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# Cato Policy Report

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## What Does “Liberal” Mean, Anyway?

BY DAVID BOAZ

**T**he United States is a liberal country in a liberal world. What does that mean? Let’s consider a little history.

For thousands of years, most of recorded history, the world was characterized by power, privilege, and oppression. Life for most people was, in the phrase of Thomas Hobbes, poor, nasty, brutish, and short.

And then something changed. In the 17th century, the Scientific Revolution emerged out of a new, more empirical way of doing science. And that led into the Enlightenment beginning late that century. In his book *Enlightenment Now*, Steven Pinker identifies four themes of the Enlightenment: reason, science, humanism, and progress.

Liberalism arose in that environment. People began to question the role of the state and the established church. They argued for liberty for all based on the equal natural rights and dignity of every person. John Locke, often regarded as the father of liberalism, argued in his *Second Treatise of Government* that every person has a property in his own person and in “the work of his hands”; that

government is formed to protect life, liberty, and property and is based on the consent of the governed; and that if government exceeds its proper role, the people are entitled to replace it.

As the economist and intellectual historian Daniel Klein has shown, in the 1770s writers

began using such terms as “liberal policy,” “liberal plan,” “liberal system,” “liberal views,” “liberal ideas,” and “liberal principles.” Adam Smith was another founding figure of liberalism. In his 1776 book *The Wealth of Nations*, he wrote about “allowing every man to pursue

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**DAVID BOAZ** is a distinguished senior fellow of the Cato Institute and the author of *The Libertarian Mind*. This article is based on a speech delivered at the Berkeley Forum at the University of California, Berkeley.

In March, **JOHAN NORBERG** spoke about innovation and openness for a live audience of 2,500 at the Festival de las Ideas in Puebla, Mexico.



BY DAVID BOAZ

“  
The Founders gave us a mission statement for the United States of America, an expression of its soul.  
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EDITORIAL

# The Soul of America

President Biden launched his reelection campaign by declaring, “We’re in a battle for the soul of America. The question we’re facing is whether in the years ahead, we have more freedom or less freedom. More rights or fewer.” Music to libertarian ears. But one might question whether either party today is offering Americans more freedom, or truly understands the soul of America. The Founders gave us a mission statement for the United States of America, an expression of its soul:

We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness. That to secure these rights, Governments are instituted among Men, deriving their just powers from the consent of the governed.

That mission statement created a legacy. The Pulitzer Prize-winning historian Bernard Bailyn elaborated on how early Americans made those ideas real:

Written constitutions; the separation of powers; bills of rights; limitations on executives, on legislatures, and courts; restrictions on the right to coerce and wage war—all express the profound distrust of power that lies at the ideological heart of the American Revolution and that has remained with us as a permanent legacy ever after.

How are our leaders living up to those principles today? The idea of restricting power has too often been replaced by faith that a leader’s every passing thought should be turned into law, by legislation if possible, by executive order or administrative regulation if necessary. Worse, growing tribalism leads to an attitude that the point of gaining office is to use state power to reward “us” and to harm “them.”

President Biden correctly calls his predecessor’s attempt to overturn the election an assault on democracy and the Constitution. Too few Republican officials affirm that Biden won the election and that it was shockingly wrong to try to pressure election officials to “find” more votes. However, the president’s embrace of freedom seems to extend only to a few issues. He would raise taxes on both individuals and corporations, reducing our freedom to spend the money we earn; borrow and borrow

(and borrow)—which crowds out private borrowing—and pile up debt, which is paid eventually with taxes or inflation. Government’s preferences are substituted for our own. Freedom to live as you want matters, too.

The costs of Biden’s regulations so far exceed those of Presidents Donald Trump and Barack Obama combined. Most of them restrict our freedom. Like his predecessor, Biden continues to impose costs on consumers through tariffs and other trade restrictions. His Federal Trade Commission seeks to break up America’s successful companies. Subsidies are handed to favored industries and firms. He would deny families the freedom to choose the best schools for their children.

Meanwhile, the two leading candidates for the Republican presidential nomination pound the table for freedom. Before his election loss, the former president’s great passions were to restrict international trade and immigration, and he threatened to send military troops into U.S. cities over the objections of local governments. Now he’s proposing military strikes in Mexico.

His chief Republican rival proclaims his support for free speech but has launched multiple legal assaults on the Walt Disney Co. after it issued a tepid criticism of a bill regulating what teachers could say about sexual orientation and gender identity. He barred Florida companies, including cruise ships, from setting their own vaccination policies. This is not your father’s idea of free enterprise. And all of this comes at a time when leading conservatives are writing things like “The right must be comfortable wielding the levers of state power,” and “using them to reward friends and punish enemies.”

Republican governors and legislatures are taking books out of schools—ranging from some that are actually problematic to biographies of Rosa Parks—and rushing to legislate restrictions on transgender people and “drag shows” without much careful consideration. It’s reminiscent of those who rushed in the early 2000s to ban same-sex marriage. The current mania is partly in response to similarly rushed federal mandates regarding transgender policy on local governments.

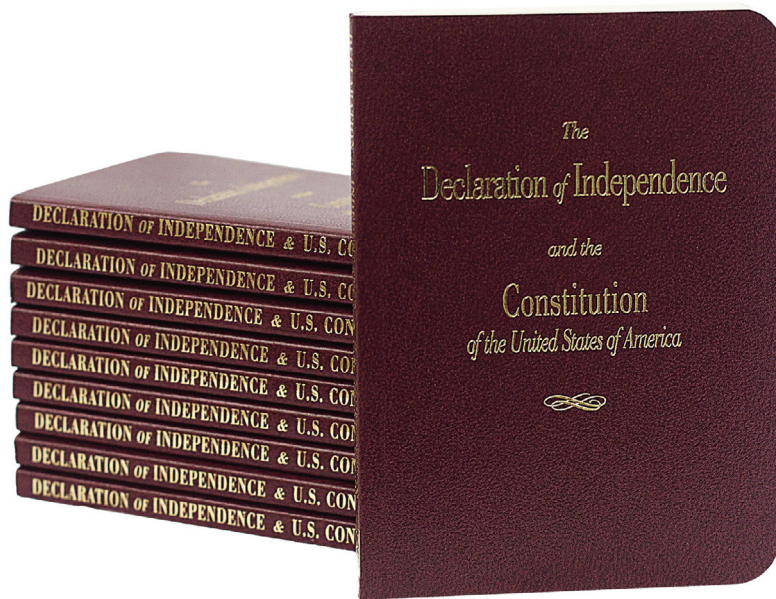
In all this haste to legislate bans, mandates, taxes, regulations, subsidies, boondoggles, and punishments, who’s looking out for the soul of America?

# 25 Years and 8 Million Pocket Constitutions Later

**The project of making Americans aware of our rights and our system of government continues**

*“We are all created equal, as defined by our natural rights; thus, no one has rights superior to those of anyone else. Moreover, we are born with those rights, we do not get them from government—indeed, whatever rights or powers government has come from us, from ‘the Consent of the Governed.’ And our rights to life, liberty, and the pursuit of happiness imply the right to live our lives as we wish—to pursue happiness as we think best, by our own lights—provided only that we respect the equal rights of others to do the same. Drawing by implication upon the common law tradition of liberty, property, and contract—its principles rooted in ‘right reason’—the Founders thus outlined the moral foundations of a free society.”*

— FROM THE POCKET CONSTITUTION PREFACE BY ROGER PILON



**I**n 1998 the Cato Institute first published a pocket-sized edition of the Declaration of Independence and U.S. Constitution “to encourage people everywhere to better understand and appreciate the principles of government that are set forth in America’s founding documents.” Initially they were sent to justices, judges, members of Congress and the executive branch, and select state officials. We had no idea at that time what the demand for such a pocket Constitution would be.

Now, 25 years later, at least 8 million copies have been distributed directly through Cato and through online purchases.

In 2004 we produced a Spanish-English version during Hispanic Heritage

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## Cato News Notes

### NEW DIRECTORS

**M**ax Hyman, who has worked in the Senate for nearly nine years, and Lawrence Montreuil, a former legislative director at the American Legion, are new directors of government affairs.

