But an even bigger influence were those 11 summers spent with Betty’s brother, Dan O’Connell, restoring the ramshackle Shorecrest Resort on Muskellunge Lake in tiny McNaughton in Oneida County.

Seven might seem a bit young to start working, but it wasn’t really about the work at first. O’Connell was a newlywed in 1949 when his wife died from complications of polio. Mike was sent up north to keep him company.

It was in McNaughton — after countless conversations under the stars, helping to expand the resort from three rundown cabins without power or plumbing to nine cabins with full amenities, attending to vacationing families and directing children’s activities — that Mooney, at age 17, defined his future.

He realized he was an ideas guy, with people and social skills honed over those summers. At his core, he was an entrepreneur, a leader.

But his path to success resembled a winding country road more than a freeway.

From pig farm to ironwork

Mooney graduated from Marquette University High

School in 1960 with plans to attend St. Ambrose College in Davenport, Iowa, on a football scholarship. However, two weeks before he was to start, the school dropped its football program. So he went back home and worked for the City of Wauwatosa, hauling garbage for a year. “I saw every back yard in Tosa,” he says.

The next fall, Mooney was to be a walk-on for Iowa State but was diagnosed, incorrectly as it turned out, with ulcers. By the time he was cleared medically, it was too late to join the team. He attended classes, worked on a pig farm to make ends meet and then returned home.

Mooney worked as an ironworker before enrolling in 1963 at UWM, where he finally played collegiate football as a walk-on offensive guard and middle linebacker. He immersed himself in campus life — from homecoming king to student government activist, including a hand in changing the school’s mascot from a cardinal to its current panther.

Ultimately, he left UWM in 1965 without graduating. **“I was not a great student,” Mooney admits. “I tell people I majored in extracurriculars.”**

He returned to ironworking, earning more than his college graduate friends. But by 1967, the challenge was gone, and Mooney was ready for what would become his life’s passion: real estate.

“I viewed it as the last bastion of the free-enterprise system,” Mooney says, revealing that his dad had ad-

In 1971, Mooney (second from right) poses at Ireland’s Knappogue Castle. He spent years pursuing a \$30 million development in Ireland that never came to fruition.



vised against a real estate career because the business was too difficult. “I wanted to either succeed or fail and take responsibility for it — own it.”

An Irish detour

For a time, Mooney sold houses for his father but was drawn to the lucrative, less emotional commercial side, where he excelled. Then, in his late 20s, he took a detour.

Always interested in his Irish heritage, Mooney spent three years pursuing a dream on 500 acres he acquired in Ireland, targeted to Irish-Americans. Shannonside Village, a \$30 million development along the Shannon River, was to include vacation homes for 2,500 residents and a Pete Dye golf course.

After years of assembling investors and navigating complicated foreign banking, financing and land use regulations, the deal collapsed in 1972. Mooney

regrouped, took a commercial real estate job with The Boerke Company in Milwaukee and spent 10 years paying off his debt.

By 1980, he had spent years brainstorming the best ways to run a commercial real estate firm, but his ideas often were dismissed. That was enough motivation to form Mooney & Associates.

“My intent was to see if any of those ideas were feasible — or fall on my face,” he says.

While he did well, he soon realized he did not have all the skills necessary to succeed. “I had to humble myself and take in partners.”

That led to perhaps his most crucial business decision: partnering with Phil Martin, Michael Zimmer and Pat LeSage to establish Mooney LeSage and Associates Ltd. in 1987.

During the early years, there were notable deals: the site search for Quad/Graphics' Sussex plant, subdivisions and the first of 20 business parks in southeastern Wisconsin.

Expansion continued over the decades, spreading beyond Wisconsin — thousands of apartment units in Dallas; development and investment companies; condos, office buildings and property management.

Of course, it wasn't all success. An unusual deal in 1989 to become Miller Brewing's distributor in Yugoslavia fell through, as did an ambitious plan to de-

velop Pabst Farms near Oconomowoc. And after the 2008 recession hit, MLG went from 250 employees to about 60. Mooney and other principals sold personal assets and company holdings to sustain the business.

Making a difference

A conservative who supported many initiatives under Gov. Scott Walker's administration, Mooney is uncertain about Wisconsin's economy under Democratic Gov. Tony Evers but is confident in what he terms strong leadership at the Wisconsin Economic Development Corp. Mooney doesn't hesitate to reach out to government officials when he believes industry re-



JEFFREY PHELPS PHOTO

1980
Mooney & Associates established.

1987
Mooney LeSage and Associates Ltd. founded by J. Michael Mooney, Phil Martin, Michael Zimmer and Pat LeSage. Firm grows to 12 staff and associates in its first year; opens Hickory Heights in Sussex, its first residential development.

