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The vice president rejects Milton Friedman's freemarket principles in favor of bigger government.

What JD Vance Gets Wrong About Hamilton

By Andrew Langer

Vice President JD Vance recently told podcast host Michael Knowles that American conservatism has moved beyond Milton Friedman. Economic policy on the right, he said, is now "much more Alexander Hamilton," a change he called "obviously a good thing." Hamiltonianism, he predicted, "will dominate American conservative economic thinking for the future." This was a deliberate endorsement of a post-laissez-faire economic philosophy built around government-directed development.

Mr. Vance's justification is as consequential as his conclusion. Friedman's ideas, he said, made more sense in the 1980s because America still possessed "a very rich and powerful institutional Christianity." Laissez- faire economics operating with "Christian guardrails on everything," he argued, is different from laissezfaire economics in today's secular, globalized culture.

That claim confuses the moral freedom of individuals with a particular religious or institutional order. Markets don't require comprehensive Christian guardrails. They require individual liberty, property rights, honest dealing, enforceable contracts and equal rules against force and fraud. These principles are compatible with Christianity, but they aren't exclusively Christian. They allow people of different faiths— and no faith—to cooperate peacefully without agreeing on theology or a common conception of the good.

The market isn't a moral authority standing above society. It is the accumulated result of human beings freely choosing to work, create, buy, sell, save and invest.

Mr. Vance also caricatures Friedman's legacy by implying that laissezfaire elevates economic development above human dignity. Friedman's case for markets was moral as well as material. Voluntary exchange allows people with different values and objectives to cooperate without forcing them into a single national plan. Dispersed economic power leaves people, families and communities free to pursue their own understandings of a good life. Concentrating economic and political power threatens prosperity and liberty.

The economy isn't an independent machine that government must direct toward human flourishing. "The economy" is people—millions of them pursuing better lives through work, invention, exchange and cooperation. Human flourishing doesn't result when officials subordinate this activity to their preferred social vision. It occurs when people possess the liberty to develop their talents, support their families, serve their neighbors and build institutions reflecting their commitments.

Mr. Vance's invocation of Hamilton obscures a fundamental disagreement extending back to the founding. Hamilton was a great statesman, but his political economy wasn't the uncontested expression of American republicanism. He favored energetic na tional power, executive authority, public debt, a national bank, protective tariffs, manufacturing subsidies and government-led development.

Hamilton's prescriptions responded to the unique circumstances of a new nation burdened by Revolutionary War debt, dependent on foreign manufactures and lacking other reliable sources of federal revenue. His tariffs were generally moderate and principally intended to raise revenue without suppressing imports—a far cry

from President Trump's sweeping protectionism. Thomas Jefferson and James Madison opposed much of this program because they feared consolidated political and financial power.

The choice, therefore, isn't between the authentically American Hamilton and the alien Friedman. It is the continuation of an old American argument over centralization, economic direction and individual liberty.

Mr. Vance's history of America's institutional decline may have the causation backward. Laissez-faire economics didn't create the welfare state. It didn't transfer responsibility for human needs from local communities to Washington. Over several generations, government programs assumed functions previously performed by families, churches, mutualaid societies, fraternal organizations and local charities.

Government expansion didn't single- handedly cause the decline of religious participation or civic life. But public provision frequently displaced voluntary provision. Americans increasingly looked to bureaucracies rather than to neighbors and communities for assistance.

Mr. Vance now cites the weakness of these institutions as a reason laissez- faire is no longer sufficient. But if government expansion weakened them, the answer can't be another round of centralization. That creates a self-reinforcing cycle: Government assumes responsibilities once exercised by civil society; civil society weakens; its weakness then becomes evidence that government must assume still more responsibility.

Industrial policy, corporate subsidies, protective tariffs and government equity stakes won't restore the habits of voluntary association. They will transfer additional power to the political institutions that crowded out civil society in the first place.

A better conservative response would reopen space for families, churches, charities, small businesses and local associations. That means reducing their tax and regulatory obstacles, restoring individual choice and responsibility, and resisting the temptation to impose national economic outcomes.

Government has a legitimate role in protecting rights, enforcing contracts, punishing fraud and preserving the conditions of ordered liberty. It can't manufacture faith, belonging, solidarity or moral purpose through economic planning. Those arise from relationships freely entered and responsibilities willingly undertaken.

People don't flourish because government determines how the economy should serve them. When people are free to pursue better lives, flourishing follows. A free society benefits from strong moral institutions—but neither markets nor liberty depends on government to impose them.

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