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Cato Policy Report

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An End and a Beginning

BY PETER GOETTLER

Dear Cato Institute Sponsors and friends,

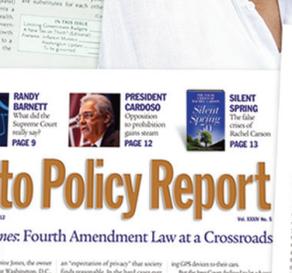
On my first day at Cato, I was the most nervous I've been since taking this role. I fielded questions from the entire Cato staff, knowing they would be the most discriminating audience a new CEO could possibly face. The question I most anticipated came quickly: "What are you going to change?" I've previously shared my response to this question, which was, "I don't know; I just got here." I didn't come to Cato with a list of things to change, and after all, I had a lot to learn. But I knew that things would change because great organizations—and I count Cato among the greatest there is—must build upon their solid foundations to become even better.

To that end, and after much consideration and careful evaluation, we have decided to bring an end to our esteemed *Cato Policy Report*, a publication that has been at the heart of our mission for many years.

For over four decades, *Cato Policy Report* has consistently brought readers principled research, policy analysis, relevant commentary, and most important, news of Cato's impact—made possible by your generosity. It has served as an important and reliable source of information.

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PETER GOETTLER is president and CEO of the Cato Institute.





BY DAVID BOAZ

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Editing
*Cato Policy
Report* all
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me to engage
with policy
and ideas.
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EDITORIAL

44 Years of *Cato Policy Report*

This is the last issue of *Cato Policy Report* (CPR) after 44 years. In that time, we have presented original articles on policy, history, law, economics, international affairs, and the principles of liberty. We have covered major Cato Institute events, including policy conferences such as “The Search for Stable Money” in 1983—featuring James Buchanan, Karl Brunner, Allan Meltzer, Fritz Machlup, and Anna Schwartz—our conferences in Moscow and Shanghai, and Milton Friedman Prize dinners.

We have published some 301 issues, of which I edited 276 after joining Cato in 1981. Looking back, I remember a wide range of topics and some fascinating essays. The very first issue featured “Social Security: Has the Crisis Passed?” by Carolyn L. Weaver. That was appropriate since reforming the Social Security program became a signature Cato issue that generated books, conferences, and continuing engagement with policymakers who mostly didn’t want to face the problem.

William A. Niskanen, then a member of President Reagan’s Council of Economic Advisers, made his first appearance in *CPR* in May 1983 when he commented on Lawrence H. White’s book *Free Banking in Britain*. I still remember one point he made in his talk: the burden of proof in policy ought to rest with those “who propose restrictions on consensual relations of any kind.” But in practice, the burden of proof is on those who are proposing change—and within the government, on those who propose to reduce government’s discretion.

Two years later, when Niskanen became Cato’s chair, he gave an inaugural lecture, “The Growth of Government.” I remember the way he set out Cato’s distinctive perspective:

We will differ from the dominant political traditions primarily when they try to use the powers of the state to impose their particular values on the larger community. We will oppose contemporary liberals when they fail to distinguish between a virtue and a requirement. We will oppose contemporary conservatives when they fail to distinguish between a sin and a crime.

Nineteen ninety-two was a big year for *CPR*. In successive issues, we published lead articles by P. T. Bauer, later the first recipient of the Milton Friedman Prize; Norman Macrae, the longtime deputy editor of *The Economist*; and the great philosopher Karl Popper. That last was one of

my great accomplishments as editor. I had read that a paper by the ailing Popper had been given at the annual meeting of the American Economic Association. I wrote to the scholar who had presented it for him and then wrote to Popper at his home in New Zealand, and I got permission to publish his paper. In it, he wrote about F. A. Hayek, Ludwig von Mises, and the Mont Pelerin Society, but most especially how Hayek was right to warn that socialist planning could only be implemented “by force, by terror, by political enslavement”—and thus, Popper added, the Soviet Union became an empire ruled by lies.

Over the years, we published other great thinkers: Robert Nozick on why intellectuals hate capitalism, Thomas Sowell on the economics and politics of race, Nat Hentoff on the First Amendment, James Buchanan on constitutional political economy, Deirdre McCloskey on bourgeois virtues, Ronald Coase on China, Steven Pinker on the Enlightenment, and Clarence Thomas’s powerful dissent in the Supreme Court’s 2005 medical marijuana case.

And, of course, most of our own great Cato scholars contributed to *CPR*. Tom G. Palmer wrote on a wide variety of topics—infrastructure, attacks on libertarianism, misconceptions about individualism, and modern threats to liberty. Doug Bandow reported on his trip to North Korea, Julian Sanchez on Edward Snowden’s revelations, Peter Ferrara and Michael Tanner on needed changes to Social Security, Roberto Salinas-León on Andrés Manuel López Obrador’s “fourth transformation” of Mexico, and Clark Neily on “our broken justice system.”

From time to time, we have delved into historical topics, partly because people get much of their understanding of government and policy from history. Jim Powell took aim at Woodrow Wilson and Franklin D. Roosevelt, while Michael Chapman excoriated Theodore Roosevelt. Brian Domitrovic celebrated the tax revolt of the 1970s and 1980s. George H. Smith pondered what Stanford should teach regarding “Western civilization.” Steven Davies traced how the world became modern.

Editing *Cato Policy Report* all these years has been a great opportunity for me to engage with policy and ideas. I hope the editors of Cato’s new magazine will have an equally stimulating experience.

Continued from page 1

mation for policy enthusiasts and dedicated libertarians alike. We are immensely proud of the impact it has had, the ideas it has advanced, and the readers it has enlightened.

It is crucial for us to adapt and innovate, even while we hold firm to the principles and commitments that set Cato apart from the other organizations in Washington, DC. We have always been at the forefront of intellectual exploration and the pursuit of a freer society, and it is in that spirit that we move forward and strategically look to reach a wider audience with our vision for liberty. So it is with great excitement and anticipation that I can announce a new Cato publication—a key product that will build upon the foundation laid by the *Cato Policy Report* and elevate our ideas, influence, and impact to have the greatest reach possible.

This new magazine will provide a broader scope of content, including in-depth policy research, interviews with leading thinkers, stories from the victims of an ever-growing state, insightful commentary on current events from a libertarian perspective, and news of Cato's impact, development, and strategy. The content will always be placed in the context of the principled, moral foundation on which the Institute and our mission rest. We believe that this magazine not only will inform and inspire our existing readership but also will attract new audiences and foster a wider understanding of the principles that underpin a free and prosperous society.

The world is grappling with a host of complex challenges, from the erosion of individual rights to the expansion of government power. As the Cato Institute has done throughout its history, we remain committed to providing intellectual ammunition in the battle for liberty. The new publication will be a powerful tool in our arsenal, equipping us all with the knowledge, analysis, and arguments necessary to defend and advance the cause of liberty.

While we bid farewell to the *Cato Policy Report*, its legacy will endure. We owe a tremendous debt of gratitude to the authors, contributors, and readers who made it a resounding success. In particular, we recognize and thank David Boaz, whose stewardship of and contributions to the *Cato Policy Report* defined its commitment to excellence. We will honor this legacy by ensuring that the principles it championed continue to be at the heart of everything we do at the Cato Institute.