2019
Today, the firm specializes in small to mid-cap commercial real estate acquisitions; with its investors has acquired \$1.5 billion in commercial properties in 11 states; currently has 300-plus employees, 20 business parks with a tax base of about \$1.5 billion and nearly 50 subdivisions with a tax base over \$1 billion.

1980 1990 2000 2010 2020

1988
Firm joins the New America Network (NAI); acquires its first apartment building investment in Dallas; develops Falls Business Park, its first public/private business park.

1990
NAI MLG Commercial named to the Future 50 list of the fastest-growing private, independent firms in southeastern Wisconsin.

1992-'98
MLG expands operations, adding business parks, residential developments and acquiring apartment buildings in Dallas; rebrands as NAI MLG Commercial and NAI MLG Management.

1999-2005
Milwaukee Business Journal ranks MLG the largest area commercial real estate brokerage; MLG opens offices in Madison and in Tampa, Fla.

2003-'07
Staff grows to about 250; acquires and starts residential development on coastal land in Virginia and expands waterfront development in Florida.

2008
MLG Commercial is sold to a group of the firm's executives. Recession hits, resulting in staff cuts and reductions in holdings.

2009-'11
Multifamily and commercial portfolios grow, and MLG Capital's focus begins shifting from primarily development to investment.

2012-'14
MLG launches two private equity funds, the \$30 million MLG Private Fund I and the \$50 million MLG Private Fund II.

2015-'18
MLG launches, in succession, Fund III of \$150 million and Fund IV of \$200-\$250 million.



JEFFREY PHELPS PHOTO

MLG's headquarters features a massive bocce court.

How others view him

"Mike Mooney is a giant in the industry. He often says, 'If you're not at the table, you're on the menu.'"

— **Andrew Hunt**, director of Marquette University's Center for Real Estate

"He's not afraid to put the time in to do the right thing."

— **Mary Claire Lanser**, former New Berlin mayor who now runs Lanser Public Affairs

"His impact on commercial real estate in Wisconsin is beyond significant."

— **Jim Villa**, CEO of the Wisconsin chapter of NAIOP, a national commercial real estate development association

"To be a successful real estate developer, you must be a real showman and Mike is one of the best."

— **Michael Harrigan**, retired chairman of municipal finance advisors Ehlers & Associates



MLG's millennial-friendly employee lounge offers pool, ping pong, air hockey and pinball.

forms are necessary and when he can have a positive impact.

“It’s all part of making a difference and giving back. Elected officials don’t always have the background. Even people of good faith don’t always understand the view from the trenches. If I helped government get out of the way ... everybody wins,” he says.

Among other roles, he spent 12 years on the Wisconsin Economic Development Association (WEDA) board and is a co-founder of Wisconsin’s chapter of NAIOP, a national commercial real estate development association. The chapter later established the J. Michael Mooney Award to recognize extraordinary leadership in advancing economic development in Wisconsin.

Over 30-plus years, Mooney essentially has never looked back. Referring to projects gone bad or ones he’d like to do over, he says, “I learn from them and move on. If you focus on regrets, you get mired down.”

Mooney’s now the only founder still at MLG, the others having moved on amicably, he says. He now is MLG’s chairman, with CEO Tim Wallen and five other principals running the firm day to day.

MLG’s structure has been refined in recent years, shifting from mostly development to mostly investment today. With about 1,000 institutional and individual investors and currently controlling about \$1.5 billion in assets, MLG’s goal is

to become the nation’s No. 1 private equity commercial real estate firm.

When many would be long-retired, what’s driving Mooney?

He circles back to that Founder’s Room theme. “Success for me is not driven by money ... I keep going back to making a difference, affecting people’s lives,” he says. As part of that mission, he focuses on mentoring, often working with students.

“If I helped government get out of the way... everybody wins.”

— **Mike Mooney**

Despite living with serious health conditions since the mid-1990s — leukemia, atrial fibrillation and sleep apnea — Mooney hasn’t slowed down. He cherishes time with family, including his wife, Marilyn, their children and grandchildren.

To those beloved grandkids, he offers this advice, gleaned from a lifetime of roadblocks and detours along with the triumphs: “They shouldn’t be afraid to fail. There’s more to learn from failure than from success.”

“And definitely have fun along the way.” ❖

Marilyn Krause, principal of Krause Communications, is a former reporter and editor for the Milwaukee Journal Sentinel.