### NEW ROLES



**B**eginning in April 2023, Scott Lincicome is Cato’s new vice president of general economics, in addition to his role as director of the Herbert A. Stiefel Center for Trade Policy Studies, and Alex Nowrasteh is the vice president of economic and social policy studies.

### SPHERE ON CAMPUS

**C**ato’s Sphere project hosted a two-day event at West Virginia University titled “The Beauty of Experimentation: Society, Civic Culture, and Your Classroom.” Featured speakers included Nadine Strossen and Deirdre McCloskey.

### NEW ORLEANS BOOK FESTIVAL

**W**hen discussing who would participate in the New Orleans Book Festival, cochair Walter Isaacson said on MSNBC’s *Morning Joe*, “In this country we don’t get a good diversity of opinion sometimes; I think the Cato Institute has been helping us to get a more libertarian view so that students at Tulane [where the festival is being held] and the New Orleans community can, in a civil way, listen to all sides of discussions.”



Cato's **ADAM MICHEL**, director of tax policy studies, **ROMINA BOCCIA**, director of budget and entitlement policy, and **CHRIS EDWARDS**, Kilts Family Chair in Fiscal Studies, held a Hill Briefing on the state of U.S. fiscal policy and the outlook for spending, taxing, and debt growth.



Iowa governor **KIM REYNOLDS** (R-IA), who received the highest ranking in Cato's 2022 *Fiscal Policy Report Card on America's Governors*, joined Cato scholars for a discussion about tax reform, balancing a state's budget, and education policy.



South Dakota governor **KRISTI NOEM** (R-SD) joined the panel discussion, *Government and Health Care—A Dangerous Policy Cocktail*, with Cato senior fellow Jeffrey Singer, MD, on what the COVID-19 pandemic taught us about how to deal with a public health emergency and the need for health care regulatory reform.



Representative **JOHN ROSE** (R-TN) gave opening remarks at the *Bank Secrecy Act Reform: Restoring the Fourth Amendment* policy forum. He discussed his bill, the *Bank Privacy Reform Act*.



Twenty years after the United States began the Iraq War to overthrow Saddam Hussein, Cato hosted discussions about the war and the state of affairs today. (1) **SHIBLEY TELHAMI**, Anwar Sadat Professor for Peace and Development at the University of Maryland, (2) **JESSICA MATHEWS**, distinguished fellow at the Carnegie Endowment for International Peace, (3) **DOUG BANDOW**, senior fellow at the Cato Institute, and (4) **JONATHAN LANDAY**, DC national security correspondent at Thomson Reuters, discussed the political climate and context surrounding the run-up to war in 2002–2003.



At the policy forum Exploring the Risks of Central Bank Digital Currencies, Cato’s Center for Monetary and Financial Alternatives welcomed managing partner at Sustany Capital **CHRISTIAN KAMEIR** (left), assistant professor at the University of Pennsylvania **CHRISTINA PARAJON SKINNER** (center), and President and CEO at Bank Policy Institute **GREG BAER** (right) to discuss the threat of central bank digital currencies (CBDC). GOP Majority Whip Rep. **TOM EMMER** (R-MN) (right) gave the opening address as the first member of Congress to introduce legislation prohibiting the Fed from launching a retail CBDC.

Continued from page 1

his own interest his own way, upon the liberal plan of equality, liberty, and justice.” The term “liberalism” came along about a generation later.

The year 1776, of course, also saw the publication of the most eloquent piece of liberal or libertarian writing ever, the American Declaration of Independence, which concisely laid out Locke’s analysis of the purpose and limits of government.

Liberalism was emerging in continental Europe, too, in the writings of Montesquieu and Constant in France, Wilhelm von Humboldt in Germany, and others. In the 1820s the representatives of the middle class in the Spanish Cortes, or parliament, came to be called the *Liberales*. They contended with the *Serviles* (the servile ones), who represented the nobles and the absolute monarchy. The term *Serviles*, for those who advocate state power over individuals, unfortunately didn’t stick. But the word “liberal,” for the defenders of liberty and the rule of law, spread rapidly. The Whig Party in England came to be called the Liberal Party. Today we know the philosophy of John Locke, Adam Smith, the American Founders, and John Stuart Mill as liberalism.

## THE LIBERAL 19TH CENTURY

In both the United States and Europe the century after the American Revolution was marked by the spread of liberalism. The ancient practices of slavery and serfdom were ended. Written constitutions and bills of rights protected liberty and guaranteed the rule of law. Guilds and monopolies were largely eliminated, with all trades thrown open to competition based on merit. Freedom of the press and of religion was greatly expanded, property rights were made more secure, and international trade was freed. After the defeat of Napoleon, Europe enjoyed a century of relative peace.

That liberation of human creativity un-

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Liberals argued  
for liberty for all  
based on the equal  
natural rights and  
dignity of every  
person.  
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leashed astounding scientific and material progress. *The Nation* magazine, which was then a truly liberal journal, looking back in 1900, wrote, “Freed from the vexatious meddling of governments, men devoted themselves to their natural task, the bettering of their condition, with the wonderful results which surround us.” The technological advances of the liberal 19th century are innumerable: the steam engine, the railroad, the telegraph, the telephone, electricity, the internal combustion engine. Thanks to such innovations and an explosion of entrepreneurship, in Europe and America the great masses of people began to be liberated from the back-breaking toil that had been the natural condition of humankind since time immemorial. Infant mortality fell and life expectancy began to rise to unprecedented levels. A person looking back from 1800 would see a world that for most people had changed little in thousands of years; by 1900 the world was unrecognizable.

## THE TURN AWAY FROM LIBERALISM

Toward the end of the 19th century, classical liberalism began to give way to new forms of collectivism and state power. That *Nation* editorial went on to lament that “material comfort has blinded the eyes of the present generation to the cause which made it possible” and that “before [statism] is again repudiated there must be international struggles on a terrific scale.”

From the disastrous World War I on, gov-

ernments grew in size, scope, and power. Exorbitant taxation, militarism, conscription, censorship, nationalization, and central planning signaled that the era of liberalism, which had so recently supplanted the old order, was now itself supplanted by the era of the megastate.

Through the Progressive Era, World War I, the New Deal, and World War II, there was tremendous enthusiasm for bigger government among American intellectuals. Herbert Croly, the first editor of the *New Republic*, wrote in *The Promise of American Life* that that promise would be fulfilled “not by . . . economic freedom, but by a certain measure of discipline; not by the abundant satisfaction of individual desires, but by a large measure of individual subordination and self-denial.”

Around 1900 even the term “liberal” underwent a change. People who supported big government and wanted to limit and control the free market started calling themselves liberals. The economist Joseph Schumpeter noted, “As a supreme, if unintended, compliment, the enemies of private enterprise have thought it wise to appropriate its label.” Scholars began to refer to the philosophy of individual rights, free markets, and limited government—the philosophy of Locke, Smith, and Mill—as classical liberalism. Some liberals, including F. A. Hayek and Milton Friedman, continued to call themselves liberals. But others came up with a new word, libertarian.

In much of the world even today the advocates of liberty are still called liberals. In South Africa the liberals, such as Helen Suzman, rejected the system of racism and economic privilege known as apartheid in favor of human rights, nonracial policies, and free markets. In China, Russia, and Iran, liberals are those who want to replace totalitarianism in all its aspects with the liberal system of free markets, free speech, and constitutional government. Even in Western Europe, the

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Most  
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both the cultural  
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1960s and the eco-  
nomic liberations  
begun in the  
1980s.  
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term liberal still indicates at least a fuzzy version of classical liberalism. German liberals, for instance, usually to be found in the Free Democratic Party, oppose the socialism of the Social Democrats, the corporatism of the Christian Democrats, and the paternalism of both.