As we embark on this exciting new chapter, we invite you to join us on this journey. Your support and engagement have been invaluable to us, and we are confident that the magazine will deepen our connection and provide even greater value to our community of supporters.

Thank you for your unwavering support, and I hope you share in my enthusiasm for this new venture. Together, let us continue to champion the ideas of liberty and forge a path toward a freer and more prosperous future.

Sincerely,



Peter Goettler

Cato News Notes

PLAY THE NEW GREEN CARD GAME



The Cato Institute has released the Green Card Game, a free online interactive game where players attempt to go through the legal immigration system. The

Green Card Game is a way to introduce people to snippets of Cato's scholarly research on immigration and will teach about an important area of American law and policy. Try it at www.thegreencardgame.com.

THE 2022 ARMS SALES RISK INDEX

Policy analyst Jordan Cohen and former Cato senior fellow A. Trevor Thrall have published the fifth annual *Arms Sales Risk Index* to encourage debate and help improve U.S. decisionmaking about arms sales. The Biden administration continues sales to Egypt, the Philippines, and Saudi Arabia and fails to prevent dispersion of weapons in Mexico. Read the full analysis on Cato.org.

CATO'S 2022 ANNUAL REPORT AVAILABLE NOW



The 2022 Annual Report documents a year of growth and productivity, as well as our exciting plans for the future. The digital Annual Report is available now

on Cato.org and takes you on a virtual and interactive journey through the stories within the publication.



Former chairman of the House Financial Services Committee **JEB HENSARLING** and former chairman of the Federal Deposit Insurance Corporation **JELENA MCWILLIAMS** discussed bank failures, the government’s response, and finding a path forward for banking regulation at the policy forum, “Financial Stability and Systemic Risk.”



The online policy forum “What Can Help Keep Kids Safe Online?” featured Cato’s Technology Policy Research Fellow **JENNIFER HUDDLESTON** (1), Technology and Innovation Director at the Center for Growth and Opportunity **TAYLOR BARKLEY** (2), Policy Manager of the Family Online Safety Institute **ANDREW ZACK** (3), and child welfare expert **MAUREEN FLATLEY** (4) to discuss the risks and benefits young people experience online and the tools parents and policymakers can consider to encourage a positive online experience.



The Sphere Summit is a full-scholarship professional development program for educators of grades 5–12 held in-person in Washington, DC. The aim is to restore a spirit of civil, constructive, and respectful discourse and engagement and to return facts, analysis, and research to primacy as the vehicles for discussion and debate.

The first summit, “Foundation of Civic Culture,” was held July 9–13 and featured presentations by leading policymakers, scholars, and academics on key public policy issues, including free speech, criminal justice reform, diversity in education, and the economy. The second summit, “Incorporating Civic Culture into Advanced Subjects,” was held July 23–27 for teachers of advanced subjects as well as alumni of a previous Sphere Summit.





Rise of the Right-Wing Progressives

BY RYAN BOURNE

Washington has never been more polarized, so the cliché goes. American politics is reflexively hyperpartisan, plagued by bitter conspiracy theorizing, hypocritical rule bending, and tedious culture-war battles. And yet, true as that all might be, it's a growing bipartisan consensus on economics from groups on the left and the right that's worrying me.

An ascendant conservative faction—the “national conservatives”—now sound nearly identical to the progressive left, not just on the economic policies they advocate but also on their narrative about what's wrong with the country. This movement initially seemed like an attempt to put intellectual meat on the bones of Donald Trump's 2016 victory, creating a coherent agenda that might solidify Republican support among his working-class

voters. Yet it has since taken on a life of its own, embracing the expansive role for government traditionally associated with the left, albeit wrapped in the collectivist language of America's national interest.

Trump sought to marry nationalist efforts that he said would “protect” the working class from foreigners through restrictions on trade and immigration with domestic tax cuts, deregulation, and (an unsuccessful) defanging of the administrative state. The “NatCons,” however, take the logic of his anti-market economics to its logical conclusions at home, arguing not only for tariffs and less immigration but also for industrial policies, more welfare redistribution, and crusades against finance and Big Tech.

That's because the group—which includes thought leaders from Oren Cass's American Compass to Tucker Carlson, as well as Senators

Marco Rubio, Josh Hawley, and J. D. Vance—thinks that free markets are to blame for many of America's most acute social and economic ills.

In their reckoning, the libertarian zeal of the Reagan-Thatcher era unleashed a free-market economic dogmatism among elites of the left and the right. Their unwillingness to intervene in the economy led to corporate-centric policies that produced underinvestment at home and an outsourcing of “real” production abroad, creating a disintegration of our industrial base, wage stagnation for the working class, worker insecurity, and speculative or wasteful activity in finance and technology.

American Compass, in particular, has been busy developing its own historic and political narrative to prove this. The organization elevates the role of protectionism

and industrial policy as positive factors behind the United States' historic economic development, while painting recent trade liberalizations as misguided aberrations that sacrificed our national future for "cheaper TV sets and sneakers." China's entry into the World Trade Organization is seen as the pinnacle of this folly of opting for consumption over production—a move that sent American industries overseas, leading to a less resilient manufacturing base and the hollowing out of many towns. Immigration, similarly, is said to have compounded the squeeze on working-class wages, making dignified living elusive for many working-class families.

American Compass has even developed its own metrics to paint a grim picture of Americans' financial health more broadly, selectively highlighting the rising costs of certain goods while ignoring evolving family choices to imply that middling one-earner families are worse off now than in 1985. This is supposed to prove that workers haven't sufficiently benefited from economic growth, precisely because of the pro-market agenda of "tax cuts, deregulation, and free trade."

By the organization's conclusion, the past 40 years have been a disaster for the country and workers in particular: "Globalization crushed domestic industry and employment, leaving collapsed communities in its wake," boomed its recent Handbook for Conservative Policymakers. It went on: "Financialization shifted the economy's center of gravity from Main Street to Wall Street, fueling an explosion in corporate profits alongside stagnating wages and declining investment. The decline of unions cost workers power in the market, voice in the workplace, and access to a vital source of communal support." Issues such as deaths of despair through opioids, lower male employment, and families feeling like they are struggling with basic living costs are all deemed downstream problems of this material squeeze.

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fundamentalism" for the country's afflictions, then the state is looked to for salvation. In pursuing "the common good"—used synonymously with America's "national interest"—the NatCons therefore see an expansive role for the federal government. They want it to use its powers to tax, spend, and regulate to allocate more economic resources, whether by industry, region, or socioeconomic group. In their vision, the government should lean on the private sector to ensure that more activity takes place in the United States, more manufacturing occurs relative to services, more finance is directed toward these endeavors, workers are given more power vis-à-vis their employers, and families with children receive more transfers from other taxpayers.

RIGHT-WING PROGRESSIVE PRINCIPLES

Addressing the bad history and dubious empirical claims directly is beyond this article. Suffice to say, it is news to us libertarians that our ideas have monopolized Washington's economic policy for 40 years. But what's striking is how familiar the narrative is. It's largely the same sort of stale, left-progressive critique of free-market economics we've heard for decades. Indeed, look closely and you'll see not only that many of the national conservatives' starting points mirror the progressive left but also that their analysis leads them to similar policy conclusions.

