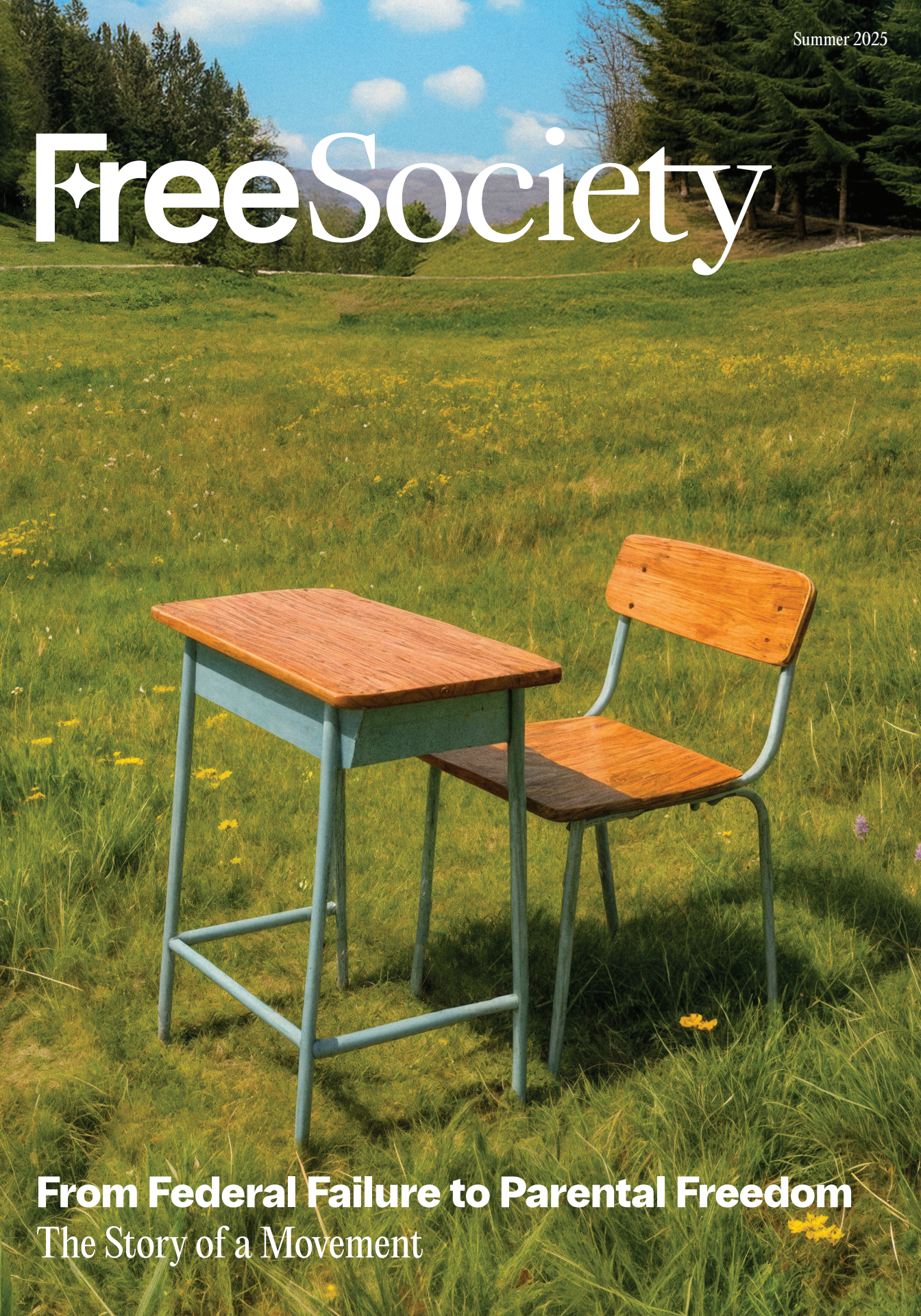
Summer 2025

FreeSociety



From Federal Failure to Parental Freedom

The Story of a Movement

“

No government ought to take away men’s natural rights, the business and design of government itself being to defend them.

”

Cato’s Letter no. 90
1722

John Trenchard
and Thomas Gordon

CATO INSTITUTE

Creating free, open, and civil societies
founded on libertarian principles.

Summer 2025 • **VOLUME 2 —** No. 2

Features

COVER ILLUSTRATION BY PABLO DELCAN

Letter from the President, Peter Goettler

It sometimes seems as if a favorite pastime of the liberty community is debating whether we should be optimistic or pessimistic about the future—especially about the trajectory of liberty in America.

On the night we presented the Milton Friedman Prize for Advancing Liberty to Charles Koch, I was reminded of a conversation I'd had with Charles on this very topic. In 2023, I asked him if we should be optimistic or pessimistic about the future of liberty. I was sure he'd tell me I should be optimistic because liberty, free markets, and free enterprise are the only systems that allow humans to flourish and to create prosperous lives of meaning and purpose. But his answer surprised me.

Charles said, "The thing you've got to be is *dedicated*! I wouldn't worry about optimistic or pessimistic—you need to focus on what *you* can do. Ask yourself, what can I do? What can Cato do that will make the biggest difference in the direction of the country, on the biggest threats and the biggest opportunities?"

He's right. Optimism breeds complacency, and pessimism breeds despair. And each will impede us from accomplishing our mission and goals.

We need to be dedicated—to making the work of liberty the priority in our lives it needs to be. The greatest gift we were all given is a free country where we could make the very most of the opportunities available to us and the opportunities we've created for ourselves. Passing on that same freedom to future generations—so they, too, can create their own opportunities and script and realize their dreams—is the most important responsibility we have. And this is a moral responsibility.

We need to be dedicated—to making the work of liberty the moral struggle it so clearly is. The moral dimensions of our work course through

Cato's Statement of Principles. Yes, we need to debate policy and our point of view on the basis of facts and reason and analysis and outcomes. But if that's the only thing we do—and we don't make the moral case for liberty—we're ceding moral high ground that belongs to those who advocate for freedom.

We need to be dedicated—to the principles in which any moral struggle must be rooted. One of the great legacies those of us at Cato have inherited is the Institute's reputation for principle, and we intend to sustain that reputation. In that same conversation with Charles two years ago, he shared the words of Frederick Douglass: "Stand by those principles. Be true to them on all occasions, in all places, against all foes, *and at whatever cost*."

Standing by our values and principles at all times means we will unite with any official of any party with whom we can advance policy based on these principles. But it also means speaking out against anyone who contravenes these principles.

When presidents use unconstitutional means to cancel student debt or ignite inflation by recklessly spending trillions of dollars, we must speak out and oppose it. And when presidents disappear people without due process or impose extralegal tariffs that threaten prosperity and livelihoods, we must speak out and oppose it.

We're celebrating the 250th anniversary of the American Revolution: a revolution that was largely about executive power. Are we not sick of the image of presidents of both parties sitting at tables and signing executive orders as if they were kings? We need to be dedicated to making this spectacle disappear from America again, just as the Founders once did.

Margaret Thatcher is an inspiring role model for us. An example of the difference one dedicated person can make. Thatcher famously said she couldn't bear the idea of Britain in decline.

Well, I can't bear the idea of my grandchildren's economic future being buried under mountains of debt. I can't bear the idea of government bureaucrats pushing them around in every aspect of their lives. Most of all, I can't bear the idea of passing on to them a country that's any less free than the one my grandparents passed on to me. Above everything else, we have to be dedicated to this commitment: giving future generations a country as free as the one given to us. It's simply the moral responsibility of our lives.

And, yes, we will accomplish this not through endlessly debating whether or not liberty will be advancing, but through the dedicated effort that will make it happen.

Peter Goettler
President and CEO

This letter was adapted from Peter Goettler's speech at the Milton Friedman Prize for Advancing Liberty dinner on May 1, 2025.

Watch a full video of this speech from the Milton Friedman Prize Dinner and read the full transcript at Cato.org/fssummer25letter, or by scanning the QR code here.

Cato in the News

Recent Op-Eds

The Atlantic

What the UK Deal Reveals About Trump's Trade Strategy

—by Scott Lincicome

NEW YORK POST

Your Tax Refund Is a Total Scam—That Blinds Us to Washington's Spending Addiction

—by Adam Michel

THE WALL STREET JOURNAL.

Free Trade Didn't Kill the Middle Class

—by Norbert Michel

MSNBC

The Trump Administration Likely Sent Scores of Legal Immigrants to a Foreign Prison

—by David Bier

Los Angeles Times

How a $200 Check Can Put You on a Government Watch List

—by Nicholas Anthony

TV Highlights

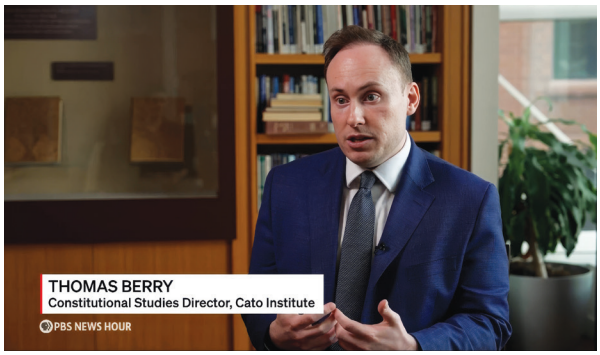
Emily Ekins shares takeaways from the Cato Institute 2025 Fiscal Policy Poll on the Fox News Channel's *Fox Report* with Jon Scott.

Scott Lincicome breaks down US-China trade negotiations on *CBS Evening News Plus*.

David Bier discusses President Trump's first 100 days in office on CNN International's *Amanpour*.

Alex Nowrasteh (right) evaluates the Trump administration's economic policies on Bloomberg TV's *Bloomberg Surveillance*.

Romina Boccia dissects the GOP tax bill on CNBC's *Worldwide Exchange*.



Thomas A. Berry examines the Supreme Court case *Kennedy v. Braidwood* on *PBS NewsHour*.

News Notes

Trump's Tariffs Struck Down in Lawsuit Led by Cato's Ilya Somin

Ilya Somin, the B. Kenneth Simon Chair in Constitutional Studies at Cato, filed a lawsuit in April with the Liberty Justice Center on behalf of five US businesses affected by Trump's tariffs. The US Court of International Trade unanimously ruled in favor of those businesses on May 28, striking down Trump's tariffs in a victory for free trade, the rule of law, and constitutional separation of powers. The Trump administration is appealing the ruling.

Wrongly Convicted Florida Divers Pardoned by Trump after *Free Society* Feature

In the last issue of *Free Society*, Cato's Clark Neily profiled two Florida diving guides who were convicted of theft for freeing sharks from a fishing line they believed to be the work of poachers. Neily, senior vice president for legal studies, and legal fellow Michael Fox filed an amicus brief in support of their appeal, while Fox also testified about the case in Congress. Trump pardoned the two men, Tanner Mansell and John Moore, on May 28. "To Clark Neily and the Cato Institute: Thank you for making sure our story was heard," Mansell wrote on social media. "You may just be the reason this happened."