For all the growth of government in the past century, liberalism remains the basic operating system of the United States, Europe, and an increasing part of the world. Those countries broadly respect such basic liberal principles as private property, markets, free trade, the rule of law, government by consent of the governed, constitutionalism, free speech, free press, religious freedom, women's rights, gay rights, peace, and a generally free and open society—but not without plenty of arguments, of course, over the scope of government and the rights of individuals, from taxes and the welfare state to drug prohibition and war. But as Brian Doherty wrote in *Radicals for Capitalism*, his history of the libertarian movement, we live in a liberal world that “runs on approximately libertarian principles, with a general belief in property rights and the benefits of liberty.”

#### AMERICA'S LIBERAL HERITAGE

And that is certainly true in the United States. The great American historian Bernard Bailyn wrote:

The major themes of eighteenth-century [English] radical libertarianism [were] brought to realization here. The first is the belief that power is evil, a necessity perhaps but an evil necessity; that it is infinitely corrupting; and that it must be controlled, limited, restricted in every way compatible with a minimum of civil order. Written constitutions; the separation of powers; bills of rights; limitations on executives, on legislatures, and courts; restrictions on the right to coerce and wage war—all express the profound distrust of power that lies at the ideological

heart of the American Revolution and that has remained with us as a permanent legacy ever after.

Through all our many political fights, especially after the abolition of slavery, American debate has taken place within a broad liberal consensus.

Modern American politics can be traced to the era of President Franklin D. Roosevelt, when “liberalism” came to mean activist government, theoretically to help the poor and the middle class—taxes, transfer programs, and regulation—plus a growing concern for civil rights and civil liberties. Race relations, which had taken a turn for the worse in the Progressive Era, with Woodrow Wilson's resegregation of the federal workforce, D. W. Griffith's 1915 film *The Birth of a Nation*, and the rise of the second Ku Klux Klan, began to improve after World War II with the desegregation of the armed forces and federal employment and subsequent moves to undo legal segregation. A new opposition arose, a conservative movement led by William F. Buckley Jr., Sen. Barry Goldwater, and President Ronald Reagan. That conservative movement preached a gospel of free markets, a strong national defense, and “traditional values,” which often meant opposition to civil rights, women's rights, and LGBTQ rights.

And those were the opposing factions in American politics from the 1960s to 2015. But Donald Trump changed that picture. He didn't really campaign on free markets, traditional values, and a strong national defense. He emphasized his opposition to free trade and immigration, was largely indifferent to abortion and gay rights, and engaged in open racial and religious scapegoating. That was a big shift from the Republican party shaped by Ronald Reagan, but Trump remade the GOP in his image.

Now we have Democrats moving left in all the wrong ways—far more spending than even the Obama administration, openly socialist officials, and aggressive efforts to restrict free speech in the name of fighting “hate speech.” Meanwhile, Republicans are moving to the wrong kind of right—a culture war pitting Americans against Americans and a new willingness to use state power to hurt their opponents, including private businesses.

#### THE LIBERAL OR LIBERTARIAN CENTER

Where does that leave libertarians? Well, right where we've always been: advocating the philosophy of freedom—economic freedom, personal freedom, human rights, political freedom. Or as the Cato Institute maxim puts it, individual rights, free markets, limited government, and peace.

But if liberals and Democrats become more hostile to capitalism and abandon free speech, and Republicans double down on aggressive cultural conservatism and protectionism, maybe there's room for a new political grouping, which we might call the liberal or libertarian center.

Pundits talk a lot about “fiscally conservative and socially liberal” swing voters, and a Zogby poll commissioned by Cato once found that 59 percent of Americans agreed that they would describe themselves that way. Most Americans are content with both the cultural

liberations of the 1960s and the economic liberations begun in the 1980s.

That broadly libertarian center is politically homeless today. If we approach politics and policy reasonably, libertarians can provide a nucleus for that broad center of peaceful and productive people in a society of liberty under law.

### THE LIBERTARIAN CHALLENGE

As bleak as things sometimes seem in the United States, there are definitely worse problems in the world. In too much of the world, ideas we thought were dead are back: socialism and protectionism and ethnic nationalism, even “national socialism,” authoritarianism on both the left and the right. We see this in Russia and China, of course, but not only there; also in Turkey, Egypt, Hungary, Venezuela, Mexico, the Philippines, maybe India. A far-right candidate—anti-immigration, anti-globalization, anti-free trade, anti-privatization, anti-pension reform—came too close for comfort to the presidency of France.

As Tom G. Palmer wrote in the November/December 2016 issue of *Cato Policy Report*, we can identify three competing threats to

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liberty: identity politics and the intolerant left; populism and the yearning for strongman rule that invariably accompanies it; and radical political Islamism, which has less political appeal in the West.

People who oppose these ideas need to develop a defense of liberty, equality, and democracy. Libertarians are well suited to do that.

In 1997, Fareed Zakaria wrote:

Consider what classical liberalism stood for in the beginning of the nineteenth century. It was against the power of the church and for the power of the market; against the privileges of kings and aris-

toocracies and for dignity of the middle class; against a society dominated by status and land and in favor of one based on markets and merit; opposed to religion and custom and in favor of science and secularism; for national self-determination and against empires; for freedom of speech and against censorship; for free trade and against mercantilism. Above all, it was for the rights of the individual and against the power of the church and the state.

And, he said, it won a sweeping victory against “an order that had dominated human society for two millennia—that of authority, religion, custom, land, and kings.”

Libertarians are tempted to be too depressed. We read the morning papers, or watch the cable shows, and we think the world is indeed on “the road to serfdom.” But we should reject a counsel of despair. We’ve been fighting ignorance, superstition, privilege, and power for many centuries. We and our classical liberal forebears have won great victories. The fight is not over, but liberalism remains the only workable operating system for a world of peace, growth, and progress. ■

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to your Christmas card  
list, hand it out on  
street corners.

Johan  
Norberg  
*The Capitalist  
Manifesto*  
Why the  
Global  
Free Market  
Will Save  
the World



# The Iraq War at 20 Years—Ending the Legal Authorization for War in Iraq

On March 20, 2003, the United States and an allied coalition launched a bombing campaign against Iraq and began the Iraq War to overthrow Saddam Hussein. A protracted campaign led to U.S. occupation and nation-building long after the fall and capture of Hussein. Twenty years later, the congressional authorization for that attack is still active and has been used by four presidents to engage in warfare without further congressional approval. On March 16, 2023, **Sen. Tim Kaine** (D-VA) visited Cato to discuss the efforts being taken in the Senate to finally repeal that authorization.

On March 29, 2023, the Senate voted 66 to 30 to repeal the 1991 and 2002 authorizations for use of military force.

It's great to be back at Cato, and it is sort of emblematic of how difficult this issue is that I was here eight years ago talking about the same issue: wanting Congress to take its Article I responsibilities over war, peace, and diplomacy more seriously. We are on the verge of doing something that the Senate has not done since 1971: have a vote to repeal a war authorization. The last time the Senate did it was 1971, to repeal the Gulf of Tonkin resolution, and it wasn't a full-fledged debate. The vote was on an amendment to the foreign military sales act that repealed the resolution.

At this 20th anniversary of the Iraq War authorization, the Senate is poised to repeal both the 1991 Gulf War and the 2002 Iraq War authorizations. Let me thank Cato for your support. Cato has offered intellectual support on this effort along the way. Sen. Todd Young (R-IN), my colleague and cosponsor, wished he could be here, but he had to be back in Indiana.

Let me tell you how I got focused on this and why I think it's so important that we undertake this effort, and what the undertak-

ing might mean down the road with respect to more broad questions about war powers. In October of 2002, I was the lieutenant governor of Virginia. I had no idea that I would ever run for, much less be elected to the United States Senate. I had no idea that my then 12-year-old oldest child would end up becoming a Marine infantry officer. But I was listening to the debate about whether we should go to war with Iraq and whether Congress should pass the authorization that month.

I assumed that everyone had a lot more knowledge than I did, so I didn't have a clear sense of what should happen. But something troubled me greatly, and only one senator was bringing it up: Robert Byrd. It troubled me greatly that the debate about the Iraq War was happening right before the midterm election. No one could explain why October mattered at all. The invasion didn't happen until March 19 of the following year. So, what was it about October that meant that this war authorization vote had to take place? It seemed to me that the politics of the midterm election was a dominant, possibly

the dominant, feature in that debate and vote. That worried me greatly.

