Spring/Summer 2026

Free Society



“

Freedom of speech is the great bulwark of liberty; they prosper and die together.

”

Cato's Letter no. 15
Thomas Gordon, 1721

CATO INSTITUTE

Creating free, open, and civil societies founded on libertarian principles.

Spring/Summer 2026



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Letter from the President, Peter Goettler

One of my proudest moments as a parent came when my twin daughters, our oldest, were in eighth or ninth grade. They were complaining that all their history classmates were castigating Thomas Jefferson for being a hypocrite, refusing to concede any value to the man. I forget the precise language they used, but my daughters argued for a more balanced view: recognizing Jefferson's sins while also recognizing the tremendous contributions he and the rest of the Founding generation made.

The part that took my breath away was the twins' ability to take another step in their understanding. They identified the deeper irony that a group of men who owned other human beings, or at the very least accepted the practice, could somehow unleash the forces of liberal progress that would not only end slavery, but also keep America always moving in a direction of vindicating the equal rights of all its people.

Those visits to Monticello, Independence Hall, the National Archives, and more, along with lots of family conversation, thankfully had landed. The world isn't yet perfect, but it's a lot closer than it was in 1776 thanks to those imperfect men.

For all the greatness of his philosophy and ideas, Jefferson *was* a hypocrite. And while so many of our fellow citizens—like those eighth graders—can't see beyond his sins, it's important that the rest of us don't glide too easily past them.

Yes, some may dwell on the Founders' wrongdoings, but that doesn't mean others aren't too quick to minimize them. Our objective has to be intellectual honesty, for this can have a profound effect on our credibility.

And the stakes of getting this right are high. When people dismiss the Founders as irredeemably flawed, they rarely stop there. They use that judgment to discredit everything the Founders gave us. The Declaration of Independence and the Constitution weren't merely political documents. They were revolutionary statements that human beings are born free with rights that precede government, that government derives its authority only from the consent of the governed, and that individuals have the right to live their lives as they see fit, free from the arbitrary exercise of power. The system they designed, with its separation of powers, protection of free expression and religious liberty, limits on government reach, and embrace of free exchange, created the conditions for the most prosperous and free society the world has ever seen. We need the credibility, integrity, and energy to protect that inheritance.

We must be uncompromising in our defense of what the Founders created and their philosophy—which is, in large part, our own—even though they didn't live up to it. Perhaps *especially* because they didn't live up to it. Because their mistakes cannot be allowed to obscure the values and system they built, or give license to those who wish to dismantle them.

And we know this is what has happened. When the fact that slaveholders didn't live up to the ideals of the Declaration and, later, the Constitution, is used to impugn those very ideals, the achievements of the Founding are placed at risk. One of the greatest gifts ever given to future generations is maligned rather than celebrated.

The 250th anniversary of the Declaration is a fitting time to commit ourselves to reversing this narrative. The tremendous progress of the past 250 years has come because of the Founding, not in spite of it. The Founding generation launched—quite imperfectly—what became the greatest experiment of liberty the world has known. In so doing, they set in motion a forward march of progress and prosperity, and the continued vindication of each citizen's natural rights, which have never stopped.

On July 3, 1776—the day after the Continental Congress voted to approve the resolution of independence—John Adams wrote to his wife, Abigail, that the day America declared independence "will be the most memorable epoch in the history of America," predicting that it would be celebrated by generations to come with "pomp and parade, with shows, games, sports, guns, bells, bonfires, and illuminations."

The Founding justly deserves celebration on its 250th . . . and always.



Peter Goettler
President and CEO

Cato in the News

Recent Op-Eds

The Washington Post

Trump Wants to Help "Forgotten American Workers" Retire. Don't Be Fooled.

—by Romina Boccia

THE WALL STREET JOURNAL.

Behind the Boom in Psychiatric Medication

—by Adam Omary

FOX NEWS

America Needs Workers, but Trump's Policies Are Sharply Cutting Legal Immigration

—by David J. Bier

BARRON'S

Here's the Solution to the Deficit. Hint: It Isn't Taxes.

—by Adam N. Michel

The Boston Globe

Rent Control Would Hurt the People It Intends to Help

—by Jeffrey Miron and Jonah Karafiol

TV Highlights



Colin Grabow explains how the Jones Act harms US shipbuilding on CBS's *60 Minutes*.