Vision for Liberty Fundraising Campaign Goes Public

Launched in 2022 with the support of our most dedicated Partners, this bold initiative is accelerating our impact. The Vision for Liberty Campaign enables new initiatives such as Defending Globalization, engages more policymakers with unique opportunities like our Congressional Fellowship Program, and reaches millions through cutting-edge digital content and education programs like the Sphere Education Initiatives. We believe now is the time to act. You can help us cross the finish line: We are less than $40 million away from reaching our goal of $300 million by our 50th anniversary in 2027. Visit cato.org/visionforliberty.

ILLUSTRATION BY PABLO DELCAN

From Federal Failure to Parental Freedom:

The Story of a Movement

By Neal McCluskey

After decades of work, the fight for educational freedom is bearing major fruit. With legislation just passed in Texas, more than half of America's K–12 students have become eligible for at least one school choice program, shifting control over education to families and educators, where it belongs.

Meanwhile, the federal government is in retreat. Frustration with Washington's interference has been growing for decades, and the COVID-19 pandemic dispelled any notion that DC knows best. Now the most concerted effort since its birth in 1980 is underway to dismantle the ineffective, blatantly unconstitutional US Department of Education.

At a small school tucked away in rural West Virginia, students are launching recently hatched ladybugs into the wild, navigating biology lessons through virtual reality, and learning the basics of programming with robotics—all before lunch. There are no bells, no rigid class periods, no dry lectures. Instead, the curriculum is tailored to each child, a seamless blend of nature walks, hands-on science, and intellectual freedom.

This is the Eyes and Brain STEM Center, a private microschool that defies every convention of traditional K–12 education. And it exists because families in West Virginia now have the freedom to choose it.

"Having been a public education teacher, I had to de-school myself," said Eric Eisenbrey, the school's founder, at a Cato Institute event last year. "I had to realize that it doesn't have to be all the subjects broken up and we have to hit on these certain things in a certain amount of time. And really the parents that I have now, the big thing for them is that they're seeing just how happy their students can be in a different environment where they have more freedom, where they have more choice, and where the education is tailored to them."

Many of the families at Eyes and Brain STEM Center are able to send their kids to the school because of West Virginia's education savings account (ESA) program, which gives parents control over the public funding already set aside for their children's schooling.

"It requires a good amount of funding to be able to have a school and be able to offer the materials and the supplies and the experience to students," said Eisenbrey. "But it just so happened that at the point that I was just working on launching my school, the state passed our ESA program, which is called Hope Scholarship. And with that passing in the state, it really gave me the opportunity to say, 'OK, this is something I can do. This is a viable way of parents being able to sign their students up for the school and being able to have enough funding.'"

Eisenbrey's story is no longer an anomaly. Options like Eyes and Brain STEM Center have exploded across the country in recent years thanks to the increased adoption of school choice, including ESAs, vouchers, tax credit scholarships, and other programs in 34 states, Puerto Rico, and Washington, DC.

This is what Cato has long been fighting for: an education system that enables innovative options to be born and taken to scale because funding follows kids to schools their families choose, not only to public schools to which children are assigned based on their home addresses.

In May, the school choice movement scored its latest and arguably greatest victory. Texas Gov. Greg Abbott signed the country's newest universal school choice law, moving the country past the point at which more than half of the school-aged population is eligible to participate in private choice programs.

While choice has expanded, the federal government's interference—basically the

Eyes and Brain STEM Center, which takes a hands-on approach to learning for students of all ages, is possible in part because of West Virginia's education savings account program.

"This is what Cato has long been fighting for: an education system that enables innovative options to be born and taken to scale because funding follows kids to schools their families choose, not only to public schools to which children are assigned based on their home addresses."

opposite of family and educator control—has been in retreat. Fear of misguided edicts from well-meaning bureaucrats preceded the Department of Education's creation in 1979. By 2015, public exasperation had boiled over thanks to the No Child Left Behind Act (NCLB) and Common Core, then reignited during the COVID-19 pandemic.

And in recent months, the Trump administration initiated the most concerted effort yet to dissolve the unconstitutional and ineffective Department of Education. This is the other side of the educational freedom battle: fighting against top-down centralization.

Choice Expands, Government Retreats

Cato has been on offense and defense in education policy from its early days.

In 1981, Cato published an analysis of a proposed scholarship tax credit for District of Columbia families by economic historian E. G. West. West got right to the heart of the matter, writing:

"For the first time in the twentieth century all families would be given the effective freedom to choose schools for their children. This is a privilege that has been enjoyed before only by those families that can afford to 'pay twice' for schooling, once through their conventional tax payments, and once through the direct tuition charge at a private school."

This was Cato on offense—working to expand freedom.

A few years later, in 1985, Cato founding president Edward Crane appeared on the *MacNeil/Lehrer NewsHour*, attacking Washington's two DoEs—the departments of energy and education. Crane explained that not only did the evidence suggest the Department of Education was not moving the academic achievement needle, it was also simply inappropriate. He responded to the oft-floated "in the national interest" justification for federal overreach:

"The national interest . . . does not require a national government to be involved. The national interest is individual people at a local level who are concerned about the education of their children and would like to be able to afford to send them to decent alternative schools, to create some competition for the public schools."

Eric Eisenbrey, founder of the private microschool Eyes and Brain STEM Center in rural West Virginia, spoke about school choice at a Cato Institute event last year.

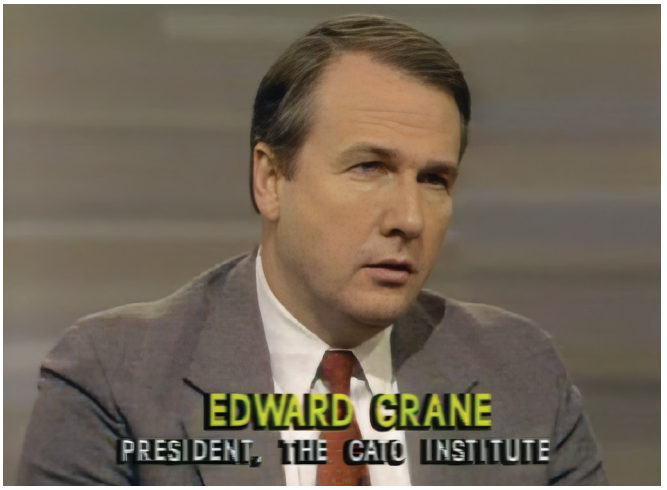
Here, not only did Crane play defense—working to halt centralization with a cabinet-level education department created only six years earlier—but offense as well, explaining that the key to sustainable education improvement was empowering families to make choices for themselves.

The strategy persisted through the 1990s. In 1991, Cato released *Liberating Schools: Education in the Inner City* edited by David Boaz, which addressed the bureaucratic dysfunction of inner-city public education and the need for choice to empower low-income urban families to break out of failure factories. At the defensive end, Cato scholars opposed such federal initiatives as Goals 2000, which morphed from America 2000, that put the federal government closer to directing the nation's education system.

By the 2000s, there had been success on the offensive side of the ball. In 1990, the first modern voucher program was launched in Milwaukee. The next year, Minnesota passed the first charter school law, and in 1997 it passed a K–12 education tax credit. By 2010, the country had 25 school choice programs enabling more than 200,000 kids to get private education. It was a tiny sliver of all K–12 enrollment, but it was much more than we had before 1990.

At the same time, the defense was getting pushed around. The federal government was on a centralization roll. Starting with the 1988 reauthorization of the Elementary and Secondary Education Act, which for the first time required states receiving federal education dollars to show evidence of academic improvement, the trend accelerated. After an unsuccessful attempt to ramp that up in 1994, the 2002 No Child Left Behind Act (NCLB) asserted major federal control. It mandated uniform state academic standards and annual standardized testing and demanded "adequate yearly progress" toward full proficiency in math and reading by 2014.

This massive overreach was utterly unconstitutional. Cato scholars fought



In 1985, Cato founding president Edward Crane appeared on the *MacNeil/Lehrer NewsHour* to make the case against the Department of Education.

hard against the law, from David Boaz's 2001 commentary, "Congress Trashes Local Control of Schools," to the 2007 publication of my book *Feds in the Classroom: How Big Government Corrupts, Cripples, and Compromises American Education* and policy analysis "End It, Don't Mend It: What to Do with No Child Left Behind," which I coauthored with the late Andrew Coulson, who was then the director of the Center for Educational Freedom. Cato scholars also worked with members of Congress to devolve power from the feds to the states—and better still, to taxpayers and families.

But even as we pushed back against NCLB, the federal government pressed forward, blaming state autonomy for NCLB's failure and doubling down.

The undertaking was coincidentally timed for federal leverage. In 2007, the country entered the Great Recession, and both the Bush and Obama administrations supported massive "stimulus" and bailout packages to try to jump-start the economy. A part of the American Recovery and Reinvestment Act passed under Obama went to education, including $4.35 billion to be spent at the discretion of the secretary of education. That became the "Race to the Top" program. States competed for shares of the pot by meeting various department-dictated criteria, including adopting a set of math and language arts standards common to a "majority of the States" and aligned tests. Secretary Arne Duncan knew there was only one set of standards that met that definition: the Common Core State Standards then only under development by the Council of Chief State School Officers and National Governors Association. The department also chose and funded two testing consortia: the Partnership for Assessment of Readiness for College and Careers and the Smarter Balanced Assessment Consortium.

Washington was on the verge of dictating not just the structure of the education system through NCLB but also what was taught in every public school in the country. Cato raised the alarm with my 2010 policy analysis, "Behind the Curtain: Assessing the Case for National Curriculum Standards," but it was not until the standards hit school districts, and parents started loudly demanding to

know where they had come from and why it was suddenly so hard to teach kids math, that a national outcry occurred.

Due to their early work on the topic, Cato scholars were perfectly placed to be part of this discussion, and a University of Pennsylvania study identified me as a "transcender" in the social media debate—one of "41 actors . . . present in both the elite transmitter and transceiver networks, sending the highest number of #commoncore tweets and being retweeted and mentioned in the largest number of tweets."

The federal push became even more forceful when the Obama administration tied not just funding to adoption of the Core and attendant tests but also waivers from NCLB's 2014 proficiency requirement, which was getting very close and no state was going to hit. But the waivers did not just call for Common Core adoption; they also required that teacher evaluations be tied tightly to students' state test results. Suddenly, the once unthinkable happened—teacher unions moved from the centralization to the decentralization side, joining a growing grassroots movement sick of federal micromanagement and reduction of education to fill-in-the-bubble tests. And that led to something in happy contradiction to the Thomas Jefferson quote too often balefully invoked by libertarians: "The natural progress of things is for liberty to yield and government to gain ground."

In 2015, Congress changed the No Child Left Behind Act into the Every Student Succeeds Act, which ended the adequate yearly progress measure that locked all public schools into federal "accountability." It also explicitly forbade Washington from coercing use of the Common Core. It was very much a fruit of Cato's defensive labors, from long opposition to any federal involvement in education, to opposition

"While choice has expanded, the federal government's interference—basically the opposite of family and educator control—has been in retreat."

to NCLB, to Cato's "first-mover advantage" in challenging the national standards insurgence.