Like progressives, national conservatives

do not think economic liberty is inherently desirable, nor that the government's role should be strictly limited to providing public goods and dealing with market failures. Rather than constraining government as a means of allowing us to pursue our own interests, policy should instead aim to enhance the highly subjective concept of the "national interest" or "common good." How that "common good" is defined is different from progressives—anchored, for NatCons, in championing one-earner families and manufacturing industries and supporting flyover country. But economic liberty is not seen as an essential part of the common good.

When it comes to policy goals, in fact, national conservatives share the progressive left's contradictory stances on materialism. Their critique of our current economic policy constantly shifts from bemoaning that certain workers or regions aren't richer (the portions are too small) to bemoaning that policy has focused too much on material prosperity or gross domestic product anyway (the food tastes terrible). The logical implication is that, like left progressives, they regard redistribution of various forms as a higher-order priority than economic growth. In championing industrial policy, for example, Cass admits it "has nothing to do with the most efficient allocation of resources" but is seen as desirable to achieve other social objectives.

When it comes to the role of government, many national conservatives want to find peace with the administrative state to help their agenda. Many of them regard today's left as so radical that a more aggressive form of conservative governance is required—one that will use state power to "reward friends and punish enemies," as *Newsweek's* Josh Hammer famously put it. They believe it's misguided to hope for a government that acts as neutral referee, because progressives leverage government power to mold both cultural and economic outcomes anyway. NatCons like Vance thus think conservatives

should seize the administrative state for their own ends, stuffing it with conservatives, rather than pursue ambitions to abolish it. If that means giving more power to agencies that right now are overwhelmingly staffed by Democrats and would be run by Democrats circa half the time, so be it.

This view speaks to a central truth. National conservatism, as with the left progressivism of, say, Sen. Elizabeth Warren (D-MA), is necessarily a top-down, centralizing, elite project. For all its shrouding itself as a movement of the working class, the very concept of a government delivering on a “common good” that deviates substantially from people’s free will requires a small class of people to overturn the decisions of individuals, families, businesses, and states. Survey after survey, for example, shows that most workers in the gig economy are satisfied with their work, given the flexibility it affords. Yet national conservatives argue that these business models have eroded workers’ negotiating power and job security. They propose new government rules to force gig economy companies to discuss terms with sector-wide organized labor categories such as “drivers.” This approach would jeopardize the whole business model.

Who would define this common good that policy should pursue? Well, the federal government in Washington primarily. Just like their progressive brethren, the NatCons want to grow Washington’s power further to the detriment of not only families and companies but also states. Tucker Carlson has himself acknowledged that building up state power further in response to the supposed libertarian dominance of current policy would likely go too far. In his own words at the 2019 National Conservatism Conference, Carlson admitted that “in a reaction against libertarianism, we’re going to make the DMV a lot bigger, and probably give them guns. And that’s bad, but there’s kind of no getting around it.” National conservatism might want a different group of technocrats directing the economy

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from Washington, but their vision is the same.

Indeed, the similarities with progressive government principles have not escaped the notice of left-leaning donor networks. American Compass, for example, obtains substantial funding from the Hewlett Foundation for “research on alternatives to neoliberalism.” It also obtains funds from the Omidyar Network’s “reimagining capitalism” project, which desires a “fundamental change in how corporations and capital markets operate.”

RIGHT-WING PROGRESSIVE POLICIES

Unsurprisingly, given that the progressive left and nat-con right agree on so much of the diagnosis and the principles under which government can legitimately act, there’s huge overlap on the types of policies both support.

Yes, the left is much more concerned about using policy to deliver on climate change mitigation and equity goals, whereas the nat-con right wants to support certain types of industries, regions, and families. But what American Compass’s recent handbook sees as the essential “scaffolding” to support capitalism is a set of tools nearly indistinguishable from those idealized by progressives.

The overlap on trade policy is well docu-

mented. Both the left and NatCons support the use of tariffs to try to reshore domestic industry, often predicated (though not exclusively) on the threat of China. American Compass goes much further than the protectionism maintained by President Biden—in fact, echoing 1980s anti-trade leftists by calling for a global tariff of 10 percent on all imports that escalates until the country’s trade deficit is eliminated. Since basic economics suggests trade deficits are overwhelmingly determined by a country’s savings and investment levels, not tariff policy, this ratchet would become increasingly destructive, to little end.

Industrial policy is seen by both as crucial to reshaping the economy toward certain industries too. American Compass celebrated the passage of the Chips and Science Act, a Democrat-backed set of industrial subsidies to boost American semiconductor production. The Biden administration has since used this approved funding to set conditions, such as requiring that recipient firms commit to deliver on childcare and equity goals. But despite how predictable this politicization of industrial policy was, the NatCons originally supported it for the same essential reason as the left. They regard it desirable that the government direct capital to encourage marginal investment in certain favored industries to deliver goals that depart from economic efficiency. The only difference is what those goals are.

Given that they think the current composition of the economy is somehow “wrong,” both left and right progressives unsurprisingly rail against finance, which fails to reallocate capital to their preferences. Senator Warren used to accuse “Wall Street” of “looting” businesses. The NatCons similarly decry the economy’s supposed “financialization,” which apparently has produced too much speculation rather than proper investment. What exactly “financialization” is seems to be a moveable target, but it leads them to propose a new financial transactions tax on “secondary-market sales

of stocks, bonds, and derivatives” and a ban on stock buybacks, two long-standing policies of the progressive left, to try to encourage more “real” investment.

The national conservatives’ gravitation toward endorsing organized labor marks a considerable shift toward more progressive stances too. To be fair, their preference leans toward European-style sectoral bargaining rather than confrontational union models. Yet they also favor German-like codetermination policies, like worker representation on corporate boards, just like those Warren championed in her presidential campaign. This idolization of economic policies from nations less affluent than the United States is, of course, another shared trait among these factions of left and right.

Free-market economists would say that productivity growth is the overwhelming source of sustainable wage gains. NatCons, like progressive economists, put much weight on the need for tight labor markets, bargaining power, and a voice for workers. This leads some NatCons to unusual political stances. For instance, Oren Cass has often praised the supposed bargaining power workers have had in the tight labor market under President Biden. Firms should quit moaning about worker shortages, he says, and simply raise wages. Yet firms are constrained by the need to turn a profit and can’t pay workers more than they are worth sustainably. More important, these ultratight labor markets have in large part been a result of overly stimulatory policies that exacerbated inflation, which actually eroded real wages, harming those workers.

Then there’s Big Tech. Both the current Federal Trade Commission chair Lina Khan and her trustbusters in Congress are skeptical or outright hostile to the consumer welfare standard application of antitrust laws. Many NatCons agree. Sen. Josh Hawley (R-MO) has proposed a “Bust Up Big Tech” bill, which would ride roughshod over customers’ preferences by simply barring large online platforms

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from promoting their own products and services on their own websites, whatever the effects on consumers. So no more Amazon-branded goods on Amazon Marketplace or Google Maps appearing on Google Search. Like progressives, NatCons deem certain big businesses “bad” by virtue of their size or power.

There’s also substantial overlap on the issues that they’d prefer not to talk about. Federal budget deficits and the long-term debt challenge associated with an aging population are largely ignored by both sides of this neo-progressive consensus. In fact, to the extent that they do talk about budgeting, it’s typically to defend unsustainable entitlement programs or argue for further expansions of the welfare state. Hawley, for example, wanted to “exempt

Social Security and Medicare from the debt ceiling.” American Compass, Sen. Marco Rubio (R-FL), and others have also long championed more redistribution toward families with children—increasing the entitlement state’s reach—albeit to different types of families.

