




## Memorandum

TO: BOARD OF DIRECTORS, SPONSORS, AND FRIENDS OF CATO  
FROM: PETER GOETTLER   
DATE: APRIL 21, 2023  
SUBJECT: QUARTERLY UPDATE

---

Three-and-a-half years ago I wrote here about an interview I had watched of Hong Kong retail and media entrepreneur Jimmy Lai, in which he was asked why he, a wealthy man who could be living a comfortable and quiet life, was fully engaged in Hong Kong's freedom protests—creating risk for himself and his business. Was it for some kind of legacy?

Lai's answer was inspirational: "If there's no freedom, what good is money? I think you have to live a life of meaning. And I find taking responsibility to fight for freedom is meaningful for me, personally. I'm not thinking about legacy. I'm just thinking about doing the right thing, and not thinking about the consequences."

The role of Lai and his Next Digital media group and *Apple Daily* newspaper in the Hong Kong freedom movement continued through the ultimate crackdown in 2020, when Beijing implemented a national security law in Hong Kong—which Lai called "a death knell for Hong Kong."

Jimmy Lai has risked his substantial wealth, his freedom, and his life to make a courageous stand for freedom and the rule of law—and to stand against rising authoritarianism in China and against China's actions bringing Hong Kong to heel, an abrogation of its international obligations.

In episodes of modern history where tyranny rises to erase freedom, the prominent and wealthy often find a way to make peace with the regime, or they flee to more comfortable and secure places. Except when complicit with the tyrants, one cannot condemn people exercising the natural human impulses to protect one's property, to remain free, and to survive. One of the many things that sets the American Founders apart is that most of them had so much to lose. Yet these prominent, successful men staked their lives, their fortunes, and their sacred honors to conceive a new nation in liberty.

For this reason, Jimmy Lai is a rightful heir to their legacy. And just as the Founders articulated our values so well, Jimmy Lai's words—in addition to his example—are inspiring. He speaks about the principles of liberty in moral terms. He clearly articulates that those principles are the birthright of every human. And, to me, he makes freedom feel like an inevitability—which is ironic in the face of Hong Kong's current plight and Lai's imprisonment by the Chinese.

It will be a proud moment for Cato on May 18 when the Institute recognizes Lai's many contributions and confers its highest honor—the Milton Friedman Prize for Advancing Liberty—on Jimmy Lai. Attending to accept the award on Lai's behalf will be his son, Sebastian Lai. With this award, Cato will honor not only Lai, but also the millions

of people who have risked so much to take to the streets and to resist China's confiscation of their freedom and Hong Kong's rule of law. Please join us in Washington on May 18 for the event ([www.cato.org/friedman-prize-2023](http://www.cato.org/friedman-prize-2023)).

## Threat and Opportunity

Liberty is under challenge in America and around the world, and our ability to own and control our lives is threatened. Politics is infecting nearly every facet of American society, and the need to push back and keep advancing civil society has never been stronger. In a civil society, individuals make their own decisions about their lives, and problems are solved from the bottom up. In a political society, those decisions are made by politicians and elite busybodies, coercively, from the top down. One needs only to look around to see that top-down coercion doesn't solve problems. It only makes the problems we've got worse—and creates new ones!

But none of us, even if discouraged, can give up nor even concede the possibility that liberty won't carry the day. Think again of Jimmy Lai. He faces not the retreat of freedom, but its extinguishment. And he risks everything to push back. Think again of America's Founders. They faced a challenge much greater than our own and risked everything they had—at a time when traitors to the crown could be drawn and quartered.

In the face of today's threats, we must find and create opportunity. And then capitalize on it. As politics and the state leech into every corner of society, it's no surprise the political climate has become heated and corrosive. Against this backdrop, Cato stands out for its commitment to principle and its ability to engage across policy differences, providing a voice of reason that rises above the polarized, performative "debates."

More and more Americans are disenchanted with the far left and the far right, and disgusted by a political class that always puts its quest for power above the interests of the country and our children and grandchildren. The consequences of reckless monetary and fiscal policies—inflation, bank failures, and the potential insolvency of future generations—are clearer every day and convince more people that the things we're doing aren't working. And what's more, they're destructive. More Americans, although still not enough of them, can see that our government is making things worse.

These facts, regrettable as they are, are fueling greater success in bringing the ideas of individual freedom, limited government, free markets, and peace—the foundations of our civil society—to new audiences across the political spectrum. Cato is reaching more "unconverted" Americans each year with our message of liberty.