The COVID Catalyst

Then came the COVID-19 pandemic, which transformed society and its views on the efficacy of government much more deeply than in education policy alone. Whatever aura of expertise and wisdom the federal government might have had was shattered by its failure to acquire COVID-19 tests, produce consistent—even noncontradictory—guidance on masking, and consider ideas different from its own about how to address the pandemic. A major source of frustration was federal resistance to reopening schools quickly when the data became clear that children were at low risk of getting seriously ill and were struggling academically in duct-tape-and-baling-wire online schooling.

As the child health data became clear, private schools were much quicker to reopen, and Cato scholars, as part of Cato's Pandemics and Policy series, hammered home the limited dangers for children and the need for choice. The latter was an especially important and underdiscussed point as the debate too often devolved into red-blue finger-pointing and one answer for all. The reality was that while in-person education for kids was generally safe, different children, families, communities, and educators faced different levels of medical and educational risk and prioritized health and education needs differently. We clearly needed more choice, just as we always had, because different children learn differently and diverse people have wide-ranging values. That we had hamstrung choice for so long was why far too few people had options, and everyone had to fight to get their preferred policies imposed on everyone else.

The frustration over closures and subsequent policies—social distancing, masking, vaccination requirements—ignited a new parental rights movement. That movement quickly expanded to encompass culture-war battles: library books, bathroom policies, and history curricula. The murder of George Floyd and the resulting nationwide protests accelerated the momentum. School leaders pledged to address "systemic racism," while others pushed back against what they viewed as "ideological indoctrination."

Cato scholars, as they had done for years, emphasized the harmonious influence of choice: Letting people freely choose what they think is right for their children is far more peaceful than forcing them into warring political camps to control government schools, as the suddenly enflamed education system made abundantly clear. Even more fundamental, choice is consistent with a free and equal society, and the force inherent in public schooling—especially when it comes to basic questions of values or personal identity—is not.

Indeed, the desire to escape compelled values may be the biggest driver behind the explosion we have seen in school choice programs since the pandemic. Nationally,

"A major source of frustration was federal resistance to reopening schools quickly when the data became clear that children were at low risk of getting seriously ill and were struggling academically in duct-tape-and-baling-wire online schooling."

there were 65 programs serving less than 600,000 students in 2020. Five years later, there were 81 programs serving 1.2 million students. Most of this growth has occurred in red states, where families have been more likely to feel underserved or alienated by public schools.

Moving Forward

Cato and the educational freedom movement must continue playing both offense and defense.

Defensively, the federal government may be backpedaling, but it is not beaten. Even though the Trump administration halved the Department of Education's workforce, its core functions remain. Congress should take the lead in eliminating the department, which never should have been created in the first place. The Constitution gives the federal government no authority to govern in education, much less establish a cabinet-level department. The Department of Education also makes no practical sense: The country provided mass education long before the department was created, and it is much better that decisionmaking be as close to individual children as possible. That means school choice first, federal control not at all.

Offensively, we must solidify our gains and guard against retrenchment. Cato policy analyst Colleen Hroncich is particularly engaged in this work, having coauthored a guide to build up navigation and support services for families and educators in states with school choice programs, and coordinating with allied groups on efforts to protect from regulation, and even elimination, the gains freedom has made.

We also need to press the case for choice in purple and blue states, explaining that school choice is *for everyone*—a case Cato has made by repeatedly explaining the need for choice for families of *all* worldviews. Educational freedom is not a partisan cause. It is a moral one. And Cato will keep fighting, on both sides of the issue, to ensure that it becomes the American norm. ✦

ABOUT THE AUTHOR

Neal McCluskey is the director of the Cato Institute's Center for Educational Freedom. His most recent book is *The Fractured Schoolhouse: Reexamining Education for a Free, Equal, and Harmonious Society*.

The Once and Future Congress

By John Samples

As executive authority expands to fill the void left by Congress's self-imposed decline, the balance of powers that the Constitution was designed to foster has unraveled.

But a congressional renaissance is possible—if lawmakers are willing to reclaim their proper role in the constitutional order.

ILLUSTRATION BY KEITH NEGLEY

In *Federalist* no. 39, James Madison noted that the new Constitution created a government that was "strictly republican" because "it is evident that no other form would be reconcileable with the genius of the people of America; with the fundamental principles of the revolution," or with the idea of self-government.

At the forefront of this republic is Congress, in which Article I of the Constitution vests all legislative power to tax, to spend, to regulate commerce, to declare war, and to write laws. "In republican government the legislative authority, necessarily, predominates," Madison later wrote in *Federalist* no. 51.

But over the past century, Congress has gradually surrendered many of these powers to the executive branch, eroding the carefully designed separation of powers intended to encourage deliberation and restrain the concentration of power. Successive presidents have sidestepped or steamrolled Congress, with little pushback from the legislative body originally envisioned as the heart of American self-government.

Is the United States still a republic in fact as well as aspiration? Let's first recall what republicanism meant to the Framers of the Constitution.

Original Meaning

Above all for the Framers, a republic was not a monarchy. Legitimate authority came from the people, broadly understood, not from hereditary rulers. Government should be in some way based on the consent of the governed. Delegates of the people created a government by writing a constitution

“This division and balance fostered struggle over gaining and exercising political power, which would of necessity be exercised indirectly and slowly. Passing laws would require broad support among the people.”

that was then ratified by popular vote. Yet the Constitution was not the whole story. The public would also give its consent periodically through elections.

The public would not directly make laws or, for that matter, directly elect their governors. The US Senate was elected by state legislatures for many decades, and to this day, the president is formally chosen by a majority of state electors, not by a majority of voters. The Framers knew that direct action by a majority of voters or by a monarch, even an elected one, had its advantages. However, in the long run, they thought a slower and more indirect expression of the popular will would better serve the people.

Republicanism also meant restraints on political power. The Constitution itself limited elected officials and thereby those who elected them. The rule of law also constrained elected officials and electoral majorities. Neither officials nor majorities could simply do as they wished contrary to prior laws and, of course, the fundamental law of the Constitution. The Constitution divided and balanced political power among the legislative, executive, and judicial branches. And Congress itself was divided between a Senate and a House of Representatives, the latter more directly expressing the will of the people, the former constraining that will. This division and balance fostered struggle over gaining and exercising political power, which would of necessity be exercised indirectly and slowly. Passing laws would require broad support among the people.

Notice also what the Framers thought about the American people. They would be moderate in expectations about government, preferring stability and consent over immediate action by a sovereign. The citizens of a republic would have a certain virtue, the ability to look beyond the moment to a longer future that would be served by the slow and indirect exercise of power.

Congress came first in the Constitution because it was the quintessential republican institution. But where does the legislative branch rank today? Are we still a republic?

Presidents Unbound

We live in a world where presidents (not Congress) matter most to the public and increasingly to governing. Almost everyone knows the name of the president; perhaps half of a state or district knows the name of their senator or representative. The president is the center of public attention. And recent presidents have claimed many powers thought to be legislative.

In the opening months of President Trump's second term, he upended international trade with sweeping tariffs on much of the world, even though Article I of the Constitution grants Congress powers to "regulate Commerce with foreign nations" and "lay and collect Taxes, Duties, Imposts and Excises." After Congress refused to appropriate the full sum for a wall on the US-Mexico border in his first term, Trump declared a national emergency, allowing his administration to divert previous congressional appropriations for military construction projects to pay for the wall. Trump thereby bypassed the congressional appropriations process demanded by the Constitution. Trump frequently appointed "acting" officials, circumventing the Senate confirmation process required by the appointments clause (Article II, Section 2). He also rolled back through executive order certain regulations previously enacted by Congress. But Trump's use of presidential power is not unusual.

Joe Biden used executive orders and regulatory authority to mandate COVID-19 vaccinations or testing for large private employers, federal contractors, and health care workers. His administration announced a plan to cancel much federal student loan debt, citing authority under the Higher Education Relief Opportunities for Students Act of 2003, which allows changing loan programs during national emergencies (in this case, the COVID-19 emergency). The sum at stake was $400 billion, and the Supreme Court stopped the president, for now. Biden also formulated policies regarding climate change and immigration, both purviews of Congress.

Before taking office, Barack Obama worried that the presidency had become too powerful. Once in office, he repeatedly sidestepped Congress to enact his policy agenda. Obama unilaterally granted lawful status and eligibility for federal benefits to half the illegal immigrants in the country. He forced schools across the United States to adopt national curriculum requirements. His administration tried to promulgate new rules vastly increasing the number of workers eligible for overtime pay. It imposed billions of dollars in costs to reduce greenhouse gas emissions, even though Congress did not vote to treat carbon dioxide as a pollutant. Obama also unilaterally amended the Affordable Care Act (ACA) by ignoring statutory deadlines and mandates passed by Congress. President Obama even usurped the "power of the purse," ordering the disbursement of some $7 billion in "cost-sharing" subsidies under ACA that Congress never appropriated.

President George W. Bush made sweeping claims of inherent executive power in foreign affairs. Yet by the end of

his second term, Bush had also radically expanded presidential power on the home front, into areas where no plausible national security claim could be made. For example, in December 2008, Bush unilaterally ordered a multibillion-dollar auto bailout just days after Congress voted the program down.

The desire to expand presidential power is clearly bipartisan. A president offers quick and direct action to implement partisan programs. The executive branch in that sense is more democratic than a republican institution like Congress. Both parties and their voters appreciate such democratic virtues at least when their party has power. Less partisan observers might wonder, however, why the president came to dominate a government designed to be republican.

The Republic's Retreat

In the 1930s, the political responses to an economic crisis and subsequent war transformed the United States and its government, the latter toward what would be called an imperial presidency.

Consider the effects of World War II first. The United States emerged with a victory and enormous self-imposed obligations. War in Europe had taken 60 million lives. The United States was the only nation powerful enough to prevent another war. And that obligation soon became protecting much of Europe from the Soviet Union, a commitment that itself might mean war.

The Constitution gave Congress the power to declare war; unlike a king, the president lacked the power to initiate a war. But Congress moves slowly, and keeping the European peace (and in time, pursuing putative national interests elsewhere) might require quick action, not least after nuclear weapons became the chief deterrent to war. A nation with global power and responsibilities, it was said, needed a commander in chief with nearly unlimited discretion, not a squabbling body of politicians with often parochial views and interests. That presumed discretion also led the nation to fight an undeclared war in Korea that cost 36,000 American lives.

The economic crisis of the 1930s also gave us the New Deal, an American version of "Big Government" and the domestic counterpart to globalism. The New Deal at home promised prosperity through an active government regulating the economy and spending for public purposes. (George Selgin's recent book, *False Dawn: The New Deal and the Promise of Recovery, 1933–1947*, shows that the New Deal was more promise than prosperity: Many New Deal policies were counterproductive, leaving over 17 percent of American workers either unemployed or on work relief six years later.) Failures notwithstanding, American government had changed. The president was expected to lead Congress to tax, spend, and regulate to assure prosperity. Elections changed too. Presidents often either won or lost based on the state of the economy and thus sought to stimulate prosperity through the federal budget. It

"Congress's budgeting powers—spending and taxing—do not inspire confidence, to put it mildly. More often, the majority in the legislature seems like a servant to their party leader, the president who drives public debate."

should have mattered more that presidents often had little to do with the state of the economy and that efforts to induce prosperity often led to inflation and stagnation.