National conservatism, then, shares with progressives not only the analysis of what’s gone wrong with America but also many of the pillars of the progressive policy temple. It’s little surprise that this new movement has been written up favorably by progressive commentators in the media as a welcome bipartisan development.

But we must be clear on what it is: it’s an agenda that believes the ills of this country arise from too much economic liberty. The solution offered is more central government direction of capital flows, the feds’ shaping the country’s regional and industrial economic composition, and new efforts to tilt the deck toward organized labor. If that sounds like the economics of left-wing progressivism, it’s because it is. ■

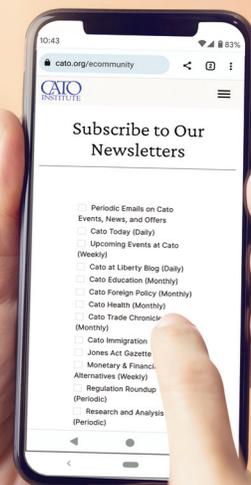
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Private Sponsorship: Revolution in Immigration Policy

The Biden administration recently launched ambitious private sponsorship programs for Ukrainians, Cubans, Haitians, Nicaraguans, and Venezuelans, which could be the largest expansion of legal migration in decades. These initiatives create new legal opportunities for Americans to sponsor foreigners from these troubled countries for legal entry and residence in the United States. **David Bier**, Cato's associate director of immigration studies, was joined by **Ilya Somin**, B. Kenneth Simon Chair in Constitutional Studies; **Kit Taintor**, vice president of policy and practice at Welcome.US; and **Adam Cox**, professor of law at New York University, to discuss what the sponsorship experience is like and how the government can improve on these policies.

David Bier: The idea of private sponsorship in the immigration context is pretty simple. An individual American or group of Americans takes some financial responsibility for someone who's trying to come to the United States. This is already how most of our immigration system works. It's U.S. citizens sponsoring their relatives or employers sponsoring employees. But these systems are highly restrictive and extremely difficult for people who have been displaced from their homes or who face conflict or political turmoil in their home countries.

The idea behind what we're calling the private sponsorship revolution in immigration policy is expanding our current system of sponsorship to allow Americans to sponsor people in these humanitarian contexts.

There are two types of sponsorship. Parole sponsorship is through the Department of Homeland Security. It's a temporary status that possibly could be renewable. Refugee sponsorship is under the Welcome Corps and the State Department. Refugees receive a permanent status with an eventual path to citizenship. The most important difference is the

scale of these two programs. We have about 35,000 immigrants coming under these parole sponsorship programs per month, whereas the State Department's refugee goal for sponsorship is just 5,000 for this year.

There are over a million applications pending from Haiti, Cuba, Nicaragua, and Venezuela. This is actually promising. We have this huge backlog, but it's a huge opportunity. This is why we think it can be a revolution in immigration policy because this represents hundreds of thousands of Americans stepping up and being willing to sponsor people to come into the United States. If this continues, it truly will be a revolution in immigration policy.

Ilya Somin: This issue is extremely important in terms of its scale and the issues involved in the long run.

The first of these programs, Uniting for Ukraine, arose from the Russian invasion of Ukraine. This invasion generated a refugee crisis with some seven million people fleeing Ukraine after Vladimir Putin's brutal assault. A Ukrainian refugee needs to have a

U.S. citizen sponsor to provide some financial support. If a sponsor is secured, the Ukrainian individual can enter the United States and stay for two years and have work authorization.

In January of this year, this program was extended to people fleeing four Latin American countries—Cuba, Haiti, Nicaragua, and Venezuela (CHNV). All four of these countries either have very oppressive regimes or have violence and severe economic crises, or some combination of both. There is also the Welcome Corps program. While it applies to migrants or refugees from all over the world, as opposed to just five countries, the only people eligible for it will be people who meet the very restrictive legal definition of "refugee," which is much narrower than the ordinary language definition of that word. Those who are able to enter the Welcome Corps program get permanent residency, indefinitely—they're not limited to just two years.

I'm a sponsor in the Uniting for Ukraine program. It took me about two or three hours to fill out the forms, which is not great—but it is much better than many other immigration-related forms. Even more impressively, I got a favorable response from the USCIS [U.S. Citizenship and Immigration Services] within nine days. When I sponsored a second time, it took about 20 days to get a response. This speed is part of what has enabled over 250,000 people to come to the United States through these sponsorship programs within only a year's time.

The scale could be larger because the CHNV extension with the four Latin American countries has been in place for only a few months. When fully in place, it can allow the entry of some 360,000 people per year. If this

continues, it will be a very large part of our total amount of legal immigration. It can rescue hundreds of thousands of people from oppression, war, violence, and poverty. It benefits them, but it also benefits us because these people can make important economic and social contributions.

Though these programs are good in many ways, they do have some significant limitations. The most obvious and most significant is that people entering under them are given residency and work permits for only two years. When that runs out, there will be a very serious problem—they will be eligible for deportation; they won't be able to work legally; so at best, they'll end up in the black market like our current population of undocumented immigrants. People can be much more productive and can contribute more to society if they're able to work legally in the open. We want people out of the shadows both for their own sake and for the sake of the American economy.

The second big problem is that this policy was created by the president using his parole authority under the Immigration and Nationality Act. Obviously, if he can create it, he can take it away. Either Biden or a future president could potentially do that at almost any time. The clear solution to this is to pass an adjustment act. That is what in fact has been done in the past when the parole power was used to allow the entry of Hungarians fleeing the Soviet invasion and Cubans fleeing communism. Congress can pass an adjustment act that gives these people permanent status for both residency and work.

We should not view this as a burden that the United States takes on. They contribute to our society and economy, and they strengthen the U.S. position in the war of ideas. If people are fleeing their regime to come here, that's a very powerful sign. It also sends a powerful message that we do not oppose the people of these countries—our opposition is to their governments.

Kit Taintor: Welcome.US is a relatively new national initiative built to inspire, mobilize, and empower Americans to participate in welcoming efforts across the nation. We began our work during Operation Allies Welcome because we knew that the existing government



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infrastructure wasn't enough to really welcome our Afghan allies.

The Welcome Corps program is looking at 5,000 refugees this year. We're also looking at the recently released UNHCR [United Nations High Commissioner for Refugees] numbers, which show that there are 100 million refugees or internally displaced people in the world. We know that these programs are

good, but we also need to do more.

Welcome.US focuses on bringing diverse organizations and the private sector into the work of welcoming. We look to harness their members that really want to be involved by offering them easy pathways to participate.

We're also invested in creating those pathways, and sponsorship is one of those. We're invested in how to make sure that folks are engaged and helping with the things that need the power of the American people to drive forward.

Finally, we share stories of Americans from all walks of life, participating in sponsorship to inspire others to help us build an enduring capacity in the United States to welcome.

There is a relatively large backlog for the CHNV program. You can look at that as a backlog or as 1.5 million Americans who have stood up and said, "I want to help."

Under the Operation Allies Welcome in August 2021, there was a small sponsorship program that was piloted, and it showed how sponsorship can complement the other government pipelines and systems. We were overwhelmed with interest, and it sparked us to think about the power of sponsorship.