Katherine Thompson breaks down current negotiations between the US and Iran on CNBC's *Squawk Box*.



Scott Lincicome discusses tariff refunds and the economic impacts of the Iran war on MS NOW's *The 11th Hour with Stephanie Ruhle*.



Peter Goettler's letter from the winter 2026 issue of *Free Society* featured on *Stossel TV*.



Erec Smith takes part in the *New York Times* Opinion's organized roundtable, "D.E.I. Is Discriminatory. Agree or Disagree?"



Jennifer Huddleston discusses Anthropic's battle with the Trump administration on Bloomberg TV's *Bloomberg Technology*.

News Notes

Cato Scholars Named in *Washingtonian*'s Most Influential People in DC

Michael F. Cannon, Cato's director of health policy studies, and David J. Bier, Cato's director of immigration studies and the Selz Foundation Chair in Immigration Policy, were named to *Washingtonian*'s 2026 list of the 500 most influential people shaping policy in the nation's capital. The magazine noted that Cannon has advanced market-based health care policy reforms and critiqued government intervention in the industry. Bier, meanwhile, was described as "the 'math-driven' conscience of the 2026 immigration debate," with *Washingtonian* citing his many appearances before Congress to testify on immigration policy.

Cato Defends Free Trade in the Courts

The Cato Institute and Ilya Somin, our B. Kenneth Simon Chair in Constitutional Studies, filed an amicus brief in April supporting two small businesses that challenged President Trump's 10 percent tariffs under Section 122 of the Trade Act of 1974. The US Court of International Trade sided with those businesses in May, reinforcing constitutional limits on presidential tariff authority. The decision comes after the Supreme Court ruled against tariffs that Trump previously tried to impose under the International Emergency Economic Powers Act (IEEPA). Somin, along with the Liberty Justice Center, represented five businesses challenging the IEEPA tariffs.

Cato Poll Inspires High Schoolers to Perform *1776: The Musical*

The High School for Creative and Performing Arts in Philadelphia will perform *1776: The Musical* throughout the summer in honor of America's 250th anniversary. Students at the school were motivated to put on the production by a recent Cato Institute poll that found 53 percent of Americans do not know why we celebrate the Fourth of July.



The REVOLUTION Was LIBERTARIAN

By Paul Meany, Brandan P. Buck and Jon Hoffman, Colin Grabow, Molly Nixon, Gabriela Calderón de Burgos, and Erec Smith

The Declaration of Independence, deemed the "finest piece of libertarian writing in history" by the late David Boaz, Cato's longtime executive vice president, unleashed a period of human flourishing over the past 250 years scarcely imaginable to even the most optimistic Founders.

Near the end of his life, Thomas Jefferson wrote that he drafted the Declaration as "an expression of the American mind." In the pages that follow, Cato scholars explore how Americans arrived at these fundamental truths, the struggle to extend the blessings of freedom to ever more individuals, and their enduring relevance for the most pressing issues today.

A Revolution of "Minds and Hearts"

By Paul Meany

The American Revolution was not simply a tax revolt or colonial rebellion, though the colonists did have legitimate economic and political grievances. The "real American revolution," as John Adams put it in 1818, was the "radical change in the principles, opinions, sentiments, and affection of the people." It began "before the war commenced," and happened "in the minds and hearts of the people." Thomas Paine, who rallied colonists for independence with the publication of *Common Sense* in January 1776, reflected six years later that Americans' "style and manner of thinking have undergone a revolution more extraordinary than the political revolution."

This revolution of thought rested on a rich intellectual inheritance that stretched back millennia, drawing from Pericles's democratic Athens, the Roman Republic transmitted through Cicero, and later Stoic and Christian traditions that grounded law in conscience and a moral order above political power. These ideas were adapted in early modern England by John Locke, who argued that individuals are naturally free and equal, that rights exist independent of government, and that the authority of government rests on consent. Yet Locke's arguments remained dense and largely confined to educated circles.