Congress also often gave away its power to legislate. Executive agencies give concrete meaning to the vague laws passed by Congress. Legal scholar Gary Lawson has likened the legal regime that emerged from unrestrained delegation to one governed by "a statute creating the Goodness and Niceness Commission and giving it power 'to promulgate rules for the promotion of goodness and niceness in all areas within the power of Congress under the Constitution.'"

As the head of the executive branch and thus the bureaucracy, the president may issue formal directives—executive orders—to manage the federal establishment. These orders often deal with current controversies, making the president a kind of hybrid legislator and executive. In the first century of the republic, when Congress still served as the country's principal lawmaker, presidents issued fewer than 800 executive orders in total. Yet as the chief executive's responsibilities expanded, so did his power to govern by decree. From Truman through Nixon, presidents issued more than 2,200 executive orders, which became increasingly indistinguishable from legislative acts. In the 21st century, as we saw earlier, presidents rely more than ever on executive orders to bring policy changes.

Congress has also not helped its own case in other ways. For some time, Congress has been the least-favored branch in public opinion, perhaps because its members seem overly political and partisan. Congress also seems to do little to control and oversee the powers it delegated to the administrative state. And Congress has become less independent of the president even in exercising its constitutional authority. Congress has long refused to take responsibility for using force abroad and for dealing with crises such as the 2008

financial meltdown. Congress's budgeting powers—spending and taxing—do not inspire confidence, to put it mildly. More often, the majority in the legislature seems like a servant to their party leader, the president who drives public debate.

That said, some of Congress's problems may be traced to the American people. Congress was not designed to quickly translate electoral outcomes into public policy. To act at all requires a broad consensus in the public about an issue or problem, and such agreement is rarely found today. Deliberation and compromise might see policies through the legislative process, disagreements notwithstanding. But public tolerance for slow actions seems as rare as agreement over policy. The Framers thought that a government doing nothing was better than acting without broad support. Now, doing something—almost anything related to a current issue—seems better in the eyes of the public. In contrast, the presidency seems capable of acting and overcoming gridlock, though often in the name of small electoral majorities. The "spirit of the American people" seems less republican these days and more democratic. That change would have troubled James Madison and the other Framers.

A Congressional Revival?

If Congress wants to reclaim its proper place in the constitutional order, it could begin by asserting its undoubted power of appropriation. Nothing prevents Congress from returning to individual spending bills rather than continuing resolutions, from constraining emergency and off-budget outlays, and from requiring approval for changes in approved spending by the executive. Congress also has the power to approve initiating (though not making) war and could require its support for significant military actions. And Congress has ample power to control the administrative state. Nothing also prevents the legislature from limiting the power of agencies: Laws could be more concrete and clear when passed, and major regulations could require congressional support. Congress also has ample power to oversee the implementation of laws by the executive branch. Finally, Congress certainly could limit the president by requiring approval of the exercise of emergency powers. Indeed, Congress might from the start set an end date for such emergency powers absent its approval. Congress has the power to right the ship of state. But it must want to use those powers.

Some have suggested more radical changes to Congress, such as limiting the terms of members. The power of incumbency is thought to preclude members from being responsible to their constituents. Reformers hope limiting congressional terms would make Congress more responsible to voters and to society at large. And the people agree: Term limits have been very popular for at least three decades. However, the Supreme Court

"Only when the costs of direct action by one official become evident will the virtues of deliberation and compromise, the republican virtues, once again appeal to current Americans as much as they did to Madison's generation."

invalidated this reform for Congress in 1995; a constitutional amendment would be required to limit congressional terms. Term limits would certainly make elections more competitive and perhaps members more responsive to their voters. Would such limits revive Congress in the constitutional order? Perhaps. But they are unlikely to be enacted for Congress (as opposed to state legislatures) unless enough Americans want to amend the Constitution to limit congressional terms.

These reforms could be the start of a congressional renaissance. In the decades since the New Deal, the Constitution has been reinterpreted, and our political institutions have changed considerably. The president seems all but supreme. But institutions do not live forever. We may be living through a transition to different and perhaps better institutions. A revived Congress could be part of that national renewal.

But significant changes will require most Americans to realize the established order has failed. Many people might come to believe that a president acting on majoritarian passions is more likely than a more deliberative Congress to pursue endless wars or disastrous economic policies. And supermajorities might also come to see that presidential supremacy demands a concentration of power in the federal executive, power that can be used at one time or another to harm almost everyone. Only when the costs of direct action by one official become evident will the virtues of deliberation and compromise, the republican virtues, once again appeal to current Americans as much as they did to Madison's generation. ✦

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THE LOST LIBERALISM of America First

By Brandan P. Buck

ILLUSTRATION BY MARK WEAVER

The original adherents of "America First" grounded themselves in a liberal tradition, arguing that entanglement in foreign wars would erode freedom at home and threaten our constitutional republic.

But the America Firsters of old would likely shudder at some of the distortions of the modern movement, which embraces executive power and bouts of hawkish militarism at the expense of liberty.

"Our first duty is to keep America out of foreign wars. Our entry would only destroy democracy, not save it. 'The path to war is a false path to freedom.'" Such was the first principle of the America First Committee (AFC), the long-defunct and often-maligned public pressure group that aimed to keep the United States out of World War II. Founded in 1940, the AFC grew into one of the largest noninterventionist groups in American history, drawing support from a broad cross-section of American society, including literary figures, newspaper publishers, business leaders, and politicians, among others. While the AFC's adherents didn't share an overall ideology, they all believed that America should avoid entanglement in foreign wars to preserve its republican institutions at home.

Admittedly, for some adherents, "America First" carried other darker meanings. Some have claimed its mantle championed antisemitism, nativism, and trade protectionism. These troubling aspects of the movement have dominated popular consciousness about America First since the end of World War II. In the Trump era, there are other flaws. For many self-described America First conservatives, the phrase has come to denote hawkish unilateralism, a celebration of militarism, and a continued desire to maintain global hegemony. These modern departures have reinforced negative perceptions of the phrase's history and its implications for the present.

Yet beneath the modern political fervor and negative historical interpretations, the core of America First rooted its message in a liberal tradition—a desire to protect America's unique experiment in individual liberty and limited government from the corruption of total war.

"Yet beneath the modern political fervor and negative historical interpretations, the core of America First rooted its message in a liberal tradition—a desire to protect America's unique experiment in individual liberty and limited government from the corruption of total war."

On the eve of the American entry into World War II, with the memories of the Great War fresh in their minds, those who opposed plunging into Europe's latest conflagration saw themselves putting America first by staying out of the conflict and preventing the corrosion of individual liberty and republican norms. As evidence, they pointed to World War I's egregious abuses of the Sedition Act, which resulted in the arrest and imprisonment of almost 1,000 Americans, formal censorship of interstate mail, and the empowerment of vigilante mobs aligned with the state. Many America Firsters on the eve of World War II also cited the country's recent experience with the coercive practice of conscription as another institution that fundamentally transformed the individual's relationship with the state. Speaking on his opposition to the draft, arch-noninterventionist Sen. Robert A. Taft (R-OH)—a prominent conservative known as Mr. Republican—argued that the practice was "absolutely opposed to the principles of individual liberty, which have always been considered a part of American democracy." While not an official member of the AFC, Taft nevertheless gave a consistent voice to the concerns of the organization and those within its orbit: namely, that to defeat fascism abroad, America would wind up emulating it at home.

They also feared the economic consequences. Drawing from the experience of World War I—and intensified by the New Deal—America Firsters saw war as a catalyst for the militarization of the economy and further entanglement between industry and the state. Before and during the war, opponents of American

This political poster from 1940 captures the original spirit of the "America First" movement, which was rooted in noninterventionism and the preservation of our constitutional republic. (Photo by Universal History Archive/Universal Images Group via Getty Images)

involvement in the conflict, such as John T. Flynn, head of the New York City AFC chapter, argued that government technocrats would use total war to implement what he sardonically called good fascism. In his 1944 treatise *As We Go Marching*, Flynn argued that war "will put in the hands of the all-powerful state . . . complete control of the economic system." For critics like Flynn, the expansion of the federal bureaucracy, economic planning, and deficit spending foreshadowed a soft form of authoritarianism—a costly and invasive government run by unelected experts and solidified by total war. For America Firsters of old, the coming of war would do violence to individual rights and economic liberty, transforming the republic into an empire.

A key mechanism of that transformation was the empowerment of the presidency. The issue of presidential authority reached its crescendo with the debate over the Lend–Lease Act. This law afforded the Franklin Delano Roosevelt administration sweeping authorities to aid the Allies and redefined America's role in the war as that of a pseudo-belligerent. Sen. Burton K. Wheeler (D-MT)—a progressive Democrat and supporter of the AFC—warned that the legislation afforded "one individual the dictatorial power to strip the American Army of our every tank, cannon, rifle, or antiaircraft gun" and send it abroad. An AFC analysis of the Lend–Lease Act also cautioned that it afforded to "the Executive alone . . . the power of legislating our foreign policy . . . without consultation with, or control by, Congress." Viewing the Lend–Lease Act as another step toward war, and again with memories of World War I in mind, America Firsters worried correctly that the coming of war would empower the president at the expense of the people's representatives, Congress.

While it would be tempting to ascribe such views to partisanship or the fleeting politics of the interwar era, alums of the America First movement and its successors maintained these concerns about executive authority throughout the early Cold War. A vocal opponent of this continuity of wartime exception was protolibertarian and old-right stalwart Rep. Howard Homan Buffett (R-NE). Having assumed his seat in 1943, Buffett saw the Cold War as a continuation of a warfare state that abridged individual liberties, bloated spending, and increased inflation. Buffett warned that with Greece and Turkey within the fold, the impulse to intervene would not stop with the Truman Doctrine; rather, a "billion-dollar call will come from Korea" and next then "renewed demands from China," and soon Uncle Sam would find himself "all over the world . . . answering alarms like an international fireman, maintaining garrisons, and pouring out

"Putting America and Americans first ought to mean putting individual liberty, limited government, free markets, and peace at the core of a modern America First message, as they once were by its most consistent adherents."

our resources." Like others in his cohort, Buffett warned that the coming showdown without the Soviets would infect domestic political discourse. Again, he prophetically saw that calls for fiscal prudence "would again be smeared as reactionary efforts to save dollars at the cost of the lives of American boys" and that "patriots who try to bring about economy would be branded as Stalin lovers."