Uniting for Ukraine, the CHNV process, and Welcome Corps offer us as a nation a whole lot. First, they offer us the ability to act quickly when there is a humanitarian challenge. The Ukraine war started at the end of February, and by May we were welcoming folks into the United States. That is so fast. I have friends and colleagues who fled war and the Democratic Republic of the Congo, and they are still in refugee camps 5, 10, 15, 20 years later. The speed with which we can respond as a nation through these pathways is really key.

We have a very complex immigration system in the United States. It is not clear how you get here, how you find a path to safety. But these programs add value both to our refugee resettlement program for humanitarian purposes and to the greater programs

that we have to welcome those fleeing persecution and violence.

We have been so inspired by the number of Americans raising their hands to welcome people from all over the world. We did a survey with More in Common earlier this year, and it indicated that 50 million people in the United States are interested in sponsorship. Imagine the 100 million people fleeing violence. Fifty million people in the United States want to be the answer to that. Our website receives up to 60,000 visits a day. Our guide, tools, and resources include everything from how you do that I-134A form, to how to be a sponsor, to how to set up an apartment. Those resources have seen almost a million downloads.

In 2020, the refugee resettlement system welcomed 11,000 refugees. Every one of them has the opportunity in the United States to give back. But that's very small. The number of children born in refugee camps is more than that in any given month. That we are able to welcome not only refugees through the refugee process but also parolees through the humanitarian processes gives me great hope that eventually we will have a system that's able to be responsive to the national need.

Sponsors do a lot of things for newcomers. They provide support: financial support, temporary housing, help with filling out necessary government forms to help people get health insurance. But more importantly, sponsors are friends. They teach you things that anybody moving to a new community would need to know—how to ride the subway, where to buy fresh vegetables, how to get kids enrolled in school. Sponsors also help integrate newcomers.

Colorado did a five-year longitudinal study of what factors contribute most to refugee integration. People who feel like they belong in our communities are more likely to give back in the ways that really propel our economy forward. We found that there were two factors that were the leading causes of integration. One was English proficiency. But just as important was social bridging. What that means is you've

got a friend outside your own community that can help guide you. And that's what sponsorship is. It's providing that friendship and that guide to a newcomer that really helps them thrive. Just by being a friend, by being a guide, you can help that person integrate.



“
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today for the current
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”

Recently, 26 businesses sent a letter to President Biden indicating that they needed new pools of talent to come into our nation to help propel our economy. When we're thinking about these folks coming in, it's about humanitarianism, it's about giving people opportunity, but opportunity often looks like good work and good work helps us all.

I think about the 100 million folks that are displaced worldwide. That number of

displaced people keeps growing, and it's going to keep on growing. We need these revolutions in our immigration policy today for the current challenges, but we definitely need them for tomorrow.

Adam Cox: I want to—as the person who's written a lot about the history of American immigration policy and presidential control over it—step back and put each of those developments in historical context.

Let me start with the expansion of humanitarian protection, which Congress gave the president in 1952 to parole people into the country who are otherwise inadmissible. The use of that as the backbone of humanitarian protection is an important development in the Biden administration, but it has deep historical roots. Ever since Congress gave the president this power, presidents have used it to construct our system of refugee protection. Long before Congress passed the Refugee Act, long before we actually had a system by which people could come to this country to seek asylum, we had presidents like Eisenhower in the 1950s granting some 30,000 Hungarian students refuge in the United States pursuant to this parole power. Later presidential administrations used parole widely to allow the entry of hundreds of thousands of migrants fleeing places like Cuba. The Biden administration is reaching back to those roots and deploying this power today to protect folks coming from Afghanistan, from Ukraine, and from many places in Latin America.

I want to note that the Biden administration is using at least some of these programs not as pure expansions of humanitarian protection but instead as a kind of substitute for preexisting forms of humanitarian protection. Even as the administration has opened up these channels where a person who's sitting in Venezuela can seek parole in the United States if they're sponsored by someone here, the administration is simultaneously rolling out policies that make it much more difficult for a person who actually

arrives at the U.S.-Mexico border and seeks asylum to obtain refugee protection.

Broadly speaking, we should see the CHNV program transforming refugee protection by saying, first, we'll provide protection for some, but instead of coming to the border to seek protection, and instead of having us evaluate your asylum applications on an individual basis, don't come to the United States if you want protection. Apply from abroad. Second, we're going to pick countries in advance who will be in a preferred position for refugee protection. And third, maybe most important, it doesn't require that people qualify as a "refugee," as that term is defined under U.S. law, to receive protection. That's important because the Refugee Act of 1980 is built on a model that imagines the person who needs protection as an ideological dissident of a communist regime. It doesn't match the crises that are taking place, certainly within our hemisphere.

Those are big changes in our refugee policies, and there are obviously some big advantages to them. It helps regularize the process of people coming; it reduces the processing crisis that was taking place in some parts of the border where the government simply couldn't process people quickly enough.

It comes with challenges as well. We should see this not as purely an expansion, but as a transformation—almost a new model. The sponsorship piece is new in the refugee context. Other countries like Canada have adopted similar programs. But a foundational element that distinguished our

refugee protection system historically from other parts of American immigration law was that you didn't need a connection to someone in this country to receive our protection.

The sponsorship requirement in these programs creates lots of opportunities, but it is



“
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for prolonged
periods of time.
”

also an additional restriction that didn't previously exist. What we need to recognize is that it will shape who gets to come because it will depend on people developing those sponsorship connections. It's so important that there are intermediary organizations stepping up to help folks who don't have connections to this country. That's not a role that's being taken on by the government, but it's going to be a hugely important role.

I'll end on a note of hope. One effect of the administration's substitution for processing people seeking protection at the border for this new system where people who want protection need to get processed abroad is that it reduces the kind of salience of the processing challenges that have taken place at the border. You're less likely to have overcrowded facilities where people are stuck in terrible conditions and detention centers for prolonged periods of time.

That's been part of the obstacle to immigration reform efforts on the Hill for so long, and one thing that these policies have the potential promise to do is turn down the temperature on that. In the run-up to the expiration of the emergency authorities that had blocked access to asylum at the southern border, there was a slew of coverage about how the government expected a massive increase in the arrival of people at the U.S.-Mexico border. And that hasn't happened. Part of the reason that hasn't happened is because of the existence of these programs. That might just create a little political space for more change along these lines. ■

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Cato policy analyst **COLLEEN HRONCICH** (1), Director of National Research for EdChoice **MICHAEL MCSHANE** (2), founder and Executive Director of Love Your School **JENNY CLARK** (3), and President of Rethink Education **ROBYN BAGLEY** (4) tackled implementing education savings accounts in the policy forum “From Law to Learning: How Do We Implement the School Choice Revolution?”



Cato visiting scholar **EREC SMITH** (center) hosted a forum on the book *Letters in Black and White: A New Correspondence on Race in America*. The book is a collection of letters between a white woman and a black man who defend classical liberalism as a guiding ideology for understanding and improving race in America. Smith was joined by Founding Board Member of the Institute for Liberal Values **JENNIFER RICHMOND** (left) and author and lawyer **WINKFIELD TWYMAN, JR.** (right).



The Cato Institute’s first public event in the newly renovated F. A. Hayek Auditorium was a film screening of *Pinball: The Man Who Saved the Game*. The screening was followed by a Q&A session with the film’s directors, brothers **MEREDITH BRAGG** (left) and **AUSTIN BRAGG** (center), moderated by Director of Philanthropic Investments from Moving Picture Institute **JOSEPH COREY** (right).

