Scholar Profile

Chris Edwards

Chris Edwards is the director of tax policy studies at the Cato Institute and editor of www.DownsizingGovernment.org. He is an expert on federal and state tax and budget issues. Before joining Cato, Edwards was a senior economist on the congressional Joint Economic Committee, a manager with PricewaterhouseCoopers, and an economist with the Tax Foundation.

Edwards has testified before Congress on tax and budget issues numerous times, and his articles have appeared in the *Washington Post*, the *Wall Street Journal*, and many other publications. He is the author of *Downsizing the Federal Government* and coauthor of *Global Tax Revolution*, and he was a member of the Fiscal Future Commission of the National Academy of Sciences.

In 2010, Edwards launched www.DownsizingGovernment.org. The project has received widespread attention this year, gaining significant traction given that the new fiscal conservatives elected to Congress are looking for programs to cut.

Two of the biggest policy concerns in recent years have been the growth in government spending and its detrimental impact on the economy. I have always been interested in these issues. Growing up, I adopted my father's dislike of government authority, and later in college, I discovered the *Wealth of Nations*, *Atlas Shrugged*, and other pro-market books.

Studying the American Founders has also had a big influence on me, especially since moving from Toronto to Virginia in 1990. Today, I live in the historical land of Jefferson and Madison, yet I am surrounded in the nation's capital by economists who think that simplistic Keynesian economics justifies discarding the American heritage of individual freedom and embracing an ever-larger central government.

Years ago, I sat in an undergraduate economics class and watched the professor move lines on a chart to illustrate how the government could "manage" the economy. I remember thinking to myself, "Where the heck are the entrepreneurs here?" It always seemed obvious to me that a small number of gutsy innovators drive the economy forward, yet they were nowhere to be found in mainstream economics. It wasn't until later that I discovered Hayek and the Austrians, who had developed a school of economic thought rooted in individualism.

One of my early jobs was with a macroeconomic forecasting company, where I learned that economists build complex models with hundreds of equations, but still can't seem to forecast any better than your local weatherman. So I wasn't surprised at how far off base the Obama administration was when they claimed that the 2009 "stimulus" bill would fairly quickly push the unemployment rate to below 8 percent. When economists who think they can micromanage the economy are paired with politicians who want to, the two can form a lethal combination.

Another job experience that shaped my views was working at PricewaterhouseCoopers. There I was surrounded by some of the smartest people I'd ever met—yet they spent their time helping others comply with the convoluted tax code, rather than producing useful products for the economy. Unfortunately, Washington is full of brainy people who are paper-pushing rather than adding to GDP. With taxes, however, the solution is clear: rip out the current code and replace it with some sort of consumption-based flat tax.

Nevertheless, we won't achieve major tax reform until we get exploding federal spending under control. My research these days focuses on the failings of government spending programs. The problem is that most of the experts on these programs are the very ones who are defending them. That's why Cato is so important: it provides a crucial counterbalance in policy debates. We dig into the actual workings of government programs, reminding policymakers and the public of the many ways that spending damages the economy, harms the environment, and takes away our civil liberties. Cato's website, www.DownsizingGovernment.org, identifies hundreds of programs that should be terminated or handed over to state governments or the private sector.

In studying federal spending, I've been struck by how many programs have been failing for decades. Farm subsidies have been an appalling boondoggle since the late 1920s. Public housing has been damaging American cities since the 1930s. For over a century, federal dam building and water infrastructure projects have been economic losers, and they've been causing major environmental damage. Federal welfare programs have long harmed the social fabric of families and communities.

CHRIS EDWARDS (right) testified before the Senate Finance Committee in July, along with LAWRENCE B. LINDSEY (left), former top White House economist, and MICHAEL ETTLINGER, vice president at the Center for American Progress.

So I see my job as reminding people of the government's failures, explaining why federal solutions usually don't work, and exploring how market institutions can do a better job. The use of government power is not a free lunch. Most of the time, any benefits derived from these programs are far outweighed by the costs and collateral damage. ■