I became sort of obsessed with the thought that we've got to take questions of war more seriously. I started reading more about it. And when Jim Webb, the Virginia senator, decided not to run for reelection, I got into the 2012 race, won the seat, and asked to be on the Armed Services and Foreign Relations committees so that I could hopefully convince some of my colleagues that Congress needed to take our own powers—war, peace, and diplomacy—more seriously rather than abdicate them to executives.

There is a great history of executives overreaching in this space. There's a wonderful scene in the first act of *Henry V* with a sort of sarcastic discussion about how executives may sometimes go to war to distract people's attention from issues that they don't want the public to pay attention to.

That's sort of what executives do. I blame Congresses of both parties under presidents of both parties for abdicating this responsibility. And it's not only a responsibility with respect to war and peace and diplomacy. President Obama—and I was a strong Obama supporter—was negotiating the JCPOA (Joint Comprehensive Plan of Action) with Iran, which I also supported, but he thought he could do it without Congress. And I wrote a bill with the then senator Bob Corker to force President Obama to bring the deal to Congress because he was using congressional sanctions as the negotiating chip. I said, "If you're going to use our sanctions as your negotiating chip, then you can't do a deal without bringing it back to us."

So, why is it so important, 20 years later,

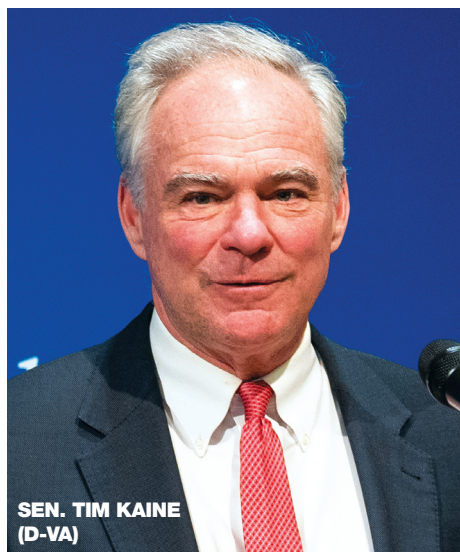
to repeal these two authorizations? I think there are four reasons. First, we have to acknowledge the reality that Iraq is not an enemy. They're a strategic partner. We have two war authorizations against a nation that just last week Secretary of Defense [Lloyd] Austin visited. He held a press conference with Prime Minister Al-Sudani to talk about the need for U.S. and Iraq cooperation to continue to defeat ISIS and other terrorist organizations that jeopardize Iraq and other nearby nations. This trip was also to provide a check against Iranian aggression in the region.

We have about 2,500 troops in Iraq at Iraq's invitation, and Prime Minister Al-Sudani wants us to work together. Iraq has become a force, not of chaos, but a force of regional stability, and they're getting better and better at that. And so we shouldn't have a war authorization against a nation that's now a strategic partner. Iran uses the authorizations to tell Iraq, "They're not really your friends. They're pretending to be your friends. But if they were your friends, they wouldn't have war authorizations against you." The Iraqi prime minister, the Iraqi foreign minister, the Iraqi ambassador to the United States have all said that the repeal of these outdated authorizations would be a positive message about a U.S. and Iraqi partnership. So that's the first reason. Let's just recognize the reality that Iraq is no longer an enemy but is now a partner.

Second, we expect so much of our troops. My oldest son was a Marine infantry commander for eight years who had a couple of deployments. We ask them to do hard things, to risk their lives, bear the burdens of war, and they do that. If we're going to ask the troops to bear the burden, then we ought to bear our responsibility to not allow wars without votes of Congress, to not hide because war votes are tough, to exercise oversight during wars, to ask tough questions, and to declare when wars are over. That is a congressional responsibility. If we're going to ask our troops to shoulder the

more difficult burden, then we shouldn't shirk the easier burden of having a politically difficult debate.

Third, we should repeal the authorizations because an authorization that sits on the books, after its purpose is complete, is an



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opportunity for mischief. We want presidents to come to Congress and ask permission to declare war as the Framers intended in Article I of the Constitution. If there are authorizations on the books that were passed for another purpose but are not repealed, you will find presidents get pretty darn creative. Instead of coming to Congress, they'll say, "Well, look. Congress already gave me authority. Why don't I use it?"

Four presidents—Bush, Obama, Trump, and Biden—have used the 9/11 authorization, which is short, open-ended, with no

clear definition of the enemy, no clear definition of geography, and no time limitation. Four presidents have used that authorization to target terrorist groups, but often terrorist groups that didn't even exist at the time of 9/11, terrorist groups that may have hostile intent toward nations we like but have no hostile intent toward the United States. While the 9/11 authorization has a continued utility, it needs to be revised. Everyone would acknowledge that the 9/11 authorization has been used in places and against organizations that Congress never would have intended in 2001. A zombie authorization on the books that has outlived its life can be an occasion for abuse.

President Trump used the 2002 authorization to warrant striking Qasem Soleimani, the head of the Islamic Revolutionary Guard Corps, while he was in Iraq. Now, nobody was mad that Soleimani, who did so much damage to the United States and others over the years, was found and targeted and removed. But to say that an authorization approving war against Iraq was a legal justification for striking and killing an Iranian military leader because he happened to be in Iraq is completely specious. And yet that's what can happen when authorizations sit on the books past the point at which they were necessary. So that's the third reason: to avoid presidents feeling like they can assert the old authorization as a justification legally without coming to Congress for a real, legal authority for military action with a debate that the American public can see so they understand what's at stake.

Finally, the last reason to do this, I think, is a powerful one. The United States is amazing in so many ways. We're not perfect obviously, but we are an amazing nation in so many ways. Here's something I love about our country: we can turn an enemy into a friend. That's not that easy. There's a phrase in the book of Isaiah, "beat their swords into plowshares, and their spears into pruning hooks." The United States has proven its

ability, as have other nations in communication and in relationship with the United States, to turn an enemy into a friend.

We waged two wars against Germany in the 20th century. They are a close ally now, and they are helping us defend Ukraine against an illegal invasion by Russia. We were at war with Japan. They're a very close ally right now. And Vietnam. We are not allies, as with Germany and Japan, but that relationship has gotten closer and closer. Vietnam now requests port visits by the USS *John McCain* to show that the United States and Vietnam are partners, which has a way of helping them as they check off against the Chinese Communist Party's aggression.

We have adversaries today in the world, and they're watching what we do. And it's not bad for them to see us repeal an authorization and say, "Iraq, you were an enemy, but now Iraq and the United States are strategic partners. There is no permanent

enemy of the United States." It's a magnanimity to take a hostile relationship and look for a way to make it a good relationship.

The House has voted on this already a

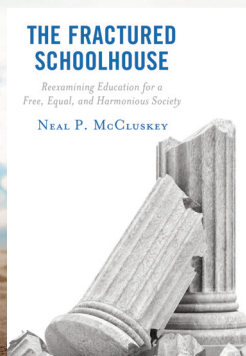
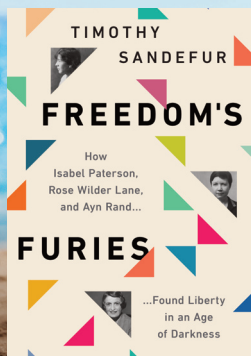
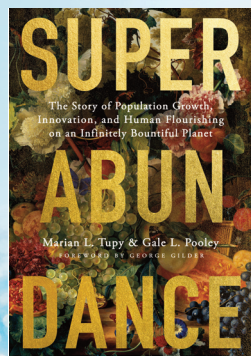
“  
Here's something  
I love about our  
country: we can  
turn an enemy  
into a friend.  
”

couple of times. Every Democrat and up to 40 Republicans have voted to repeal the authorizations—usually as an amendment vote to the House defense bill on the floor of

the House. We would like to get the House to take this up as a standalone bill. We've gotten good House bipartisan support. Barbara Lee and Abigail Spanberger are the two Democratic leads, and Chip Roy and Tom Cole are the Republican leads. Roy and Cole are both very close to Speaker [Kevin] McCarthy. This is a bill that is ultimately about reclaiming Article I powers that have been abdicated to the Article II branch. This would be a good thing for a House Speaker to champion.

