Legalization Works

n 2012, Colorado and Washington became the first states to legalize recreational marijuana. Since then, nine other states plus the District of Columbia have joined them. In "The Effect of State Marijuana Legalizations: 2021 Update" (Policy Analysis no. 908), Angela Dills, Sietse Goffard, Jeffrey Miron, and Erin Partin track the effects of this experiment in freedom and find that critics' concerns about rising drug use, increased crime, harms to public health, or rising traffic accidents have been proved unfounded.

ROBOTS AND JOBS

Automation anxiety has been on the rise, with concerns that new automation technologies will displace needed jobs. In **"Automation and the Fate of Young Workers: Evidence from Telephone Operation in the Early 20th Century"** (Research Briefs in Economic Policy no. 249), James Feigenbaum and Daniel P. Gross study a historical parallel, the automation of telephone operators. By analyzing census data and other sources, the authors find that displaced workers adjusted and found jobs with equal or better pay.

SPY GAMES

Espionage can be a serious threat to national security, but do perennial fears of spies in our midst hiding among immigration pop-



ulations have any merit? These overbroad policies that respond to such a rare threat do more harm than good, according to the findings of "Espi-

onage, Espionage Related Crimes, and Immigration: A Risk Analysis, 1990**2019**" (Policy Analysis no. 909) by Alex Nowrasteh, who developed the first database of both commercial and state espionage cases to evaluate the real risk level.

EDUCATION IN A PANDEMIC

There has been much dismay at the possible long-term educational effects of school closures due to the COVID-19 pandemic. But these concerns might be inflated, according to **"Does Education Matter? Tests from Extensions of Compulsory Schooling in England and Wales"** (Research Briefs in Economic Policy no. 250) by Gregory Clark and Neil Cummins. The authors consider the successive expansions of compulsory schooling laws in the 20th century, and they find that predicted increases in lifetime income did not materialize.

RED TAPE AT THE BORDER

The H-2B program is critical to the economy because it provides a legal path for



employers to hire high-skilled workers from abroad. In "H-2B Visas: The Complex Process for Nonagricultural Employers to Hire Guest Work-

ers" (Policy Analysis no. 910), David Bier explains how Congress and the Biden administration can unwind the Kafkaesque degree of red tape surrounding these visas.

RACE AND JUSTICE

The national spotlight has recently been turned on the chronic racial disparities in America's criminal justice system, sparking new efforts at reform at the state and federal level. In "Racial Disparities in Criminal Justice Outcomes: Lessons from California's Recent Reforms" (Research Briefs in Economic Policy no. 251), Magnus Lofstrom, Brandon Martin, and Steven Raphael examine changes made by California in 2011, and the authors find those changes have produced a demonstrable decline in racial disparities that is worth emulating in other states.

SAVING FREE TRADE

Since 1995, the World Trade Organization has been the pillar of a rules-based international system that has successfully pushed to liberalize global trade, with dramatic positive effects. But little progress

CATO POLICY REPORT is a bimonthly review published by the Cato Institute and sent to all contributors. It is indexed in PAIS Bulletin.
Single issues are \$2.00 a copy. ISSN: 0743-605X.
© 2021 by the Cato Institute. Correspondence should be addressed to Cato Policy Report,
1000 Massachusetts Ave. NW, Washington, DC 20001. www.cato.org • 202-842-0200

CATO POLICY REPORT

David Boaz	Editor
Andy Craig	Associate Editor
Jon Meyers	Art Director
Karen Garvin	Senior Copyeditor
Mai Makled	Graphic Designer

CATO INSTITUTE

Peter Goettler	President and CEO
Robert A. Levy	Chairman
David Boaz	Executive Vice President
Linda Ah-Sue	V.P., Events and Conferences
Lesley Albanese	Senior Vice President, Initiatives
Jill Braun	General Counsel
Khristine Brookes	V.P., Communications
Marissa Delgado	V.P., Chief Financial Officer
James A. Dorn	V.P., Monetary Studies
Emily Ekins	Vice President
Gene Healy	Senior Vice President, Policy
Steve Kurtz	V.P., Chief Digital Officer
Clark Neily	Senior Vice President, Legal Studies
John Samples	Vice President
llya Shapiro	Vice President
lan Vásquez	V.P., International Studies
Harrison Moar	Vice President, Development
Edward H. Crane	President Emeritus

James Buchanan (1919–2013)...Distinguished Senior Fellow F. A. Hayek (1899–1992).....Distinguished Senior Fellow William A. Niskanen (1933–2011).....Chairman Emeritus has been made since that initial round of liberalization. In "**Reviving the WTO: Five Priorities for Liberalization**" (Policy Analysis no. 911), James Bacchus lays out five ideas on how the global organization can revive flagging trade liberalization, such as lowering tariffs in categories such as medical and environmental goods and imposing greater discipline on protectionist subsidies.