Rep. Noah Mason (R-IL) expressed his concern about Truman's Republican successor as the Cold War expanded beyond Europe and East Asia. In his opposition to the Eisenhower Doctrine, which extended American foreign aid and military assistance in the Middle East, Mason explained in his dissent that the "Constitution places the power to make war in the Congress." He added, "President Eisenhower has now asked Congress to grant him the authority to send our Army to the Middle East, at his discretion." Through the 1950s, the spirit of America First jealously defended American republicanism even as the country grew into a globe-spanning empire.

When President Trump returned to the White House, he did so in part on a promise to restore an America First foreign policy. As a candidate, Trump rhetorically distinguished himself by running against a failed post–Cold War foreign policy consensus, but in his first term as president, Trump often followed such rhetoric with militaristic and unilateral actions. While this new iteration of America First—like its namesake—strives to disengage militarily from Europe and eschews the idealism of multilateral security agreements and nation-building, it seeks to maintain a hegemonic presence in the Middle East and East Asia and a massive military-industrial complex, underpinned by an amorphous vision of "peace through strength." This is a stark departure from the America Firsters of old.

Where the original America First movement was animated by a defense of constitutional procedure and civil liberties, the language of liberty has largely given way to that of vigorous presidential action and national renewal. Many who claim the America First banner, including President Trump, no longer speak in the language of small-r republicanism, congressional authority, or federalism. Instead, this new generation of "conservatives" seeks to mobilize the language of America First through the power of the presidency at the helm of a unitary federal government. Rather than seeking a return to a republic, many seek to continue the drive into empire.

These modern departures from America First's liberal core have provided ample fodder for liberal and neoconservative critics and unsympathetic historians to tarnish the entire legacy of the phrase and its adherents. When joined with the fact that some of those who flocked to the banner to keep the United States out of World War II were motivated by racial prejudice and illiberal politics, these critics' pronouncements have understandable rhetorical appeal. The excesses of the Trump era, coupled with the complexities of the past, have allowed these consensus voices to bury the lost liberalism of America First.

Putting America and Americans first ought to mean putting individual liberty, limited government, free markets, and peace at the core of a modern America First message, as they once were by its most consistent adherents. The current administration's inability or unwillingness to live up to the best legacies of America First has left the lane open for libertarians to do so. Finally, emphasizing America First's liberal roots could bridge political divides, appealing to civil libertarians on the left, mainstream liberals who still value peace, and traditionalist conservatives who treasure decentralization and localism.

In an age of permanent crisis, executive authority, and militarism, the original America First ideal remains relevant and urgently necessary. Rooting modern critiques of American foreign policy and its impacts at home in these historical narratives does not have to be saccharine or hide the warts of the past. We should not be ashamed about putting the America First movement's best on display. Much about America First was worthy of emulation and indeed great. With equal degrees of passion and care, it can be again. ✦

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Freedom to Trade: The Moral Case Against Protectionism

By James A. Dorn

Free trade enriches us and enables human flourishing, but it is also a moral imperative essential to a just society.

President Trump describes his tariffs as "a beautiful thing to behold" that will enable his administration to "Make America Great Again."

Despite the bluster, economists from the left, right, and center have laid out the utilitarian case against protectionism in recent months: Tariffs are just taxes on imports that raise prices for consumers, distort market signals, provoke retaliatory trade barriers, and benefit the (often politically connected) few at the expense of the many. These economic realities will not bend to the president's quixotic belief in the power of tariffs or his misunderstanding of trade deficits.

But beyond making everyone worse off in material terms, tariffs and protectionism also violate the principles of freedom and justice that are the hallmark of a free society, or what Adam Smith called a "great society." Limiting the range of choices open to people via protectionist measures clashes with the fundamental, natural right to be free to choose, bounded by a just rule of law. When the law is used to coerce people and prevent mutually beneficial exchanges rather than safeguard persons and property, the moral fabric of society is eroded.

The utilitarian argument for free trade is essential, but the moral and strategic case for free trade must be vigorously emphasized and defended. The best way to make America great again is to safeguard free trade and show the world that voluntary market exchange under a liberal constitutional order is a surer path to human dignity and progress than protectionism.

The Moral Case for Free Trade

The use of coercion to violate individual freedom is an act of injustice and hence immoral. An individual's right to trade is a natural right that preexists government, not a privilege bestowed by the state. It is an essential condition for human flourishing.

CLOCKWISE FROM TOP LEFT: Adam Smith, David Hume, John Locke, and Frédéric Bastiat.

ILLUSTRATION BY BARTOSZ KOSOWSKI

Protectionism violates the principle of freedom and a just rule of law. As economist Leland Yeager has written: "Protectionism means using the force of government to keep people from trading as they see fit or to fine them for it. Free trade does not force; it permits." By expanding the power of the state over the market, protectionism endangers the spontaneous order that emerges from private enterprise.

Voluntary exchange—based on private property, freedom of contract, and just laws—leads to mutual benefits, social and economic harmony, and peaceful development, as opposed to protectionism, which leads to crude nationalism and injustice. Trade is a win-win game for those freely entering into exchanges, which they expect to make them better off.

Of course, some people are harmed when consumers choose to move from one good or service provider (whether domestic or foreign) to another or when there are technological changes. But no one has an inherent right to succeed. Free markets are characterized by what Joseph Schumpeter famously called "creative destruction." Old jobs are lost, and new jobs that have a higher value to consumers are created constantly in a dynamic market system. Those net benefits would be lost if the freedom to trade were suppressed.

In his *Lectures on Jurisprudence* (1762–63), Adam Smith argued that "it is commerce that introduces probity and punctuality." Free trade engenders moral rectitude. Shopkeepers enhance their reputations by being honest and keeping their promises. If they wish to attract and retain long-run customers, they must be trusted and practice good manners.

Those who lie, steal, and cheat will not survive in a system based on private property rights protected by a legitimate rule of law safeguarding persons and property. As Smith noted, "When the greater part of people are merchants they always bring probity and punctuality into fashion, and these therefore are the principal virtues of a commercial nation."

Law, Liberty, and Justice

John Locke, in his *Second Treatise* (1689), emphasized that "the end of law is not to abolish or restrain, but to preserve and enlarge freedom—for where there is no law, there is no freedom." The reason is simple: "Liberty is to be free from restraint and violence from others, which cannot be where there is no law." However, "freedom is not . . . a liberty for every man to do what he [wishes]." Rather, it is "a liberty to dispose and order . . . his person, actions, possessions, and his whole property, within the allowance of those laws under which he is [subject]; and therein not to be subject to the arbitrary will of another, but freely follow his own." These passages crystallize the close relation between law, liberty, and justice and support the moral case for free trade.

Following in Locke's footsteps, Smith argued in *Lectures on Jurisprudence*: "The first and chief design of all civil governments is to preserve justice amongst the members of the state and prevent all encroachments on the individuals in it, from others of the same society." In other words, the role of the state is "to maintain each individual in his perfect rights," which include "a right of trafficking [trading] with those who are willing to deal with him."In particular, "the

right to free commerce . . . when infringed" is an encroachment "on the right one has to the full use of his person . . . to do what he has a mind *when it does not prove detrimental to any other person*" (emphasis added).

The concept of "perfect rights" lies at the heart of a just market order. As Smith pointed out, "Perfect rights are those we have a title to demand and if refused to compel another to perform." In contrast, "Imperfect rights are those which correspond to those duties which ought to be performed to us by others but which we have no title to compel them to perform." Perfect rights can be enjoyed by everyone and, when safeguarded by the law of justice, lead to social and economic harmony.

For Smith, the natural right to be left alone to exercise one's reason and freely trade with others, provided his perfect rights were guarded by the law of justice, was self-evident. As he declared, "That a person has a right to have his body free from injury, and his liberty free from infringement unless there be a proper cause, nobody doubts." He would be shocked to hear President Trump say that "the word 'tariff' is the most beautiful word in the dictionary."

James Madison, the chief architect of the Constitution, echoed Locke and Smith in 1792 when he wrote that the primary function of government is "to protect property of every sort; as well that which lies in the various rights of individuals, as that which the term particularly expresses. This being the end of government, *that alone is a just government*, which impartially secures to every man, whatever is his own" (emphasis added).

Just as freedom depends on the moral right to property, justice depends on limiting the use of force—whether individual or collective—to the safeguarding of life, liberty, and property. Justice does not refer to outcomes but to rules: To be just, rules must be applied

"Property, freedom, and justice are inseparable in the liberal constitutional order: When private property rights are violated, individual freedom and justice suffer. Governments that choose the path of protectionism diminish their moral authority."

"Protectionism stirs up hatred and conflict; trade wars can lead to real wars that harm millions of people. Although free trade is not sufficient to avoid war, it is a necessary condition for peaceful coordination, both domestically and internationally."

equally and not violate our basic right to noninterference, which Cato senior fellow Roger Pilon has called "the most basic right . . . for it is logically prior to all other rights."

Justice is simple to understand in the liberal constitutional order: It is merely the absence of injustice, which is defined as the wrongful taking of life, liberty, or property. As Frédéric Bastiat wrote in 1850:

> When law and force confine a man within the bounds of justice, they do not impose anything on him but a mere negation. They impose on him only the obligation to refrain from injuring others. They do not infringe on his personality or his liberty or his property. They merely safeguard the personality, the liberty, and the property of others. They stand on the defensive; they defend the equal right of all. They fulfill a mission whose harmlessness is evident, whose utility is palpable, and whose legitimacy is uncontested.

In sum, property, freedom, and justice are inseparable in the liberal constitutional order: When private property rights are violated, individual freedom and justice suffer. Governments that choose the path of protectionism diminish their moral authority.

Free Trade Enhances the Prospects for Prosperity and Peace

Free trade fosters economic development and provides individuals with the means to liberate themselves from the state. A growing middle class will have a strong economic stake in determining their own political fate. As Lee Teng-hui, former president of Taiwan, put it in 1996: "Vigorous economic development leads to independent thinking. People hope to be able to fully satisfy their free will and see their rights fully protected. And then demand ensues for political reform."

Protectionism stirs up hatred and conflict; trade wars can lead to real wars that harm millions of people. Although free trade is not sufficient to avoid war, it is a necessary condition for peaceful coordination, both domestically and internationally. Trade develops a culture of freedom and strengthens civil society.

China went from autarky to the largest trading nation in the world when it opened the door for foreign trade. The economic reforms begun by Deng Xiaoping in late 1978—though incomplete, to be sure—paved the way for the spontaneous development of the private sector, which became the driving force for lifting millions of people out of poverty. The mantra in China became "peaceful development" as opposed to "ideological struggle." The current trade war is leading to crude nationalism and threatening the freedom not only of Americans but also of people around the world.

A misplaced concern with trade deficits and a zero-sum mentality are the twin evils of protectionism. They tear people and nations apart. In his essay "Of the Jealousy of Trade" (1758), David Hume was correct to point out that "where an open communication is preserved among nations, it is impossible but the domestic industry of everyone must receive an increase from the improvements of the others." That truth should not be forgotten.

Hong Kong's unilateral move toward free trade made it rich; it did not impoverish the rest of the world. It was a beacon of light until China took control in 1997. The lesson is that although free trade is desirable on its own merits and on moral grounds, it cannot by itself bring about peace in the world. However, without free trade, the chances for peace substantially decrease.