JUNE 1: *Pinball: The Man Who Saved the Game*

JUNE 2: *Letters in Black and White*

JUNE 5: The Pernicious Surveillance Legacy of 9/11

JUNE 6: Surveillance Reform Prospects

JUNE 7: Domestic Terrorism versus Constitutional Speech

JUNE 8: Biometrics: Privacy versus Public Safety

JUNE 13: What Can Help Keep Kids Safe Online? Ideas for Parents and Policymakers

JUNE 21: Financial Stability and Systemic Risk

JUNE 30: Private Sponsorship: Revolution in Immigration Policy

JULY 9–13: Sphere Summit

JULY 18: From Law to Learning: How Do We Implement the School Choice Revolution?

JULY 19: Thawing a Frozen Conflict: The Korean War Armistice at 70 Years

JULY 23–27: Sphere Summit

JULY 25: Tax Expenditures and Tax Reform

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

Cato Calendar

CATO INSTITUTE RECEPTION 2023
New York, NY
Harvard Club of New York City
October 10, 2023

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

CATO CLUB RETREAT 2024
Ojai, CA • Ojai Valley Inn
September 26–29, 2024

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

The R. Evan Scharf Chair for the Public Understanding of Economics

Thanks to an extraordinary legacy gift in 2017, Cato has been fighting for free markets with the voice of economist Ryan Bourne, the first R. Evan Scharf Chair for the Public Understanding of Economics.

Before his passing, Evan Scharf and his wife Sue had supported Cato at the Club 200 level for many years and made a big difference in the fight for individual liberty at the Institute. Evan began his career on Wall Street and remained in the financial industry for decades and had been a friend of the Cato Institute since 1989. We are deeply honored that he chose to partner with the Institute through his estate over 30 years later.

In his letter establishing the chair, Evan reflected that government schools and private universities had failed to teach the profound theories of F. A. Hayek, Ludwig von Mises, and Milton Friedman. Evan wished to fund a chair at Cato so that a persuasive teacher could move “public opinion to support market economies in contrast to those of the command-and-control models that have failed and been so costly to human happiness, health, and productivity.”

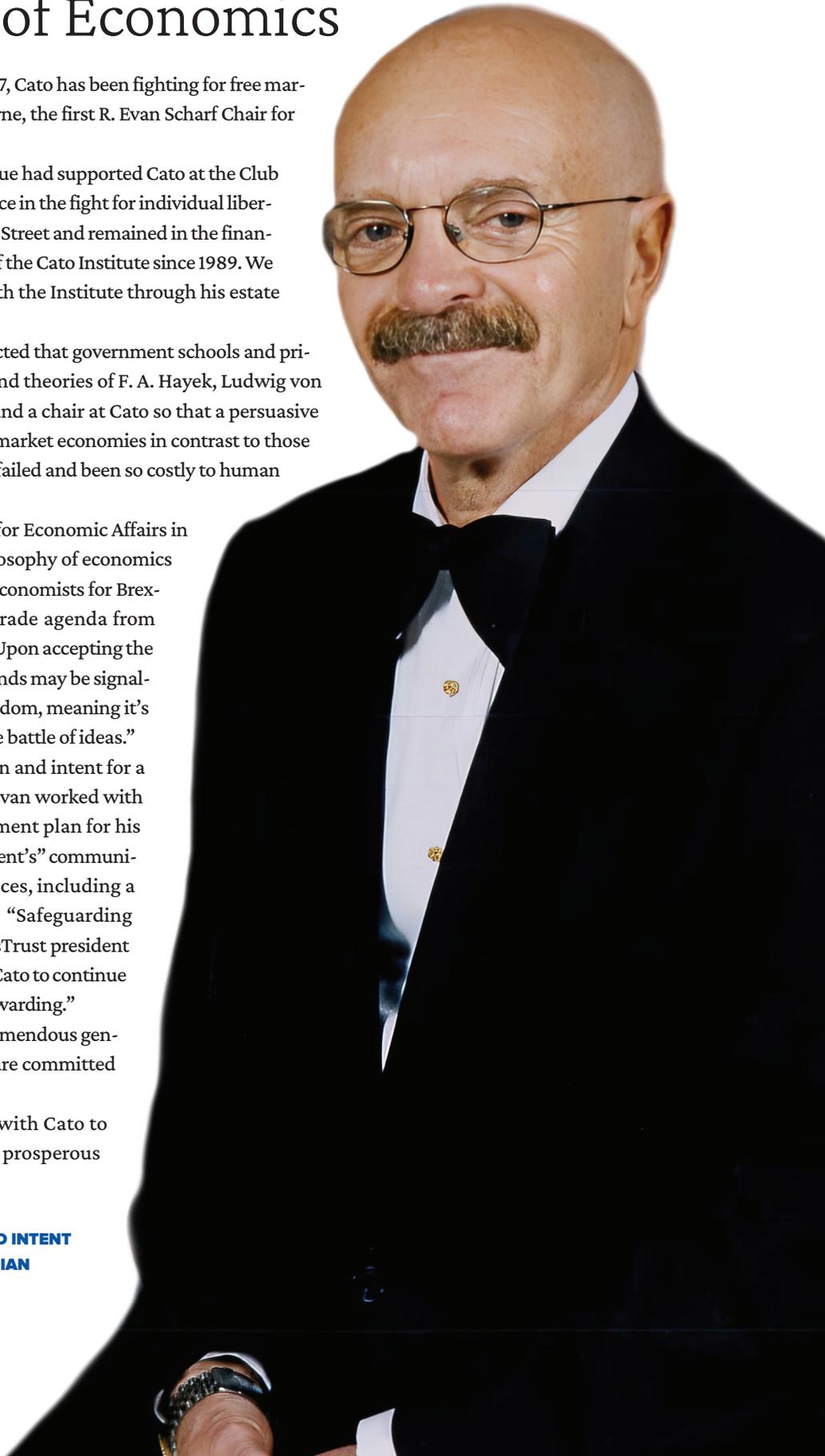
Ryan Bourne joined Cato from the Institute for Economic Affairs in London and holds a master’s degree in the philosophy of economics from Cambridge University. As one of the key “economists for Brexit,” Bourne secured commitments for a free trade agenda from Britain’s post-Brexit Conservative government. Upon accepting the chair, Bourne remarked that “recent political trends may be signaling a decline in public support for economic freedom, meaning it’s all the more crucial now to secure victories in the battle of ideas.”

After working with Cato to identify his vision and intent for a resident scholar position named in his honor, Evan worked with our friends at DonorsTrust to set up an investment plan for his endowment. DonorsTrust is the “liberty movement’s” community foundation—providing philanthropic services, including a donor-advised fund, for like-minded donors. “Safeguarding intent is a core DonorsTrust value,” says DonorsTrust president Lawson Bader. “Partnering with both Evan and Cato to continue and expand the fight for a free society is most rewarding.”