President Biden put out a statement saying, "I will support this bill. If it comes to my desk, I'll sign it."

Once we get this bill passed by the House and signed by the president, God willing, Todd and I will take one day off. Then we're going to start working on revising and clarifying the 2001 authorization passed after 9/11, and I bet Cato and Cato's friends will have ideas on that too. We look forward to working together. Thank you. ■



# Build Your Perfect Summer Reading List Today!

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**NADINE STROSSEN**  
 Author "HATE: Why We Should Resist  
 It with Free Speech, Not Censorship"



*Continued from page 3*

Month, and the following year we began printing an Arabic-English version as well. All three versions are still available with hundreds of thousands of copies distributed every year.

Over the years, senators, journalists, and other prominent figures have turned up in news photos with Cato's pocket Constitution in hand. Copies have been distributed to all members of Congress, all state legislators, all federal judges, many student groups, and a group of 2,000 Russian political leaders visiting the United States through the auspices of the Library of Congress.

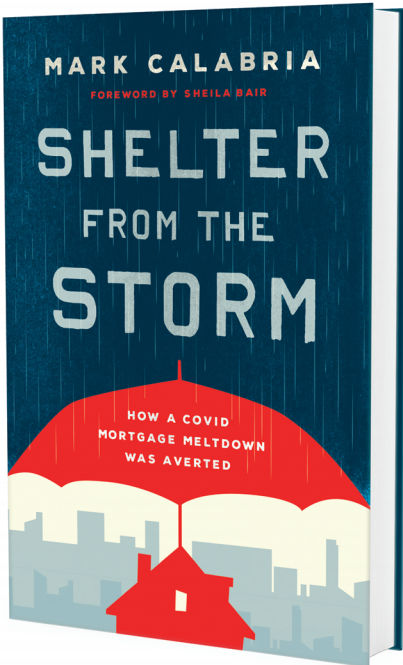
Cato's longtime executive vice president David Boaz says Sen. Robert Byrd (D-WV) frequently waved his Cato Constitution at his fellow senators in urging them to remember their Article I powers and rein in executive abuse of power. Boaz once told the *New York Times* in an email interview: "Unlike most senators, Senator Byrd remembers that the Constitution delegates the power to make law and the power to make war to Congress, not the president. But if he really took the Constitution seriously, he'd realize that the limited powers it gives the federal government wouldn't include many of the New Deal and Great Society programs that have opened up whole new vistas for pork in West Virginia."

An easily accessible version of these founding documents could not be more vital to the project of making more Americans aware of our rights and our system of government. When the Founders met in Philadelphia in 1787 to draft the Constitution, they understood that government is necessary to secure our rights, but also dangerous because unrestrained government could easily trample rights under the guise of securing them. ■

**FIND THE POCKET CONSTITUTION AT [CATO.ORG/BOOKS/CATO-POCKET-CONSTITUTION](https://CATO.ORG/BOOKS/CATO-POCKET-CONSTITUTION).**

# New Books on Financial Crisis— and a Noncrisis

## *Shelter from the Storm: How a COVID Mortgage Meltdown Was Averted*



So many books have been written glorifying the bailouts of the banking industry during the COVID-19 pandemic that it is practically a genre. The government’s “rescue first, ask questions later” approach was resisted by Mark Calabria, who served as director of the Federal Housing Finance Agency at the onset of the pandemic and has since returned to Cato as a senior advisor.

Calabria resisted calls for Wall Street bailouts and instead provided millions of families with direct mortgage and rental assistance at little cost to the public. These decisions saved lives and helped keep financial markets functioning.

In his new book *Shelter from the Storm: How a COVID Mortgage Meltdown Was Averted*, Calabria takes us back to 2020 and details his welcome—and rare—example of a government official guided by libertarian principles and statistical realities, not political convenience or lobbyist pressures. His steady decisionmaking was informed by his observations of the 2008 mortgage crisis.

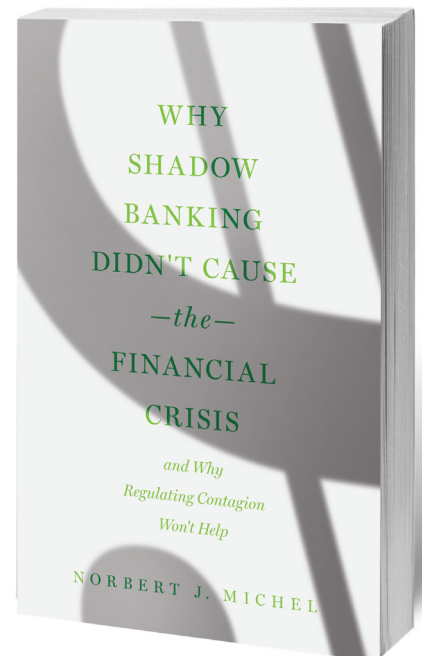
In this book, Calabria offers readers a peek behind the curtain of government decisionmaking in a crisis and shows how the Federal Housing Finance Agency minimized housing disruptions without asking taxpayers to foot the bill or giving into demands for industry bailouts and subsidies. Former vice president Mike Pence noted, “Mark Calabria led the charge to protect taxpayers and reform our housing finance system,” and Sen. Pat Toomey, former ranking member of the Senate Committee on Banking, Housing, and Urban Affairs, praised Calabria’s “fiscally responsible decisionmaking, even as the mortgage industry clamored for

special treatment. Thanks to his leadership, we have a stronger financial system and a firmer commitment to free enterprise than we otherwise would.”

## *Why Shadow Banking Didn't Cause the Financial Crisis and Why Regulating Contagion Won't Help*

Many Americans have bought into the false narrative about the causes of the 2008 financial crisis, which claims so-called “shadow banks”—supposedly unregulated financial firms—caused the housing bubble to burst. Members of Congress and other federal officials credit bailouts and increased regulations for saving the economy in the wake of the crisis, when in fact the riskier financial activities contributing to the meltdown were backed or even pioneered by the federal government. *Why Shadow Banking Didn't Cause the Financial Crisis: And Why Regulating Contagion Won't Help* is a new book from Norbert J. Michel, vice president and director of the Cato Institute’s Center for Monetary and Financial Alternatives. In it he highlights the falsehoods in the government’s narrative on the causes of the 2008 financial crisis.

Today the Biden administration is using this same story to promote more regulations for money market mutual funds (a key part of the supposedly dangerous shadow banking system) and even to justify allowing only federally insured banks to issue stablecoins (a type of cryptocurrency that didn’t exist in 2008). But most of the post-2008 regulatory efforts were concentrated in the traditional banking sector—not the shadow banking sector—which warrants skepticism toward the conventional story of the 2008 crisis and any new regulations based on that story. ■





Few 20th-century figures have had as much impact, and been so criticized, as F. A. Hayek. Cato’s Distinguished Scholar and Isaiah Berlin Chair in Liberal Thought, **DEIRDRE N. McCLOSKEY** (left), and **BRUCE CALDWELL**, general editor of *The Collected Works of F. A. Hayek*, discussed Caldwell’s new book, *Hayek: A Life, 1899–1950*.



The Cato Institute hosted a briefing in March for congressional staff. Policy analyst **NICHOLAS ANTHONY**, Center for Monetary and Financial Alternatives Vice President and Director **NORBERT MICHEL**, Director of Financial Regulation Studies **JENNIFER SCHULP**, and policy analyst **JACK SOLOWEY** discussed financial policy solutions they recommend for Congress.



1



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Overdose prevention centers have prevented deaths and serious illnesses and helped people find treatment in 16 developed countries, including Canada, Mexico, and Australia. Unfortunately, a federal law makes them illegal in the United States. Cato senior fellow **JEFFREY A. SINGER** (1), Insite Overdose Prevention Center manager **DARWIN FISHER** (2), Senior Director of Programs at OnPoint NYC **KAILIN SEE** (3), and R Street research fellow **CHELSEA BOYD** (4) discussed reform at the online event *Overdose Prevention Centers: The Next Logical Step in Harm Reduction*.