Free trade has greatly benefited mankind. Its preservation is essential to maintain a free society and prosperity. As Bastiat wrote, "It is under the law of justice, under the rule of right, under the influence of liberty" that individuals will realize their "full worth and dignity." In a system of law, liberty, and justice, diverse interests will "tend to adjust themselves naturally in the most harmonious way."

A Moral Imperative

We know from the principle of comparative advantage that specialization and free trade lead to net benefits for society. Nations can consume more than they produce domestically, gain from the free flow of ideas, safeguard against local supply-side shocks, and benefit from a wider range of choices.

In addition to all those benefits, free trade is a moral imperative. It is based on the natural rights to liberty and property, which in turn rest on a just rule of law designed to prevent injustice—that is, the taking of property, broadly conceived, without the consent of the injured party. By placing government above the law of liberty, protectionism undermines the moral fabric of a great society. ✦

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Stripe Cofounder Patrick Collison on Innovation, Human Agency, and the Government's Systemic Compulsion to Spend

By Ryan Bourne

PHOTOGRAPHY BY RICHIE DOWNS

After Charles Koch accepted the Milton Friedman Prize for Advancing Liberty in May, Stripe CEO Patrick Collison joined Ryan Bourne, the R. Evan Scharf Chair for the Public Understanding of Economics at Cato, for a wide-ranging conversation about the social role of businesses, the inexorable rise of government spending, and why America is still a beacon of hope for people around the world.

In addition to Stripe, which Collison cofounded with his brother in 2010, he also runs the biomedical research nonprofit firm Arc Institute, publishes books through Stripe Press, and provides funding for scientific research through Fast Grants. What follows is a lightly edited transcript of Bourne's interview with Collison at the Friedman dinner.

RYAN BOURNE: Most people in this audience have interacted with Stripe without probably realizing it. What's your elevator pitch for what Stripe does and what your mission is?

PATRICK COLLISON: Stripe makes money programmable. Software is eating the world, in the words of Mark Andreessen—we have all these websites, applications, programs, etc., that are trying to do something involving the economy, to move money, and Stripe is the thing behind the scenes that enables them to do that. We describe our mission as being to increase the GDP [gross domestic product] of the internet. And normally people look at us kind of funny when we say that, but maybe this is a room where you all understand or at least empathize with the moral import of GDP. And when we pursued Stripe, we decided to build this, in part, because we're such big fans of entrepreneurship and platforms that enable bottom-up innovation and access. I'm a big fan of free markets, and Milton Friedman has long been an inspiration for me—I just wanted to say that here since I can't normally say it, because I live in San Francisco.

BOURNE: Milton Friedman famously said business's social responsibility is to increase its profits. At Cato, profit is not a dirty word. We see it as a key indicator that drives social value creation. But I think it's fair to say that both you and Charles Koch invest substantial amounts of your time, energy, and capital into the broader cause of human flourishing and human progress—in your case, through Fast Grants, the Arc Institute, and many other ventures. Why is that mission so important to you?

COLLISON: I think people sometimes misunderstand the Friedman remark about the imperative of profit, at least in the corporate context. You really have to think about the long run and the nth-order effects of anything you do. I bring that up because I think in a company context, it's very easy to be much too profit-focused and short-run-oriented in a blinkered way. Stripe publishes books, and it's not the most profitable thing that we do, and I don't know that next year it will maximally increase our revenues or our margins. But as we think about the society that we think should exist, or that we think can be most prosperous on a 50-year time horizon, we think it is actually a good thing to do and is fully consistent with the conception of human agency and liberty that Friedman stood for.

Charles Koch often mentions Michael Polanyi, an amazing thinker, but there's also his brother, Karl Polanyi. Part of what I take from Karl is that markets and our companies and all these things are embedded in a larger society, and it's very important that we take seriously the characteristics of that larger embedding. If we actually take the idea of human agency seriously, we can't just shrug our shoulders and expect somebody else to go cure these diseases. We can't just shrug our shoulders and expect the government to automatically do it. We have to. We have to act ourselves and contribute where we can.

"The confluence of circumstances that has been painstakingly created here in America in a hair's breadth under a quarter of a millennium is just astonishing, and a beacon for people like me growing up in rural Ireland."

BOURNE: We, as libertarians, obviously think that freedom is crucial to progress. Freedom, not just in terms of the institutions of a free society—the rule of law, private property, market prices, freedom of association and exchange—but also just the right to have a go, to experiment, to try things. We regard those as indispensable engines of both prosperity and that kind of frontier innovation that you're part of. How much progress do you think we're leaving on the table because of government regulation?

COLLISON: I think the answer is almost inevitably, a lot. In the United States, the Code of Federal Regulations has grown by a factor of 10 since 1950. I think there's just a fundamental structural problem with regulation, with governance, where we get to measure the ills and the harms, and we see often very conspicuously when things go wrong, but when the person doesn't start a business, or doesn't expand their business, or finds it too costly to provide some product or service or to further some pursuit, you don't get the same feedback in the system. Something that Charles often points out is that increases in government spending are ecumenical, and federal spending tends to increase monotonically and largely uniformly under both Republican and Democratic governments. So, in some sense, I think it's the wrong response to just be mad at one party or the other. Clearly there's some underlying dynamic here where there's just sort of a systemic compulsion to spend more. And I think there's something analogous with regulation.

Herbert Kaufman wrote this book, *Are Government Organizations Immortal?* He does a comprehensive empirical assessment and finds remarkably few instances of government organizations that have been sunset, and that's at the organization level, not the individual regulation level. I think one of the central challenges that we face as liberal societies is, what does a reasonable equilibrium look like that doesn't fly off in some unsustainable way on either the regulatory or the fiscal side? I'm not a political scientist, but it seems like an open problem.

Cato's Ryan Bourne (left) listens to Stripe CEO Patrick Collison (right) at a dinner celebrating the Milton Friedman Prize for Advancing Liberty.

BOURNE: Let's shift gears a bit. I'm British. You're Irish. We're both here in the United States. For all of the regulatory problems you just highlighted, this country has amazing strengths, and it's fair to say it's motoring ahead of Europe in many respects. You operate across many countries. How do you explain this? Is it to do with public policy? Is it entrepreneurial culture? Is there something just unique about Silicon Valley? What explains this big divergence we see?

COLLISON: Well, first, America is so good. I don't know if you guys always appreciate that enough. I've noticed in my almost 20 years here that you guys are not always uniformly positive on the place. America is the best country in the world, and I mean that seriously. There are lots of other countries with lots of great attributes, but the confluence of circumstances that has been painstakingly created here in America in a hair's breadth under a quarter of a millennium is just astonishing, and a beacon for people like me growing up in rural Ireland.

I think the world's most ambitious people want to come here. I think the world's innovators want to come here. The world's scientists want to come here. And while yes, in many domains, the United States is overregulated, it's typically much worse elsewhere. AI is happening here. The energy revolution is happening here. And the provision of credit outside the banking sector is actually an underappreciated contributor. Here in the United States, 80 percent of commercial lending happens outside of the banking sector. In most of the rest of the OECD [Organisation for Economic Co-operation and Development] that's closer to 20 percent, so there's a huge divergence. And it takes money to do new things. Stripe would not exist without the US's dynamic venture capital sector, so I just have a lot of appreciation and admiration for those who risk their capital by funding these ventures.

BOURNE: I want to bring us back full circle to the social role of business. Later in Milton Friedman's life, he gave a speech at Cato in which he described what he saw as the suicidal impulse of the business community. He said that too often, businesses are willing to go along to get along by endorsing or not speaking out against public policies that are against their interests. He referenced public education and protectionism, but he also talked about Silicon Valley firms in the 1990s that were jumping in on the Microsoft case and urging the Federal Trade Commission to take action. In the past few years, I think it's fair to say we've seen Silicon Valley types more willing to get involved in politics and more willing to defend their interests, in many respects. Why do you think that phenomenon is occurring now?

COLLISON: I think wokeism was a big contributor. Politics largely exists outside the home, but problems arise once it encroaches inside the home. There's the Pericles line, "You might not be interested in politics, but politics is interested in you." And I think as politics and DC became interested in a lot of what was happening in Silicon Valley, it started to have kind of larger societal import—or at least it was perceived to.

I think there's something to the fracturing of the neoliberal consensus that prevailed in the '90s, and obviously we're seeing a lot more ideological heterogeneity than prevailed back then. But again, in that Friedman piece, at least as I interpret it, I think he was arguing against businesses being active in the political domain in a shortsightedly self-serving fashion, but not against their participation in the public domain at all.

And actually, the Pericles line about government being interested in you—I was curious about that line so I looked into it, and as far as I can tell, he didn't say it. It's just one of those things that takes off on Reddit or Goodreads or something. But he did say in one of his funeral orations, and this is from memory, so I apologize if I butcher it: "Though we love the beautiful, we're not extravagant. And even though we love things of the mind, we're not soft. And here [in Athens] individuals are not only concerned with their private affairs, but also concerned with affairs of the state."

That's one of the peculiarities about Athens. The person who does not participate in politics is not somebody who minds his own business, but someone who has no business being here. Pericles really judged people who did not participate in the larger policy around them. He thought this was very important for sustaining the liberties and the freedoms and the culture that he saw himself and his citizens benefiting from. That seems right to me. ✦

ABOUT THE AUTHOR

Ryan Bourne is the R. Evan Scharf Chair for the Public Understanding of Economics at the Cato Institute. His most recent book is *The War on Prices: How Popular Misconceptions About Inflation, Prices, and Value Create Bad Policy*.

How a Passion for French Wine Sparked a Challenge to 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 Cato's Ilya Somin, he took the administration to court.

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

"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."

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.

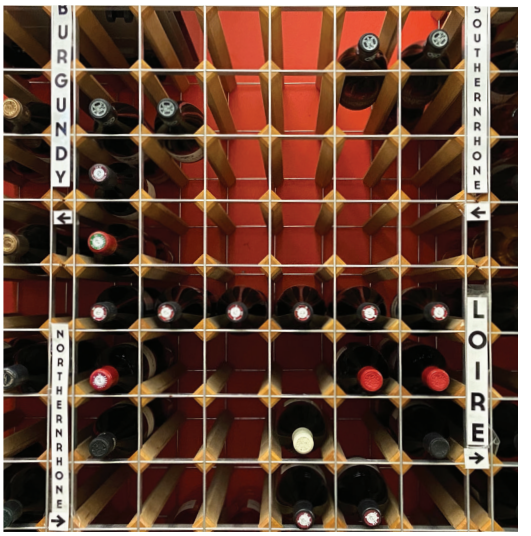
Somin had put out a call for potential plaintiffs to challenge the tariffs in court, and Schwartz seemed to fit the bill. On April 14, Somin and attorneys from the Liberty Justice Center (LJC) filed the lawsuit with VOS Selections as the lead plaintiff, along with four other small businesses: FishUSA, 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 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



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)

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 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, leaving the tariffs in place for now. It was a disappointing decision for these small businesses, but Somin wrote in the *Volokh Conspiracy* that he is "guardedly optimistic that the appellate court will ultimately see that the president's claim of virtually unlimited

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.

power to impose tariffs is blatantly illegal."