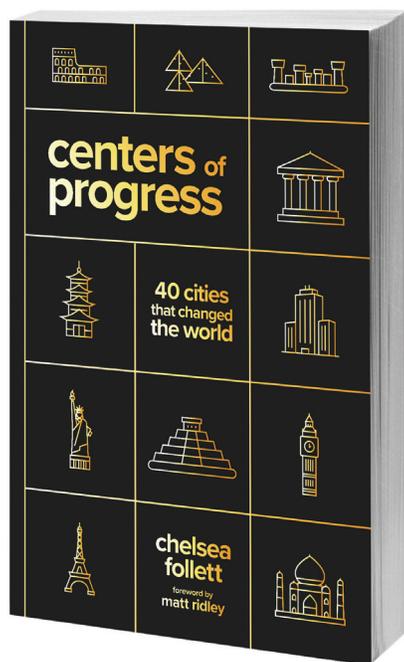
It means so much to us to benefit from the tremendous generosity of Cato’s Legacy Society Sponsors who are committed to our values.

We thank all our Sponsors for partnering with Cato to defend the ideas that will create a freer, more prosperous world.

IF YOU WOULD LIKE TO DISCUSS THE VISION AND INTENT OF YOUR LEGACY AT CATO, PLEASE CONTACT BRIAN MULLIS, BMULLIS@CATO.ORG OR 202-789-5263.



Discover the World's Epicenters of Progress



Human civilization is a tapestry woven with countless threads of innovation, culture, and progress. From the ancient wonders of antiquity to the modern metropolises that shape our global landscape, cities have been vital in driving humanity forward. *Centers of Progress: 40 Cities That Changed the World* by Cato policy analyst Chelsea Follett takes readers on a captivating journey through pivotal advancements in history. In this meticulously researched and thought-provoking work, Follett delves into the transformative power of 40 influential cities that have shaped human civilization.

This crash course in world history chronologically explores the origins of civilizations and the legacies these cities left behind. From the birthplace of writing in Uruk, to the development of philosophy in Athens, to the establishment of a liberal democracy in Philadelphia, each city is a testament to human resilience, innovation, and adaptability.

Centers of Progress serves as a celebration of human progress as a team sport and the spirit of innovation that drives societies forward. Most cities, Follett found, reached their creative peak during periods of peace and during times of social, intellectual, and economic freedom. Openness to intercultural exchange and trade also shows to foster progress.

“In this superb book, Chelsea Follett takes the reader on a time-travel cruise through the great flash points of human activity to catch innovations that have transformed human lives.” —MATT RIDLEY

Free Markets Will Save the World

One hundred and seventy-five years after Marx and Engels observed in *The Communist Manifesto* that free markets had in a short time created greater prosperity and more technological innovation than all previous generations combined, all evidence shows they were correct—capitalism has lifted billions from hunger and poverty. Today, a story about global capitalism, told by right-wing and left-wing populists as well as large sections of the political and economic establishment, does not deny that prosperity has been created but says it ended up in far too few hands.

In *The Capitalist Manifesto: Why the Global Free Market Will Save the World*, renowned author and Cato senior fellow Johan Norberg challenges popular economic narratives and delves into the transformative capabilities of free markets. He sheds light on how free markets have catalyzed unparalleled economic growth, lifting countless individuals from the shackles of poverty while ushering in an era of unparalleled innovation.

Norberg provides a balanced and nuanced perspective on free markets, addressing common criticisms while emphasizing that a move away from global capitalism would not only squeeze the growth out of the economy but also deepen an already large social exclusion for the vulnerable. For those seeking to understand the principles underpinning global economic systems and the potential they hold for advancing societies, *The Capitalist Manifesto* is a must-read. ■

“This is not the story that you tend to be told. Doom sells. Stories of destitution are better for charity fundraising, even if they perpetuate stereotypes. There are few organisations interested in spreading the news that poverty is still falling faster than at any time in human history Norberg’s new book updates the case in an utterly convincing way.” —FRASER NELSON



BOTH BOOKS WILL BE AVAILABLE IN SEPTEMBER AND CAN BE PURCHASED AT MAJOR BOOK RETAILERS, FROM ONLINE RETAILERS, OR ON CATO'S WEBSITE.

Pathway for Parole

The United States and Mexico have a joint interest in reducing illegal immigration through Mexico to the U.S. border. **“Coordinating Humanitarian Entry in the United States and Mexico: A Bilateral Approach to U.S. Legal Migration”** (Briefing Paper no. 158) extols the benefits of coordinated management of the northward flow of humanitarian parolees. Central American migrants should be granted temporary authorization to travel to Mexico City to request U.S. parole and should then be permitted to fly to the United States legally, thus reducing the congregation of migrants at the land borders of both nations.

THE TAYLOR RULE



The Federal Reserve has operated within a purely discretionary policy framework, and many economists have argued that a rules-based monetary policy would improve economic outcomes. The “Taylor Rule” is one guide for an optimal interbank lending rate used to reach policy goals. In **“Following the Taylor Rule: Has the Fed Learned from Its Own ‘Success’”** (Working Paper no. 77), research fellow Jai Kedia finds that Fed policy has increasingly strayed from the rule in the period after the 1980s and especially after the Great Recession.

BUY AMERICAN FALLACIES

Cato adjunct scholar James Bacchus, a former member of Congress and World Trade Organization official, outlines the specious political justifications made for “Buy American” policies in **“The High Price of Buying American”** (Policy Analysis no.

948). The claims ignore such policies’ negative consequences, including higher prices for consumers, less market competition, lower-quality goods, and retaliation from other nations. The new Buy American provisions in the Inflation Reduction Act additionally raise serious legal issues under the international laws of the World Trade Organization—these risks and harms are too great to tolerate.

SHIELDING FIRMS FROM INFLATION

The 2017 Tax Cuts and Jobs Act (TCJA) permitted “full expensing” for businesses when filing taxes, wherein they deduct the full cost of their new capital investments in the year they’re made. Adam N. Michel, director of tax policy studies, implores Congress not to phase out the expensing permitted by the TCJA in **“Expensing and the Taxation of Capital Investment”** (Briefing Paper no. 159). A phaseout will depress new investments and exacerbate the already-heightened risk of recession.

TARIFFS ARE REGRESSIVE



“The Regressive Nature of the United States Tariff Code: Origins and Consequences” (Research Briefs in Economic Policy no. 335) by Lydia Cox shows that tariff rates are systematically higher on low-value versions of goods relative to their high-value counterparts. Cox’s analysis finds that this has been a feature of the tariff schedule for decades and that it harms poorer consumers. Cox argues that eliminating these discrepancies would save consumers more than \$4 billion per year.

BECOMING MORE EQUAL

Chelsea Follett, managing editor of HumanProgress.org, and George Mason University economist Vincent Geloso created the Inequality of Human Progress Index (IHPI), a multidimensional measure of relative gaps in global development that focuses on income inequality. In the first annual Index, they find that **“Global Inequality in Well-Being Has Decreased across Many Dimensions”** (Policy Analysis no. 949). Across all but two metrics, the world has become more equal since globalization and market liberalization raised the absolute living standards of billions.

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AMERICA IS CLOSED



Few of those wishing to relocate permanently to the United States can do so legally. The government's restrictive criteria render legal paths of immigration available in only the most extreme cases. **"Why Legal Immigration Is Nearly Impossible"** (Policy Analysis no. 950) by David J. Bier, director of immigration studies, provides an overview of these few and narrow pathways and emphasizes the urgent need to overhaul the system.