**FEBRUARY 10:** State Policy Leadership Forum with Governor Kim Reynolds

**FEBRUARY 13:** Cato Institute Policy Perspectives 2023

**FEBRUARY 16:** Government and Health Care—A Dangerous Policy Cocktail with Governor Kristi Noem

**FEBRUARY 27:** Bank Secrecy Act Reform: Restoring the Fourth Amendment

**MARCH 2:** *Gonzalez v. Google* at the Supreme Court

**MARCH 3:** *Unreliable Watchdog: The News Media and U.S. Foreign Policy*

**MARCH 9:** Exploring the Risks of Central Bank Digital Currencies

**MARCH 10:** *Overdose Prevention Centers: The Next Logical Step in Harm Reduction*

**MARCH 14:** *Shelter from the Storm*

**MARCH 15:** Do the Latest Policy Proposals Improve Children’s Online Safety?

# Cato Calendar

**SPHERE SUMMIT: FOUNDATION OF CIVIC CULTURE**  
Washington  
Cato Institute  
July 9–13, 2023

**SPHERE SUMMIT: INCORPORATING CIVIC CULTURE INTO ADVANCED STUDIES**  
Washington  
Cato Institute  
July 23–27, 2023

**CATO INSTITUTE RECEPTION 2023**  
Chicago, IL  
Ritz-Carlton Chicago  
October 26, 2023

**Updated information on Cato Institute events can be found at [Cato.org/events](https://Cato.org/events).**

**MARCH 16:** The Iraq War at 20 Years with Senator Tim Kaine

**MARCH 17:** *Hayek: A Life, 1899–1950*

**MARCH 24:** Cato Institute Luncheon 2023

**MARCH 31:** Should Congress End the Tax Exclusion for Employer-Sponsored Health Insurance?

**AUDIO AND VIDEO FOR MOST CATO EVENTS CAN BE FOUND ON THE CATO INSTITUTE WEBSITE AT [CATO.ORG/EVENTS](https://Cato.org/events).**

# And the Loser Is . . .

## Cato's first Protectionist Madness tournament recognizes the worst policies

**E**ach spring, much of the country is glued to their TVs and their brackets as the NCAA college basketball playoff series known as March Madness is underway. Cato decided to get in on the fun with a different kind of madness.

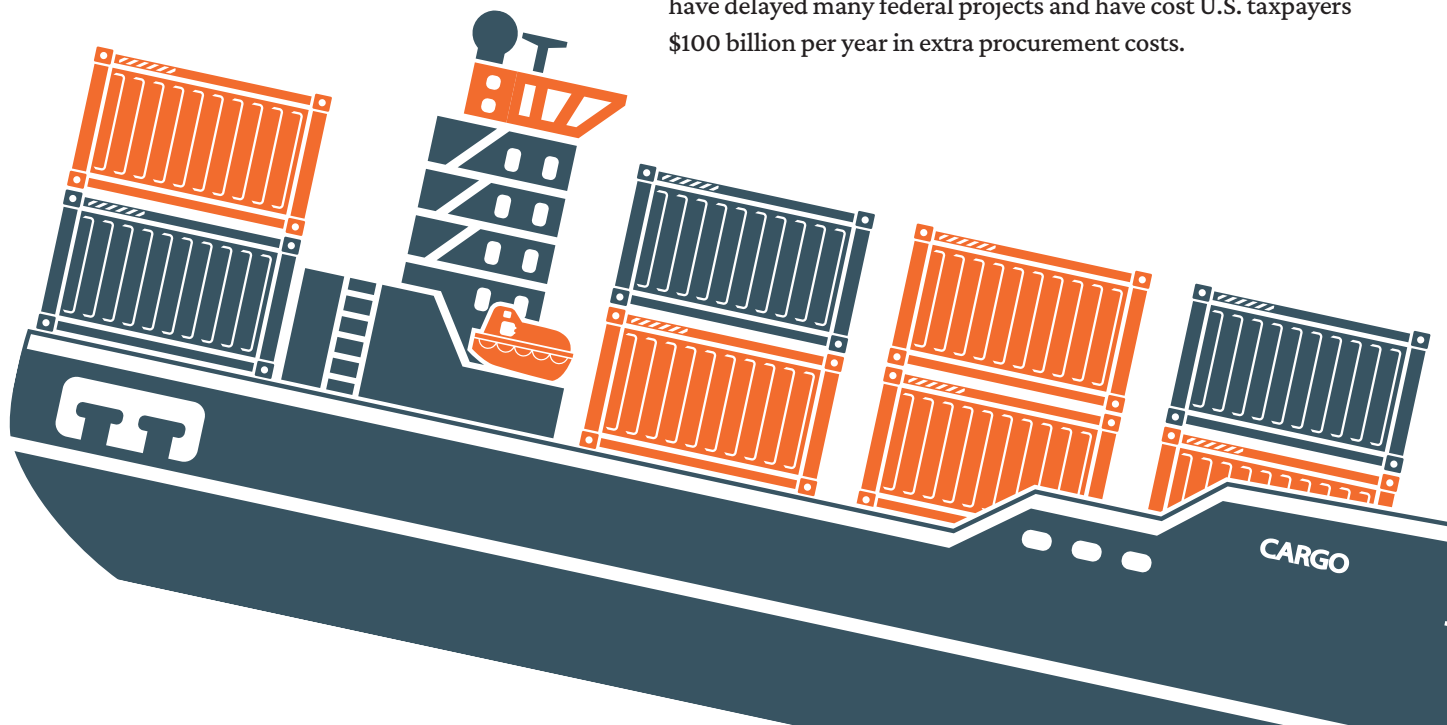
Cato's 2023 Protectionist Madness bracket put 32 harmful U.S. trade policies in a single-elimination tournament to let the public decide which was the worst of the worst. After seven rounds of voting, 31 matchups, and almost 26,000 votes, we've crowned our first ever Protectionist Madness champion:

The Jones Act.