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 IEEPA, framing these tariffs as an effort to combat fentanyl trafficking. The US Court

"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."

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.

Capitol Connections: Changing Congress from the Staff Up

By Joshua Hardman

Trace Mitchell participated in the Cato Institute's Congressional Fellowship Program. The experience helped him and hundreds of other staffers reach across the aisle.

PHOTOGRAPHY BY RICHIE DOWNS

Congress is infamously dysfunctional and more polarized now than at any point in the last 50 years. As Democrats have moved further to the left and Republicans to the right, the middle has hollowed out. This trend is readily apparent on cable news and social media, where lawmakers are rewarded for cheap barbs and scorned for principled stands. It's no surprise, then, that Americans' confidence in Congress has hovered around historic lows for the past decade.

But beneath the gridlock and grandstanding of elected officials, there are ranks of talented, ambitious staffers still hopeful that the legislative branch can work as it should. Many of them are hungry for fresh ideas in an environment where party loyalty takes precedence over principle.

Filling that void is Cato's Congressional Fellowship Program—a unique, off-the-record forum for Capitol Hill staffers to wrestle with today's toughest policy issues in candid conversations with Cato scholars and their peers.

"That's something that this type of forum allows for in a way that very few other public policy–oriented forums allow—this kind of iterative discussion, ebb and flow, back and forth, where you get to not just have these thinkers giving you their thoughts firsthand, but build upon their thoughts, follow up, push back, and challenge some of the assumptions you have," said Trace Mitchell, a recent alumnus of the program who currently works as deputy chief counsel for the House Subcommittee on the Administrative State, Regulatory Reform, and Antitrust.

“By briefly muting partisanship and setting aside agendas, the program is creating an opportunity for staffers to engage with the more fundamental principles that inform our scholars’ work: individual liberty, limited government, free markets, and peace.”

“Not only did I think that was very valuable, but I would look around the room and week after week, I would see people’s perspectives evolving over time.”

Since 2021, more than 225 staffers have gone through the program, diving deep into constitutional law, economic studies, foreign policy, and more with our experts. The fellowship’s value is clear in its popularity—wait-lists are growing and so is its reach, thanks to the generosity behind Cato’s Vision for Liberty Campaign.

That success is largely because of Cato’s nonpartisan reputation, which makes it an ideal convener. The Institute’s long track record of mainstreaming bold ideas gives fellows the confidence to think beyond partisan lines or short-term politics.

“You could work in a Democratic House office for a decade, and in all likelihood, you would never have a substantive conversation with a Senate Republican committee staffer working on the same issues during the same time period,” said Lawrence Montreuil, Cato’s senior director of government affairs.

The goal, of course, is not just to be a central node in a network. Libertarians and others frustrated with runaway government spending know all too well that bipartisanship is a means rather than an inherent value, especially when the left and right only come together to quash liberty. But by briefly muting partisanship and setting aside agendas, the program is creating an opportunity for staffers to engage with the more fundamental principles that inform our scholars’ work: individual liberty, limited government, free markets, and peace.

“I think you get much better outcomes when you can step back and say, ‘What’s the framework in which we’re operating? What are the underlying principles that we’re really discussing here?’” Mitchell said. “Cato is one of the very few—it may be the only institution providing that sort of forum for people to really engage with these ideas at a high level, while bringing together such a diverse range of different staffers.”

Trace Mitchell, deputy chief counsel for the House Judiciary Subcommittee on the Administrative State, Regulatory Reform, and Antitrust, addresses other members of the Congressional Fellowship Program at a dinner last year.

The Congressional Fellowship Program is also making Cato scholars top of mind for the people who hold the procedural levers in Congress and run the day-to-day. It's one reason we delivered 30 testimonies to Congress in 2024. Jennifer Huddleston, senior fellow in technology policy at Cato, submitted testimony for a hearing before Mitchell's subcommittee about AI and antitrust—helping staffers and lawmakers alike navigate one of the most complex challenges facing Congress today.

In post-fellowship surveys, nearly all participants report a deeper understanding of both policy and their peers. One Democratic fellow put it plainly: "[Cato's] speakers changed my perspective on issues. As a Democrat, I appreciated the balance of fellows. I'll be your voice on the Hill."

One conversation won't fix Congress. But hundreds of conversations—with people willing to think differently, engage sincerely, and challenge old assumptions—just might.

Cato's Congressional Fellowship Program is planting the seeds of a better Congress: one that is more thoughtful, principled, and capable of securing liberty for the next generation. ✦

This program runs year-round with four fellowships per year: constitutional law, economic studies, international studies, and a rotating topic. To learn more about the program, each fellowship, and the growing alumni network visit Cato.org/congressional-fellowship-program.

ABOUT THE AUTHOR

Joshua Hardman is a development communications manager and contributing writer for *Free Society*.

EVENTS






Milton Friedman Prize for Advancing Liberty Presented to Charles Koch

Lawmakers, business leaders, journalists, policy professionals, and Cato Partners gathered on May 1 to celebrate the biennial Milton Friedman Prize for Advancing Liberty, which was presented to Charles Koch (top right) for his tireless efforts to advance human freedom. As chairman of Koch Inc. and founder of the Stand Together philanthropic community, Koch has spent decades championing the principles that characterize a free and prosperous society. Charles's son, Chase Koch (left), executive vice president of Koch Inc., introduced his father. Many longtime Cato Partners attended, including Susan Laughlin (middle left) and Rebecca Dunn (middle right), who served on Cato's Board of Directors. Cato's scholars mingled with Partners and other guests, including Romina Boccia (right), director of budget and entitlement policy.

Peter Goettler (left), president and CEO of the Cato Institute, joking with John Mackey (right), founder of Whole Foods, before diving into Mackey's observations about business, policy, and others found in his book *The Whole Story*.

John McWhorter (left), an associate professor of linguistics at Columbia University, discussed his new book *Pronoun Trouble* with John Samples (right), vice president and director of Cato's Center for Representative Government.

Annie Duke, champion poker player and thought leader in strategic decision-making, addresses the audience.

Cato Hosts Biennial Benefactor Summit

The Cato Institute's gratitude for its individual donors (whom we now call Partners) is immense. To thank, update, and inspire them, Cato hosted the biennial Benefactor Summit the weekend following the 2025 Milton Friedman Prize dinner. Cato brought together many of its most dedicated supporters, its scholars, and thought leaders to engage in conversations about current events, Cato's vision for the future, and its role in the country, and to take part in some fun activities. Amid threats to liberty coming from both the left and the right, this cornerstone event is a reminder that the flame of liberty is still bright, and Cato will continue to be one of its proudest bearers.

A Fork in the Road: The Stark Choices on US-Iran Policy

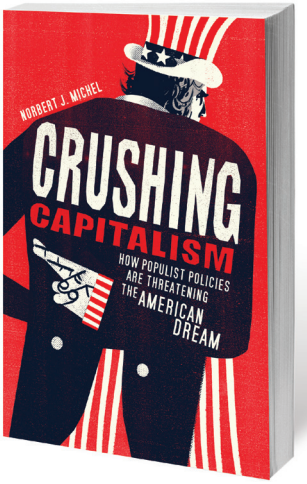
The prospects of American or Israeli military action against Tehran are growing, and the window for diplomacy is closing. The Trump administration favors diplomacy but is split on what a deal should look like. Jon Hoffman (right), research fellow at the Cato Institute, invited three guests to discuss the administration's options to avoid a disastrous war: Gregory Brew (left), senior analyst at the Eurasia Group; Negar Mortazavi (center-left), senior fellow at the Center for International Policy; and Danny Citrinowicz (center-right), research fellow at the Institute for National Security Studies, Tel Aviv University.

EVENTS

Ending the US Department of Education as It Turns 45: A Fireside Chat with Secretary Linda McMahon
Linda McMahon (left), secretary of the Department of Education (DOE), joined Neal McCluskey (right), head of Cato's Center for Educational Freedom, to explain how and why she is trying to shut down the unconstitutional department that she currently leads. The event, which was broadcast on C-SPAN, was attended by journalists, DOE staffers, and policymakers. McMahon made the case for eliminating federal interference in education policy and returning control to the states, and, ultimately, parents. But to accomplish this task, "Congress will have to vote to close it," McMahon told McCluskey.

View all past and upcoming Cato events at Cato.org/events or scan the QR code to the left.

PUBLICATIONS

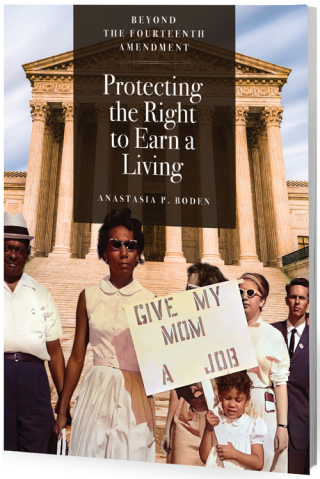


Crushing Capitalism: How Populist Policies Are Threatening the American Dream
Supposedly, free trade, immigration, and unabated technology have resulted in an economy that no longer works for Americans. The problem with this bleak story is that it is completely wrong. Norbert Michel's latest book shows that the American dream is alive—unless we kill it with more government intervention.

"Emotion-driven populists who want to take on Norbert Michel's arguments . . . are bringing rhetorical knives (and dull ones at that) to an empirical gunfight. . . . *Crushing Capitalism* is essential reading for anybody who wants to follow the facts rather than be led around by politicians."
—**Kevin D. Williamson,** national correspondent, *The Dispatch*

"Michel persuasively refutes the narrative of pessimism and decline that is so dominant in discussions of economic outcomes and prospects. He argues that populist policies are solutions in search of problems—Americans simply have not been victimized and impoverished by free markets."
—**Michael R. Strain,** Arthur F. Burns Scholar in Political Economy, American Enterprise Institute

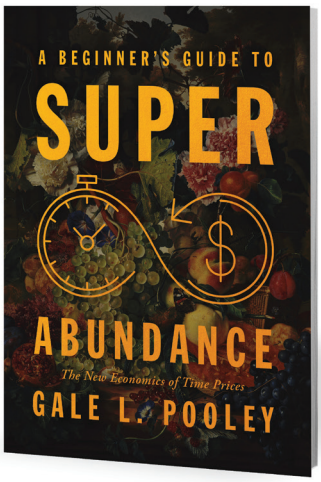
View the latest books and studies at Cato.org/pubs or scan the QR code to the left.



Beyond the Fourteenth Amendment

Courts do very little to protect the right to earn a living. By all accounts, that precious right was intended to be a centerpiece of the Fourteenth Amendment. Yet federal courts have all but written it out of the Constitution. Editor Anastasia Boden compiled this volume while she was director of Cato's Robert A. Levy Center for Constitutional Studies.