The changing landscape of retail exemplifies free enterprise at work

By Richard Esenberg

Have you noticed that your local store is increasingly likely to be closed? I have felt the decline of bricks-and-mortar retail most acutely in the dearth of bookstores, places where I used to decompress during the lunch hour or to which I was dispatched so my wife could properly shop. But we all see the decline in the mausoleums that used to be known as shopping malls.

“Ghost malls” are now sites for urban spelunking and photo essays. There is even a Facebook group for “dead mall enthusiasts.” Locally, we see malls such as Bayshore Town Centre and the Shops of Grand Avenue desperately try to reinvent themselves time and again, while big retailers such as Ashwaubenon-based Shopko eventually give up and shut down.

Everyone offers their own reasons for the death of a

particular mall (too many teenagers wilding at the Orange Julius) or store (a declining neighborhood or unappealing merchandise). But the most obvious explanation is online shopping.

We no longer need the mall because we carry it in our pocket. We don’t go to the store. It comes to our doorstep.

There is a certain cyclicity here. Sears, Roebuck and Company began as a mail order business. Department stores and malls arose as the country urbanized, and automobiles made us more mobile. What technology created, it also destroys.

So it is with free enterprise. Capitalism has led to remarkable human flourishing but, in the midst of this prosperity, it has increasingly come under attack from both the left and the right. The death of malls and factories and even entire industries may tell us why.

Capitalism inevitably involves creative destruction. This is not a bug; it's a feature. Innovations such as the automobile and airplane displace travel by horse and train (as well as the farriers and blacksmiths and the engineers and porters who served them). This disruption makes us richer, but it comes, as progress inevitably must, with a cost.

What we have seen happen in retail is mirrored throughout the economy.

Technology (and, to a lesser degree, the innovation called globalization) reduces and changes the nature of manufacturing jobs. The digital revolution shuttered paper mills (Wisconsin lost a third of its paper mills in the past two decades). Towns and even regions that were dependent on these changing industries and disappearing jobs may have difficulty adjusting. Some may never adjust.

This is not a new process, but it seems that Republicans have only just discovered it. Fox News host Tucker Carlson rails against a “free-market worship.” F.H. Buckley, in his new book, “The Republican Workers Party,” offers a more sophisticated argument for (sort of) walking back the traditional GOP commitment to markets.

Websites such as American Greatness and journals such as *American Affairs* publish work that calls for an economic nationalism involving greater degrees of government intrusion into markets and more aggressive use of the state to protect the interests of, not to put too fine a point on it, Republican voters.

This isn't all bad, and it isn't entirely wrong.

For the past 40 years, American conservatism has been, essentially, classical liberalism tempered with social conservatism. Contrary to the pessimists on the right who claim that conservatives “never conserve anything” and fail to “win,” the Reaganite turn in the GOP has been phenomenally successful both electorally and with respect to policy.

It revived the Republican Party from the more or less permanent minority status it occupied from the 1930s to the '90s. It won the Cold War and, notwithstanding the myth

of the disappearing middle class, contributed to a broad prosperity. The effect of this conservative “fusionism” on the culture has been less robust but, even there, progress has been made on public attitudes toward abortion and a reinvigoration of marriage among more educated Americans.

But the right has not routed the left, and the markets it has championed are not perfect. The gains of “creation” may outweigh the costs of “destruction,” but the costs are

real. And while communities and workers may adjust over time, we are, as John Maynard Keynes said, “all dead in the long run.”

It is not true that “Conservatism, Inc.” or Republican “elites” have failed to see that markets have costs. But the outpouring of support in the 2016 presidential primaries for Donald Trump who, at the very least, stands in uncomfortable tension with traditional American conservatism, could be a salutary wake-up call. It could serve as a reminder that, while markets work better than anything else, people must be empowered to participate in them.

Nevertheless, it should remain the responsibility of American conservatives to emphasize that our lodestar is liberty and that ***the role of the government is to help its citizens build their lives — not to do the job itself.***

I miss all those bookstores. I have fond memories of Northridge Mall and

the old and more robust Grand Avenue. But there's no going back. We can't return, and we shouldn't want to.

I don't need to detail the errors of socialism here. It is a form of nostalgia for a failed dream. But we have our own “nostalgianomics” on the right.

Excluding foreign products — or, for that matter, foreign workers — will not make America great again. America is great because of its first principles: free markets, free people, free communities.

As circumstances change, we apply those principles in different ways. But we ought never abandon them. ❏

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