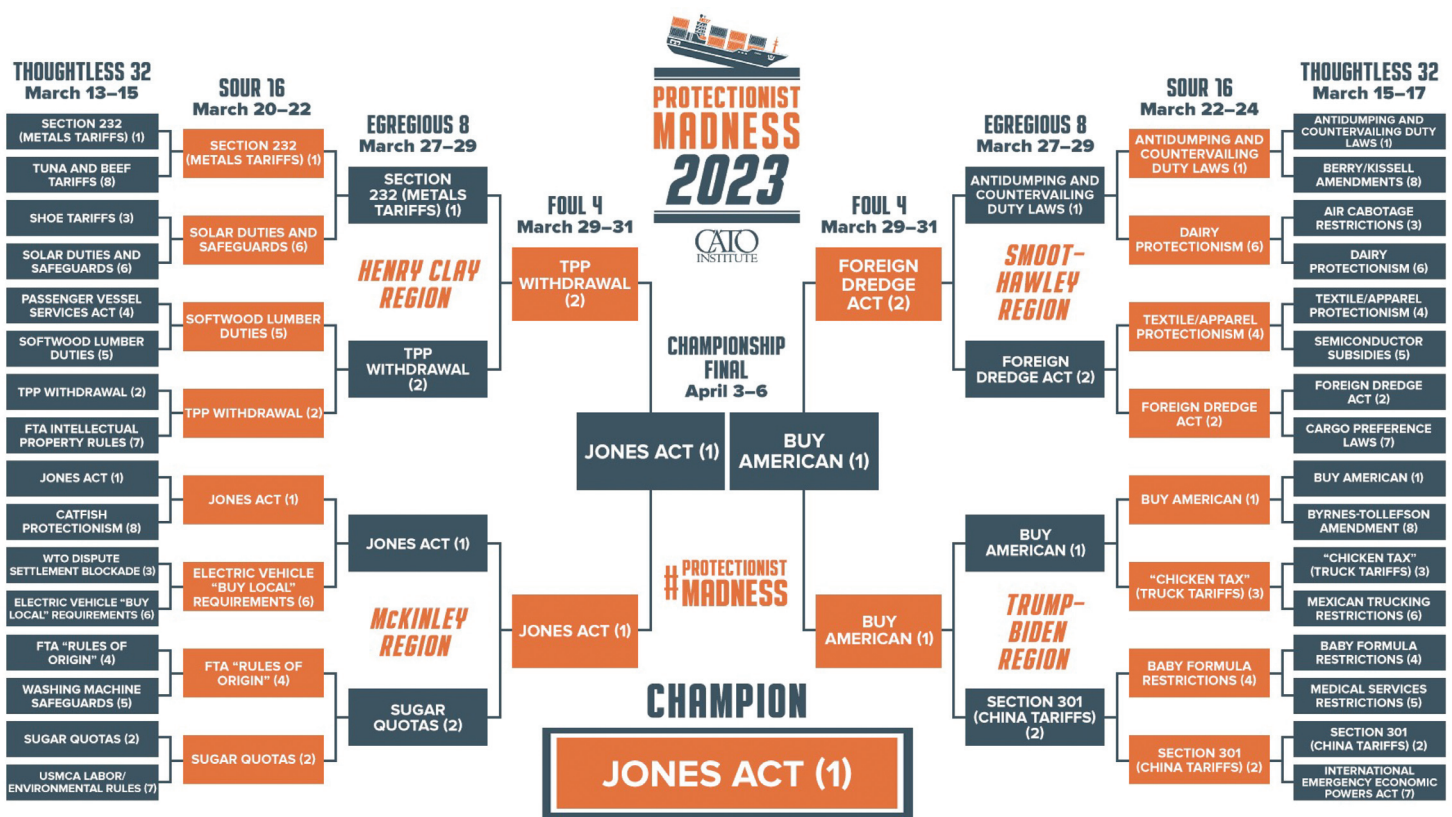
Anyone who has been reading Cato scholarship knows that this distinguished dishonor is more than deserved. This 1920 law restricts the transportation of goods between domestic ports to vessels that are U.S.-built, U.S.-flagged, and mostly U.S.-owned and -crewed. Very few ships fit these criteria (only 90 oceangoing cargo ships comply with the Jones Act), and they are significantly more expensive to build and crew than international ships. The results are high shipping rates within the United States, generation of more traffic and

air pollution, and prevention of effective emergency response. We saw the consequences unfold before our eyes last year as Puerto Rico struggled to recover from Hurricane Fiona. Reports show that repealing the Jones Act could increase U.S. economic output by up to \$135 billion.

Contrary to what some believe, the United States is not a libertarian bastion of free trade. The federal government restricts foreign trade and investment in various ways that harm American workers, farmers, trading partners, and the economy overall—and this has bred extensive political dysfunction. Cato's Protectionist Madness tournament educated participants on many policies that Americans may be aware of and other policies that likely most don't even know exist. The championship matchup pitted the Jones Act against the worthy opponent of Buy American laws, which require federally funded projects to use U.S.-made materials, driving up taxpayer costs, increasing delays, blocking access to the world's most innovative products, and aggravating U.S. trading partners. These laws (which go back to the 1930s) and similar restrictions have delayed many federal projects and have cost U.S. taxpayers \$100 billion per year in extra procurement costs.







We split 32 bad U.S. trade policies across four separate regions, and seeded each region's trade measures from 1 to 8 (the number in parentheses), based on their odds of winning the whole thing.

Plenty of candidates that didn't make the championship match were eminently deserving of criticism. The Trans-Pacific Partnership (TPP) withdrawal went strong for three rounds before succumbing to the Jones Act. The Bush and Obama administrations negotiated the TPP with 11 other nations, including Japan, Vietnam, Malaysia, and New Zealand, to expand trade, boost economic growth, and offset some of China's growing influence in the Asia-Pacific region. The Trump administration's ill-advised 2017 decision to withdraw from the agreement diminished U.S. influence in a critical region while harming American consumers and exporters (who now face higher trade barriers from the TPP parties that subsequently finalized the deal).

According to one recent estimate, TPP would have produced a \$31 billion net gain to the U.S. economy by 2030; withdrawal will instead generate a \$2 billion net loss.

The baby formula crisis captivated Americans for several months in 2022, though the temporary policy changes that provided relief may have left many thinking this problem was solved. Widespread

shortages of baby formula were exacerbated by U.S. policies that make the importation of baby formula both expensive and difficult. The U.S.-Mexico-Canada Agreement signed in 2018 imposes restrictions on Canadian formula exports to the United States. In addition the Food and Drug Administration requires both U.S. and foreign businesses to complete an onerous process to be approved to sell formula in the United States, and the agency maintains a "red list" of products from certain countries that must be automatically seized at the border if imported. These trade barriers blocked imports from safe trading partners such as Germany and New Zealand. Baby formula restrictions may have only made it to the "Sour Sixteen" round; however, as tariffs on formula imports returned in January 2023, the negative effects of these regulations will be with us for the foreseeable future.

Cato's Protectionist Madness tournament was an engaging way to highlight 32 problematic policies, while underscoring just how much protectionism still exists in the supposedly "unfettered" U.S. economy. ■

**FIND THE FULL BRACKET AT [CATO.ORG/2023-PROTECTIONIST-MADNESS](https://CATO.ORG/2023-PROTECTIONIST-MADNESS).**



# More Government, Less Privacy

**T**he **Risks of CBDCs: Why Central Bank Digital Currencies Shouldn't Be Adopted** (study) examines the potential risks associated with central bank digital currencies (CBDCs), which are digital versions of fiat currencies issued and backed by central banks. Norbert Michel, vice president and director of Cato's Center for Monetary and Financial Alternatives, and policy analyst Nicholas Anthony argue that CBDCs pose risks to financial stability, privacy, and individual liberty, particularly if they are designed to replace cash entirely.

## UNCLE SUCKER

Since about 1960, the United States has averaged approximately 36 percent of allied GDP but more than 61 percent of allied defense spending. In **Uncle Sucker: Why U.S. Efforts at Defense Burdensharing**



LOGAN

**Fail** (Policy Analysis no. 940), Cato's director of defense and foreign policy studies, Justin Logan, observes the patterns in America's

unsuccessful attempts to shift more of this burden onto allies. He recommends reducing the U.S. military presence overseas and creating more incentives for allies to contribute to their own defense.

## POVERTY RATES DECLINING

Kevin Corinth, Bruce D. Meyer, and Derek Wu analyzed poverty rates among single-parent families in the United States between 1995 and 2016, using data from the Census Bureau. **The Change in Poverty from 1995 to 2016 among Single-Parent Families** (Research Briefs in Economic Policy no. 318) indicates that after account-

ing for taxes and nonmedical in-kind transfers, poverty rates for single-parent families decreased by 62 percent during this time.

## AN OUNCE OF PREVENTION



SINGER

Overdose prevention centers (OPCs) reduce the transmission of disease, prevent overdose deaths, reduce public injections, and

increase the number of drug users in treatment programs according to senior fellow and surgeon Jeffrey A. Singer. **Overdose Prevention Centers: A Successful Strategy for Preventing Death and Disease** (Briefing Paper no. 149) suggests that OPCs can reduce overdose deaths by providing a safe and supervised environment for drug use, and minimize the spread of infectious diseases. The study also notes that OPCs can help connect drug users with health care and social services, which can lead to improved health outcomes and reduced drug use over time.

## IMMIGRATION AFTER WORLD WAR II

A new focus of research on the effects of immigration is its long-run impact on productivity, wages, and income. Antonio Ciccone and Jan Nimczik contribute to this research by examining the long-run economic effects of the arrival of refugees in what would become West Germany after the end of World War II in 1945. **The Long-Run Effects of Immigration: Evidence across a Barrier to Refugee Settlement** (Research Briefs in Economic Policy no. 319) finds that refugees have a positive effect on the economy and do not have a negative impact on wages or employment for native-born workers.