FIRST COMES LOVE

The legalization of same-sex marriage has provided a new opportunity to study the economic effects of marriage—in particular, for same-sex couples who were long denied the legal rights and protections of marriage. In **"For Love and Money? Earnings and Marriage among Same Sex Couples**" (Research Briefs in Economic Policy no. 254), Michael E. Martell and Peyton Nash find substantial earnings increases for men and women alike compared with their unmarried counterparts of the same sexual orientation.

CHILLED PILLS

Arbitrary deadlines plague the system of regulatory approval for new medications, causing a potentially dangerous spike in adverse effects related to drugs approved near the end of the year. According to "Internal Deadlines, Drug Approvals, and Safety Problems" (Research Briefs in Economic Policy no. 253) by Lauren Cohen, Umit Gurun, and Danielle Li, data from the United States, European Union, Japan, China, and South Korea show more than twice as many drugs are approved in December as in any other month, which correlates with more hospitalizations, lifethreatening incidents, and deaths.

PRESIDENTIAL FIAT

In his first trade action, President Biden imposed tariffs on aluminum from the United Arab Emirates under Section 232



of the Trade Expansion Act of 1962. This grant of presidential power, which was also a favorite of President Trump's protectionist agenda, is

chronically prone to abuse and should be reformed, according to "Protectionism or National Security? The Use and Abuse of Section 232" (Policy Analysis no. 912) by Scott Lincicome and Inu Manak.

THE COLOR OF CARE

Southern hospitals were long segregated under Jim Crow laws. Since then, federal efforts have resulted in successfully integrated medical care. However, in **"The Federal Effort to Desegregate Southern Hospitals and the Black White Infant Mortality Gap"** (Research Briefs in Economic Policy no. 255), D. Mark Anderson, Kerwin Kofi Charles, and Daniel I. Rees find that desegregation had a negligible effect on the racial gap in infant mortality, suggesting that causes for this troubling and persistent trend must be found elsewhere.

CALL A DOCTOR

Advocates of a universal provision of Medicare coverage make many claims about increasing capacity and lowering costs. In **"How Would Medicare for All Affect Health System Capacity? Evidence from Medicare for Some"** (Research Briefs in Economic Policy no. 252), Jeffrey Clemens, Joshua D. Gottlieb, and Jeffrey Hicks examine the evidence from the existing Medicare program, and the authors find that the prognosis is not good for the nation's supply of medical providers.

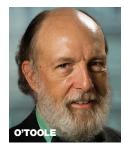
GIVE PEACE A CHANCE

Since World War II, Americans have come of age under radically different sit-

uations for America's place on the world stage, and foreign policy views have changed accordingly. In **"The New Faces of Internationalism: How Generational Change Is Reshaping American Foreign Policy Attitudes"** (Working Paper no. 62), Trevor Thrall and Erik Goepner analyze seven decades of polling data to demonstrate that American opinion is shifting in a more dovish direction as the post–Cold War generation comes of age.

PLANES, TRAINS, AND AUTOMOBILES

Federal transport policy has been on a temporary one-year autopilot extension since September 2020. In **"Zero Based**



Transportation Policy: Recommendations for 2021 Transportation Reauthorization" (Policy Analysis no. 913), Randal O'Toole explores

the benefits of a new approach to transportation spending, starting with zerobased budgeting and rigorous cost-benefit analysis.

MARKET SHOCK

In 2020, the Trump administration issued an executive order that restricted nonimmigrant work visas and ultimately barred about 200,000 temporary workers and their dependents from entering the United States. In "An Executive Order Worth \$100 Billion: The Impact of an Immigration Ban's Announcement on Fortune 500 Firms' Valuation" (Research Briefs in Economic Policy no. 257), Dany Bahar, Prithwiraj Choudhury, and Britta Glennon calculate the effect of this shock on firms' valuations, and the authors find that the order accounted for a staggering sum lost.