DEREGULATING > REGULATING

The ability of Food and Drug Administration (FDA) regulation to enhance innovation by fostering confidence in new medical devices has been overstated according to research by Parker Rogers in **"Regulating the Innovators: Approval Costs and Innovation in Medical Technologies"** (Research Briefs in Economic Policy no. 336). Rogers finds a major increase in patents, market entrants, and safety for product categories after they have been deregulated by the FDA.

REWRITING HISTORY



Since coming to power in 2014, India's ruling Bharatiya Janata Party has been rewriting history through its Hindunationalist lens. In **"Indian Nationalism and the Historical Fantasy of a Golden Hindu Period"** (Policy Analysis no. 951) by Swaminathan S. Anklesaria Aiyar, research fellow in Cato's Center for Global Liberty and Prosperity, Aiyar examines the real economic progression of India from 1 CE to the present day.

THINK OF THE CHILDREN

Policymakers have responded to concerns about minors' online experiences with restrictive proposals that would negatively affect the privacy and speech of all internet users. Technology policy research fellow Jennifer Huddleston reminds readers about the beneficial uses of social media for teens and calls on policymakers to maintain the advantages of a free-market approach in **"Improving Youth Online Safety without Sacrificing Privacy and Speech"** (Briefing Paper no. 160).

A PANDEMIC OF PROPAGANDA

A comparison of Russian implementation of propaganda measures during the COVID-19 pandemic found that regions with more underreporting of COVID-19-related deaths—and those most influenced by Moscow—also had citizens less willing to comply with self-isolation measures. Comparatively, authoritarian institutions worsened the pandemic. **"Information Manipulation and Repression: A Theory and Evidence from the COVID-19 Response in Russia"** (Research Briefs in Economic Policy no. 337) identifies regions with more propaganda by comparing COVID-19 reporting with data on excess deaths, which is more difficult to tamper with.

EXCESS ENTITLEMENT; MISSPENT BENEFITS

Adjunct scholar John F. Early calculates that taxpayers have paid a total of \$5.6 trillion in excess entitlement program benefits since 1975 because the price indexes used to determine cost-of-living adjustments have overstated inflation. Benefits for dozens of programs have increased faster than inflation. Early describes the **"Adverse Effects of Automatic Cost-of-Living Adjustments to Entitlement and Other Payments"** (Policy Analysis no. 952).

IMMIGRATION AND INNOVATION

The body of research on the economic contributions of high-skilled immigrants is smaller in Europe, where lesser-skilled migrants are a larger share. Anna Maria Mayda, Gianluca Orefice, and Gianluca Santoni supplement this research. Using information on French firms between 1995 and 2010, **"Skilled Immigration, Task Allocation, and the Innovation of Firms"** (Research Briefs in Economic Policy no. 338) found that a 10 percent increase in the share of skilled immigrants led to an average increase of 2.6 patents per 10,000 manufacturing workers, a sharper increase than the effect of skilled natives.

ARMS SALES RISK INDEX



Cato policy analyst Jordan Cohen and former senior fellow A. Trevor Thrall have released the **2022 Arms Sales Risk Index** (Policy Analysis no. 953). They found that to date, the Biden administration is, on average, approving weapons sales to less risky recipients than the Trump and Obama administrations did, but that hardly suggests the recipient list is safe.

GOVERNMENT-CONTROLLED HEALTH CARE

"The Original Sin of U.S. Health Policy" explores the history of government intervention in health care and its consequences. Director of health policy studies Michael Cannon argues that the root of the U.S. health care crisis lies in early government interventions that distorted the health care market. The interactive study emphasizes the importance of moving toward a more market-based approach to improve health care outcomes and reduce costs. ■

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“To Be Governed...”

THE PENALTY IS LOSING MONEY. NO GOVERNMENT INTERVEN- TION REQUIRED.

NEW: Gov. @RonDeSantis announces an inquiry into @abinbev and @budlight's impact on Florida pension holders.

“There's got to be penalties for when you put business aside to focus on your social agenda at the expense of hardworking people.”

— **DeSantis War Room on Twitter,**
July 20, 2023

REMEMBER WHEN COLLEGE STUDENTS STARTED THE FREE SPEECH MOVEMENT?

Both conservative and liberal college students believe they should report a professor if they say something they find offensive, according to a survey from the Sheila and Robert Challey Institute for Global Innovation and Growth. . . .

Overall, 74 percent of all students say professors should be reported for saying something found offensive.

— **The Hill, July 19, 2023**

NEW SOURCES OF CAMPAIGN FUNDING

Trump often suggests that the [direct payments to farmers hurt by tariffs] are a source of support for his campaign against DeSantis. “But after you give \$28 billion to the farmers, I said, ‘Do you think the farmers are voting against me? I don't think so,’” he said in South Carolina. . . .

Research conducted by Joe Janzen of the University of Illinois at Urbana-Champaign and colleagues found that the farm payments . . . helped lead to a larger-than-usual share of farmer income coming from the federal gov-

ernment. He also determined that the payments (along with covid relief in 2020) increased turnout for Trump—677,512 votes with an estimated cost per vote gained of \$66,124.

— **Washington Post, July 13, 2023**

BIDENOMICS

Jigar Shah is living an investor's dream, one with more strings attached than a symphony orchestra.

Shah has \$400 billion of government funds to pour into businesses touting green-energy projects. . . .

The source of Shah's financial firepower is the Energy Department's Loan Programs Office, an overlooked piece of the Biden administration's strategy to address climate change. Largely quiescent for almost a decade, the office is designed to finance businesses that are important to the country's energy transition but unable to borrow from traditional lenders, often because their technology is seen as too risky or because the terms are too onerous. . . .

Some were reluctant to apply, worried about the complicated approval process and the risks of taking a government loan. Shah, eager to get funds out the door, can be impatient. In September, he pressed a startup company that has a plan for recycling batteries to borrow hundreds of millions of dollars from the federal government to construct a plant.

— **Wall Street Journal, July 3, 2023**

CUOMONOMICS

New York spent nearly \$1 billion over the past decade on Elon Musk's ambitious plan for what was supposed to be the largest solar-panel factory in the Western Hemisphere, one of the largest-ever public cash

outlays of its kind.

“You almost have to pinch yourself, right?” New York's then-Gov. Andrew Cuomo said at a construction ceremony for the factory in 2015. “That this is too good to be true.”

Eight years later, that looks like a pretty good assessment. . . .

A state comptroller's audit found just 54 cents of economic benefit for every subsidy dollar spent on the factory, which rose on the site of an old steel mill. External auditors have written down nearly all of New York's investment.

— **Wall Street Journal, July 6, 2023**

THANK YOU, TAXPAYERS IN THE OTHER 48 STATES, FOR FIXING OUR LOCAL ROADS

Rep. Robert B. Aderholt (R-AL.), a top appropriator, delighted in the receipt of \$1.6 million to replace a bridge in Courtland, Ala., noting in a release that he is “always happy to support this type of funding in Congress”—even though he voted against the infrastructure law that expanded the RAISE program.

And Rep. Sam Graves (R-MO.), the chairman of the House's powerful Transportation Committee, said he was “proud” to share the news that the city of Maryville would receive \$1.3 million to repair its portion of a local highway.

— **Washington Post, July 9, 2023**

COINCIDENCE?

China's AI development lags far behind its Western counterparts in many sectors, analysts say. But there is one area where Beijing has gotten ahead of Washington, and that's putting regulations on the AI industry.

— **Washington Post, July 6, 2023**