Contributors—including Timothy Sandefur, Cato adjunct scholar, and Stephen Slivinski, Cato senior fellow—consider new strategies to protect the freedom to contract, innovate, and earn a living. Practical yet innovative, their essays serve as a blueprint for scholars, researchers, and litigants who seek to restore the Constitution's promise of opportunity through economic freedom.



A Beginner's Guide to Superabundance: The New Economics of Time Prices

Marian L. Tupy and Gale L. Pooley's 2022 *Superabundance* was one of the most popular books the Cato Institute has ever released, with excellent reviews from figures such as Balaji Srinivasan, Jason Furman, Steven Pinker, George F. Will, and many more. Its compelling and optimistic explanation of how population growth, combined with freedom, drives prosperity is now in a smaller but no less explosive package: *A Beginner's Guide to Superabundance: The New Economics of Time Prices*.

This new book by Pooley is an accessible introduction to the concepts in *Superabundance* for younger readers, including middle and high school students, with Marvel villain Thanos used to hook readers into a case against degrowth economics, pessimism, and big government. It will also be a joy to read for educators, journalists, and passionate layfolk.

False Dawn: The New Deal and the Promise of Recovery, 1933–1947

A definitive history of the United States' recovery from the Great Depression—and the New Deal's true part in it. By distinguishing the New Deal's successes from its failures and explaining how the United States finally managed to lay the specter of mass unemployment to rest, Senior fellow George Selgin draws salient lessons for dealing with future recessions.

"*False Dawn* is perhaps one of the greatest books ever written about the Great Depression. It is . . . comprehensive in its coverage, balanced in its treatment, and a lively and engaging read. A great achievement."
—Charles Calomiris, Columbia Business School

FEATURED CATO STUDIES

Social Security's Financial Crisis: The Trust Fund Myth Uncovered

Most people incorrectly think of Social Security as a giant piggy bank. To shatter their misconceptions, Romina Boccia, director of budget and entitlement policy, and Ivane Nachkebia, research consultant, conceptualized this visual feature about the demographic problems that make the current program unsustainable. To maintain benefits for an aging population, the Treasury has borrowed more than $1 trillion since 2010. Over the next decade, Social Security's cash-flow deficits will contribute more than $4 trillion to the federal debt. Boccia and Nachkebia propose policy changes that would lower future program costs while upholding its original goal of keeping seniors out of poverty.

Poll: 63% of Americans Want to Increase Trade with Other Nations, 75% Worry Tariffs Are Raising Consumer Prices

When President Trump announced his "Liberation Day" tariffs, all eyes were on who could best explain the chaos. Emily Ekins's 2024 Trade and Globalization National Survey provided unique insights into how Americans think about trade and protectionism. Pollster Frank Luntz, entrepreneur Scott Galloway, and other public figures discussed the survey's results on social media, CNN, *The View*, and other outlets. "We want to wear Nikes, not make them," Galloway said on NewsNation's *Cuomo*. "The Cato Institute did a study, 80 percent of Americans think we need more manufacturing, but only 1 in 5 have any interest in working in a plant."

The Simon Abundance Index 2025

Elon Musk, Kimberly Strassel of the *Wall Street Journal*, and others highlighted the results of the 2025 Simon Abundance Index, an annual report from HumanProgress.org that measures the relationship between resource abundance and population. Authors Marian L. Tupy and Gale L. Pooley found that 50 basic commodities have become 518.4 percent more abundant over the past 44 years. This phenomenon, which Tupy and Pooley term "superabundance," has persisted despite natural disasters, wars, and political turmoil in recent decades. HumanProgress.org tells the stories of innovation that made this possible with a growing population.

View the latest books and studies at Cato.org/pubs or scan the QR code to the left.

RECENT CATO STUDIES

End the National Endowment for the Arts
By Ryan Bourne

Risk Analysis of Mass Shootings Committed by Immigrants and Native-Born Americans
By Alex Nowrasteh

Content Creators, Entrepreneurial Users, and the Impact of Tech Policy
By Jennifer Huddleston

Illegal Immigrant Incarceration Rates, 2010–2023
By Michelangelo Landgrave and Alex Nowrasteh

Immigrants, Housing Wealth, and Local Government Finances
By Jacob L. Vigdor, David J. Bier, and Michael Howard

Cutting School Food Subsidies
By Chris Edwards

The Budgetary Cost of the Inflation Reduction Act's Energy Subsidies
By Travis Fisher and Joshua Loucks

Terrorism and Immigration
By Alex Nowrasteh

Seeds of Freedom: David Boaz's Enduring Legacy

By Brian Mullis

David Boaz made liberty his life's mission—and with a transformational legacy gift to the Cato Institute, he is making it possible for future generations to do the same.

David Boaz devoted his life to the timeless principles of liberty—and with one final act of generosity, he ensured that future generations would continue the fight.

Upon his passing in June 2024, after a hard-fought battle with cancer, David left a transformational $5 million legacy gift to the Cato Institute. It was the ultimate expression of his lifelong commitment to individual freedom, limited government, free markets, and peace. More than just a generous bequest, the gift is a reaffirmation of the principles that guided David's work for more than four decades—and a powerful investment in Cato's future.

To honor this extraordinary contribution, Cato has established the David Boaz Chair, which will be held by his longtime friend and colleague Ian Vásquez, vice president for international studies.

"David was the soul of the modern libertarian movement," Ian reflected. "His clarity, courage, and commitment to principle influenced generations of thinkers, activists, and scholars—including me.

David Boaz (left), former distinguished senior fellow, speaks on a panel with Ian Vásquez (right), vice president for international studies, at an event celebrating the Cato Institute's 40th anniversary in 2017.

To hold a chair bearing his name is both a deep honor and a profound responsibility."

David's career at Cato began in 1981, when the Institute was still a small operation in San Francisco. Over the next four decades, he played an essential role in transforming Cato into one of the most respected policy organizations in the world. As vice president for public policy, and later as executive vice president, David shaped nearly every aspect of Cato's work—from research and publications to communications and strategic direction.

But David's influence extended far beyond Cato's walls. His 1997 book *Libertarianism: A Primer*—later updated and reissued as *The Libertarian Mind*—became a cornerstone text for a generation of liberty-minded readers. He helped popularize core libertarian ideas without ever diluting their meaning. Through essays, books, interviews, and speeches, David gave voice to a worldview rooted in dignity, reason, and individual rights.

When he died on June 7, tributes poured in from across the political spectrum. The *Washington Post* called him "a fierce and consistent advocate for personal freedom," while the *New York Times* noted that David "sought to bring libertarianism from the fringes into the mainstream." He succeeded in that quest, leaving liberty's next champions a strong foundation to build on.

David believed ideas mattered. That's why he spent his life defending them—and why his final act of support for Cato was so fitting. His legacy now lives on, not only in his writing and in the countless lives he touched but also in the ongoing work of the organization he helped build.

With the David Boaz Chair, Cato will continue advancing the ideals that David championed with intelligence, integrity, and passion. And as old and new challenges to liberty emerge around the world, his legacy will continue to be a lodestar for those who work to defend and advance freedom around the world. ✦

For information on Cato's Legacy Society, please contact Brian Mullis at bmullis@cato.org. To learn more about planned giving, please visit Cato.org/plannedgiving.

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Last Word: The Kids Need Optimism, Not Doom and Degrowth

By Chelsea Follett

CHELSEA FOLLETT, ILLUSTRATION BY BARTOSZ KOSOWSKI

My kids love nature and we go camping as a family frequently, but as a parent, I'm concerned about some of the messaging they receive on conservation. My husband and I talk about environmental stewardship with our children by emphasizing the eco-modernist approach: Human beings have the unique ability to innovate their way out of problems, creating technological solutions that benefit both people and the planet. Unfortunately, children today are often bombarded with messages of an impending apocalypse that can only be warded off by lowering living standards and embracing "degrowth."

After a movie at her school about garbage in the oceans left her in tears as a teenager, Greta Thunberg came to believe that "technological solutions" and nondestructive economic growth are "fairytales." But in the years following that formative experience, scientists have invented cleanup ships that consume ocean plastic as fuel and developed a type of plastic that harmlessly dissolves. Since the 1960s, global carbon dioxide emissions per dollar of gross domestic product have steadily declined, as technologies become greener and businesses cut energy costs. Yet Thunberg's mindset still mirrors the messages she received growing up.

In the United States, many public elementary schools now devote one day during Earth Week to "zero waste" through the reduction of consumption. But it's also possible to reduce waste through dematerialization: doing more with less via technology. Just think of all the devices a single smartphone replaces.

Even popular culture sometimes promotes this apocalyptic degrowth mindset to children. In a recent animated Disney movie called *Strange World*, the characters must give up electricity and drink cold coffee to protect a giant turtle-like creature and save their planet. In reality, protecting wildlife and rising living standards go

hand in hand: Beloved species such as the loggerhead turtle are rebounding in wealthy parts of the world, which have far more resources to devote to environmental protection than poor areas. Richer countries usually score higher on Yale's Environmental Performance Index.

Not only is the embrace of degrowth misguided, but research suggests that this doomsday mindset is causing widespread anxiety in young people. More than half of US youths aged 15–29 report experiencing "eco-anxiety," a level of psychological distress that affects daily life, according to a 2024 poll. Another 2024 poll found that American middle and high school students' most commonly reported emotional reactions to the thought of climate change were sadness, discouragement, helplessness, and uneasiness. A peer-reviewed paper explains how "climate anxiety can lead to symptoms such as panic attacks, loss of appetite, irritability, weakness and sleeplessness." And that anxiety is international: A study from 2021, surveying 10,000 children and young people aged 16–25 in 10 countries, found that 59 percent of respondents were very or extremely worried about climate change, and more than 45 percent of respondents said those feelings negatively affected daily life and basic functioning.

"Not only is the embrace of degrowth misguided, but research suggests that this doomsday mindset is causing widespread anxiety in young people."

On Earth Day, my kindergartner came home from school having been told a familiar message: Riding a bike is better for the planet than driving a car. Her preschool had emphasized the same idea the year before. Many people love bicycles, but as the economist Tyler Cowen has pointed out, outside of poor countries, most people prefer cars to biking—and for good reason. For instance, without our minivan, it would be nearly impossible for my family to get around with three young kids, along with their snacks, spare clothes, and everything else.

Rather than romanticizing bicycling, what if we focused more on technological solutions that make driving cleaner or reduce commutes? That could mean greater freedom to innovate in fuel efficiency, easing regulations that limit electric cars' potential to compete with traditional cars in the market, or removing outdated government barriers to remote work—such as telemedicine restrictions—to cut commutes. Zoning reform allowing more housing near workplaces could also reduce commutes and the associated pollution.

Instead of rushing to solutions that require lowering living standards via coercive government mandates or expensive taxpayer-funded subsidies, we should focus on the freedom to make technological advances that raise our standard of living while also mitigating environmental harm. An advantage of that approach is that it may also improve the mental health of young people—which would set this mom's mind at ease. ✦

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Liberty is the essential basis, the *sine qua non*, of morality. Morality can exist only in a free society; it can exist to the extent that freedom exists.

”

— Henry Hazlitt, 1964

The Foundations of Morality


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