As I wrote last quarter, the Institute is investing in new staff and outreach resources across all our strategic priorities, and these investments are paying off. Just this past year, Cato has

- worked with policymakers of both parties to reform the Electoral Count Act, safeguarding the peaceful transition of power in future elections;
- shown members of the House and Senate across the spectrum that misguided government intervention has fueled economic crises and shortages of critical goods, paving the way for deregulating reforms such as the FORMULA Act;
- filed a (pending) lawsuit to stop the Biden administration's unconstitutional—and unconscionable—student loan giveaway;
- continued providing the intellectual ammunition for the burgeoning school choice and education freedom movements;
- provided thought leadership and recommendations on immigration reform that inspired a new federal policy allowing 30,000 additional legal migrants each month from Cuba, Nicaragua, Haiti, and Venezuela if they have U.S. financial sponsors, making it the biggest immigration liberalization since 1965;

- received support for our proposals, ideas, and analysis from thought leaders across the spectrum—from Jay Powell to Lawrence Summers to Jason Furman to Douglas Holtz-Eakin to Jordan Peterson and many, many more—in addition to policymakers from both parties; and
- added key talent to our economics team to defend free markets and enterprise even more strongly—and hit harder at unsustainable spending, entitlement, and tax policy—at a time when both left and right are favoring more government intervention and no politicians seem to care about the perilous path we’re following.

This momentum has continued into 2023, as more key talent has joined Cato’s mission: Anastasia Boden, director of our Robert A. Levy Center for Constitutional Studies; Jennifer Huddleston, who adds firepower to our technology policy efforts; and tax policy expert Adam Michel. And our plans include additional strategic investments in communications, marketing, and student programs so that we continue to reach bigger audiences far beyond the “choir”—especially young people.

Your sense of urgency regarding the path of our country and your affirmation of Cato’s direction have provided the resources necessary to keep raising the Institute’s level of performance and impact. We have a tremendous responsibility to you—our generous, voluntary contributors—to deliver the maximum of ideas, influence, and impact from the resources you entrust to us. And we have the examples of those who have waged liberty’s most serious and decisive struggles—from America’s founding generation to Jimmy Lai. Their example motivates us to work longer, harder, and better so that we can be confident in the knowledge we’ve done everything possible to ensure future generations are able to live in freedom.

### **Briefly . . .**

As mentioned above, the **Milton Friedman Prize for Advancing Liberty** event will be held on May 18 at the National Building Museum in Washington, DC, in conjunction with the **Cato Benefactor Summit**, which runs from May 18 to 21 here at Global Freedom headquarters. Please mark your calendars! To learn more about these events, contact Mackenzie Johnson at (202) 789-5203 or [mjohnson@cato.org](mailto:mjohnson@cato.org). . . Cato’s Center for Educational Freedom released a new look for the School Choice Timeline ahead of School Choice Week earlier this year. It puts into perspective the momentous march of school choice over the past few years—a march Cato has helped make possible. Visit [Cato.org/school-choice-timeline](https://Cato.org/school-choice-timeline). . . We recently welcomed two new critical team members: **Jonathan Fortier** is the new director of [Libertarianism.org](https://Libertarianism.org), and **Ivan Osorio** is our new books editor. Jonathan, a former professor and managing director of academic relations at the Institute for Humane Studies, will strengthen [Libertarianism.org](https://Libertarianism.org)’s reputation as a modern voice for freedom and bring it to more young people than ever before. Ivan comes to us from the Competitive Enterprise Institute, where he served as CEI’s longtime editorial director. . . Our art and digital teams never cease to impress me with the ways they bring our scholarship to life. In March they worked with our trade policy scholars to produce our first “Protectionist Madness” bracket challenge, bringing awareness to the worst examples of protectionism with a competitive series of head-to-head votes. And “The Risks of CBDCs,” a study from **Norbert Michel** and **Nicholas Anthony**, was made even more engrossing with our leading digital storytelling capabilities. I hope you will check out both of these on our website. . . Cato continues to be a major presence in the pages of the *Washington Post*, *The Hill*, and especially the *Wall Street Journal*: at the time I’m writing this, eight of our scholars were published in the *WSJ* in the first quarter of 2023. . . The powerful and successful **Sphere Summits** for middle and high school teachers, administrators, and curriculum writers will be held this year at Cato headquarters July 9–13 and July 23–27. Please encourage educators you know to apply for the program at [register.cato.org/SphereSummitApplications2023](https://register.cato.org/SphereSummitApplications2023). . . Five of our colleagues recently welcomed children into the world! **Anastasia Boden**, our new director of the Robert A. Levy Center for Constitutional Studies, named her son Sky Joseph; conference planner **Heather Knopick**’s boy is named Everett;

director of defense policy studies **Eric Gomez** named his baby girl Mary Emmanuelle; **Jack Solowey**, a policy analyst with the Center for Monetary and Financial Alternatives (CMFA), had a baby girl as well, Dara Rose; and **Ann Rulon**, an outreach associate and research coordinator for the CMFA, named her baby girl Eloise Catherine. Welcome to the Cato family, Sky, Everett, Mary Emmanuelle, Dara Rose, and Eloise Catherine!

PNG/css