## POLITICAL BRIBERY

When government favors a set of firms or individuals over others, distortions arise that reverberate throughout entire industries, affecting sales, production, innovation, and more. **The Political Economy of Anti-bribery Enforcement** (Research Briefs in Economic Policy no. 320) by Lauren Cohen and Bo Li examines the political and economic factors that influence the enforcement of anti-bribery laws in the United States and finds that the enforcement of these laws is often influenced by political considerations.

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## AU REVOIR TO AU PAIRS



BROWN CALDER

According to research by Alex Nowrasteh and Vanessa Brown Calder in **The Minimum Wage Undermined the Au Pair Program in Massachusetts** (Working Paper no. 73), a 2019 court-mandated wage increase reduced the number of au pairs and inflicted high costs on families and the au pairs who were not hired. Host families were required to pay a wage 170 percent higher than the state's minimum wage, resulting in 68 percent fewer au pairs arriving in the state in 2022.

## UNINTENDED CONSEQUENCES

**Pretrial Juvenile Detention** (Research Briefs in Economic Policy no. 321) shows that pretrial detention of juveniles can have large, negative consequences later in life. E. Jason Baron, Brian Jacob, and Joseph P. Ryan determine that the large costs of detention due to reductions in high school graduation and increases in adult crime, as well as the monetary costs of detaining youth, suggest the benefits from detention would have to be quite large to justify its use.

## POLICE PROFILING

**High-Frequency Location Data Show That Race Affects the Likelihood of Being Stopped and Fined for Speeding** (Research Briefs in Economic Policy no. 325), by economists from Lyft and several universities, shows that minority drivers are 24–33 percent more likely to receive a speeding ticket when traveling at the same speed at the same time and in the same location as white drivers.

## BETTER “DISEASES OF COMMERCE” THAN SHORT LIFESPANS

Economically free nations experience fewer “diseases of poverty” but more communi-

cable diseases, or “diseases of commerce”—those associated with freedom of movement and longer lifespans. Vincent Geloso, Kelly Hyde, and Ilia Murtazashvili explore the tradeoffs in **Disease Mix and How Economic Freedom Matters for Health Outcomes** (Working Paper no. 74). The authors argue that nations with more property rights lock away some institutional responses to pandemics, but the affluence and public health conditions created by liberal democratic policies are preferable to shorter lifespans and brutish lifestyles.

## IMMIGRATION IS A NET POSITIVE



NOWRASTEH

With some variation and exceptions, the net fiscal impact of immigrants is more positive than it is for native-born Americans and positive overall for the federal, state, and local governments. Cato's vice president for economic and social policy studies Alex Nowrasteh, along with Sarah Eckhardt and Michael Howard, expanded on a groundbreaking 2017 study in their white paper **The Fiscal Impact of Immigration in the United States**. More recent data and two modified methodologies allowed them to more fully account for immigrants' impact on the U.S. balance sheet.

## WEAPON OF CHOICE

Sarah Moshary, Bradley T. Shapiro, and Sara Drango conduct a consumer survey with a series of firearm options and assess their price sensitivities in **Preferences for Firearms and Their Implications for Regulation** (Research Briefs in Economic Policy no. 324). They found that an assault weapons ban would induce many consumers to switch to handguns and would induce only a minimal reduction in the overall number of firearms sold.

## WE'RE WATCHING YOU

**Who Watches the Watchmen? Evidence of the Effect of Body-Worn Cameras on New York City Policing** (Research Briefs in Economic Policy no. 323) contributes to the inconclusive body of work on body-worn cameras (BWCs) by studying the New York Police Department's 2017–2019 rollout into its entire police force, the largest in the country. Mitchell E. Zamoff, Brad N. Greenwood, and Gordon Burtch found that BWCs increased the number of investigative stops conducted by the NYPD, driven mostly by nonviolent stops. Citizen complaints and the number of arrests decreased.

## COMMON OWNERSHIP

**The Economic Effects of the English Parliamentary Enclosures** (Research Briefs in Economic Policy no. 322) contributes to the at least 250-year-long debate on the economic effects of English parliamentary enclosures by showing that parliamentary enclosure had a positive effect on agricultural yields but that it also substantially increased inequality. The findings do not support the notion that communities can innovate systems of governance to efficiently allocate collectively managed resources. ■

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# “To Be Governed...”

## UH-HUH

A group of Stanford University professors is pushing to end a system that allows students to anonymously report classmates for exhibiting discrimination or bias, saying it threatens free speech on campus.

The backlash began last month, when a student reading “Mein Kampf,” the autobiographical manifesto of Nazi Party leader Adolf Hitler, was reported through the school’s “Protected Identity Harm” system. . . .

The system is designed to help students get along with one another, said Dee Mostofi, a Stanford spokeswoman.

— *Wall Street Journal*, February 23, 2023

## CHIPS AND SALSA WOULD HAVE BEEN A BETTER DEAL

By now it’s clear that the Chips and Science Act—which includes a \$52 billion splurge for the semiconductor industry—is unlikely to work as intended. . . .

Significant policy changes would be needed for US-based manufacturers to be even remotely competitive. As things stand, they face three serious impediments—all inflicted by the government.

Chief among them is red tape. . . . the US lacks the needed workforce for this industry, thanks partly to a broken immigration system. . . .

A final concern is politics. Companies hoping for significant Chips Act funding must comply with an array of new government rules and pointed suggestions, meant to advantage labor unions, favored demographics, “empowered community partners” and the like. They should also be prepared to offer “community investment,” employee “wrap-around services,” access to “affordable, accessible, reliable and high-quality child care,” and much else.

— *Bloomberg*, March 28, 2023

## PEOPLE ARE MORE LIKELY TO SEEK EVERYTHING WHEN THEY DON’T HAVE TO PAY FOR IT

It is common sense—buttressed by numerous studies—that people are more likely to seek preventive care when they don’t have to pay out of pocket for it.

— *Ruth Marcus in the Washington Post*, March 31, 2023

## THE MODERATE CANDIDATE

President Biden on Thursday unveiled a 2024 budget proposal that revived his calls for massive new social spending and tax hikes.

— *Washington Post*, March 9, 2023

## SHOCKING: SPECIAL INTERESTS CIRCLING AROUND A NEW POT OF TAXPAYERS’ MONEY

Washington is ready to unleash an unprecedented \$52 billion to support the domestic microchip industry—and a startling array of companies are angling for a payday, some with an unclear connection to microchips.

— *Politico*, March 17, 2023

## SAN FRANCISCO HAS HAD IT WITH CRIME AND DISORDER

[San Francisco] City inspectors recently went after a Little Free Library.

“Remove unpermitted encroachments from public right of way,” ordered a city notice to Susan and Joe Meyers, unless they applied within 30 days for a \$1,402 “Minor Sidewalk Encroachment Permit” to keep the library and a bench they built in front of their Victorian in the Lower Pacific Heights neighborhood.

— *Wall Street Journal*, March 26, 2023

## IF ONLY THERE WERE A SYSTEM FOR MAKING BETTER DECISIONS

The D.C. Housing Authority [DCHA] pays \$2,467 in monthly rent for Simpson to live there, but his apartment at the Havana was never worth that, even when new. One real estate consulting firm recently put the median market rent for one-bedrooms in the area at \$1,613.

DCHA agreed to the amount anyway, because it doesn’t check to ensure rents it pays on behalf of low-income voucher holders are in line with market prices, as required by local and federal regulations. As a result, the agency overpays landlords by millions of dollars every year, a Washington Post investigation found.

— *Washington Post*, February 16, 2023

The intentions of Spanish public railway operator, Renfe, were good: to renovate the 40-year-old railway fleet, increasingly subject to damage, in the regions of Cantabria and Asturias in the country’s north. But the miscalculation that crept into the order details could cost Renfe dearly. The specified dimensions of the trains were too large.

So much larger in fact that if Basque railway manufacturer CAF had simply followed the instructions provided by Renfe in 2020, when it won the tender, the 31 trains it would have delivered would not have been able to fit through the tunnels. While the manufacturer came to the realization relatively early during the design stage, the delivery will still be delayed by two to three years and the project, initially estimated at €258 million, will suffer a massive yet-to-be-determined cost blowout.

— *Le Monde*, February 10, 2023