

How One Man's Passion for French Wine Brought Down Trump's "Emergency" Tariffs

By Paul Best

For nearly four decades, Victor Owen Schwartz has scoured the globe for the most authentic wine, spirits, and sake that he could find to bring back to the United States.

His business model faced an existential threat from President Trump's "Liberation Day" tariffs, but with help from the Cato Institute, he took the administration to court and won.



Victor Owen Schwartz (left) created VOS Selections in 1987 and now runs the business with his daughter, Chloë Schwartz (right). The company, which imports wine, spirits, and sake from around the world, challenged President Trump's tariffs in court. (Photo by Aristide Economopoulos for The Washington Post via Getty Images)

Victor Owen Schwartz didn't set out to take on the White House. He set out to find good wine.

What began as a young man's love of food and travel led him from catering jobs in New York to grape picking in French vineyards in the 1980s. That passion became a career—and eventually, a global enterprise. Today, Schwartz's company, VOS Selections, imports wine, spirits, and sake from 16 countries across 5 continents.

"I'll tell you one thing, very important—there was no plan in the works 39 years ago to sue the president of the United States," Schwartz told *Free Society*. "That was never in my thought process."

But when Donald Trump unveiled a sweeping set of tariffs on what the administration dubbed "Liberation Day," Schwartz found himself staring down the possible collapse of everything he'd built.

Announced on April 2, the new trade policy slapped 10 percent tariffs—and in some cases much higher—on a vast array of imported goods from nearly every country in the world. For importers like Schwartz, it meant instant chaos.

"Ten percent is a massive amount, not to even mention 20 percent or 50 percent. Those numbers—they're not even real," Schwartz said. "They're so impactful, you would just throw in the cleats. So it's

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uncertainty, it’s financial impact, it’s cash flow, strangulation—it’s all of those things.”

As Schwartz scrambled to figure out how to navigate the new tariffs, a family member pointed him in the direction of Ilya Somin, the B. Kenneth Simon Chair in Constitutional Studies at Cato and a law professor at George Mason University.

Somin had put out a call for potential plaintiffs to challenge the tariffs in court, and Schwartz seemed to fit the bill. On April 14, Somin and attorneys from the Liberty Justice Center (LJC) filed the lawsuit with VOS Selections as the lead plaintiff, along with four other small businesses: FishUSA, a fishing tackle and apparel retailer based in Pennsylvania; Genova Pipe, a Utah-based manufacturer in the plumbing industry; MicroKits, a small company in Virginia that designs electronics kits for children; and Terry Precision Cycling, a women’s cycling brand in Vermont.

Over the ensuing weeks, markets gyrated and allies threatened retaliation as Trump administration officials contradicted each other about the rationale behind the tariffs and struggled to justify the nonsensical formula used to set rates.

Then on May 28, Schwartz was preparing to cook dinner when he received an email from LJC about their victory. A three-judge panel on the US Court of International Trade unanimously struck down Trump’s tariffs, writing that the president does not have “unbounded authority” to impose tariffs on every corner of the world.



Trump's tariffs posed an existential threat to VOS Selections, which imports wine, spirits, and sake from 16 countries across five continents. (Photos courtesy of VOS Selections)

Trump claimed authority to implement the tariffs under the International Emergency Economic Powers Act of 1977 (IEEPA), which says that the president can declare a national emergency to “deal with any unusual and extraordinary threat” to the national security or economy of the United States. Trump’s misplaced concern about trade deficits did not qualify as an emergency.

The court also noted that the Constitution clearly gives Congress the “exclusive powers

to ‘lay and collect Taxes, Duties, Imposts and Excises,’ and to ‘regulate Commerce with foreign Nations.’”

For Somin, the ruling was a victory not only for these small businesses and free trade but also for the rule of law and constitutional separation of powers.

“Americans across the political spectrum have an interest in preventing the president from wielding monarchical powers, undermining the Constitution, and starting



Ilya Somin, the B. Kenneth Simon Chair in Constitutional Studies at Cato, worked with attorneys from the Liberty Justice Center to represent VOS Selections and four other businesses.

ruinous trade wars,” Somin wrote in *The Atlantic* after the ruling. “It’s good to see that courts seem to agree.”

A federal appeals court stayed the ruling while the Trump administration appeals it.

While VOS Selections is still a small family-run business, it’s also a grand testament to the way free trade enriches both Americans and the rest of the world. Through just one company, Americans have access to dozens of fine sakes from across Japan; hundreds of wines sourced from the Mediterranean coast to Central Europe; and an assortment of spirits crafted in places as varied as Lebanon and New Zealand. It’s a luxury that would’ve been unimaginable by even the greatest emperors of millennia past.

Of course, many goods and services *can* be produced in many different parts of the world, but specialization and trade, guided by comparative advantage and supported

by middlemen like Schwartz, let businesses and individuals produce what they’re best at, purchase the rest, and be far wealthier than if they’d tried to do it all alone.

“Wine is integrally linked to geography, climate, and culture, and is thus a great example of the gains from trade and the invisible harms of protectionism,” said Scott Lincicome, vice president of general economics and Cato’s Herbert A. Stiefel Center for Trade Policy Studies. “By heavily taxing my favorite Spanish tempranillos, the US government could force me to buy only more expensive California cabernets, but—because the latter is a poor substitute for the former—I’d be worse off, in terms of both money and happiness. Those same principles apply to *everything* we produce and consume—not just fancy booze.”

In addition to the “Liberation Day” tariffs, Trump also tried to impose tariffs on Canada, Mexico, and China through the

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IEEPA, framing these tariffs as an effort to combat fentanyl trafficking. The US Court of International Trade ruled against those tariffs as well in a lawsuit filed by Oregon and 11 other states, writing that they “fail because they do not deal with the threats set forth in those orders.”

National security tariffs on cars, steel, and aluminum are still in effect, and the Trump administration is engaged in an ongoing tit-for-tat with China.

If all of Trump’s tariffs were implemented, the impact would extend far beyond just small businesses like VOS Selections. The Congressional Budget Office estimates that inflation would increase by an annual average of 0.4 percentage points in 2025 and 2026 as businesses raise prices for consumers to account for higher costs. US households would also see an average tax increase of \$1,183 in 2025 and \$1,445 in 2026, according to a Tax Foundation analysis. The

Organisation for Economic Co-operation and Development, or OECD, projected in early June that US economic growth would slow to 1.6 percent this year, down from the group’s 2.2 percent growth forecast in March.

For Schwartz, the across-the-board hit to businesses and consumers is also a worrying departure from what allowed his business to succeed in the first place.

“There’s a reason I started my business in New York, because it’s very open, very diverse. It is, I think, the best wine market in the world,” Schwartz said. “It’s unparalleled, and that is because of free trade—let’s be clear.” ♦

ABOUT THE AUTHOR

Paul Best is a senior writer and managing editor for *Free Society*. Before joining the Cato Institute, he worked as a news reporter and television producer.