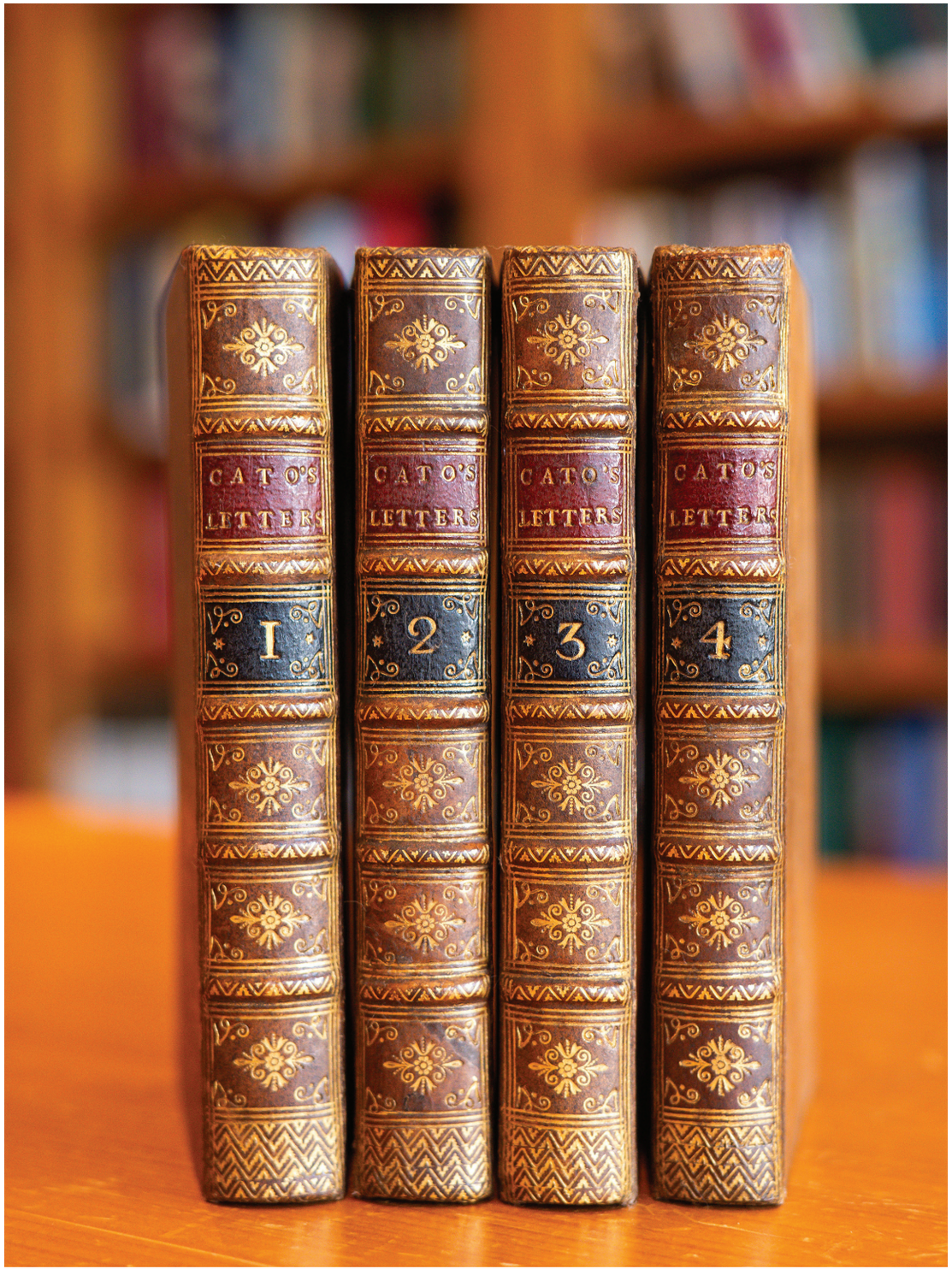
In 1720, British writers John Trenchard and Thomas Gordon began translating those principles into vivid, accessible language that ordinary readers could grasp. Writing under the pen name of Cato, in reference to the uncompromising defender of the Roman Republic and foe of Julius Caesar, they popularized Lockean theory and the long inheritance of ancient ideas about law, rights, and resistance. *Cato's Letters*, from which the Cato Institute draws its name, found an eager audience in the American colonies.

The pair began publishing the series of essays in the aftermath of the South Sea Bubble, a speculative frenzy in early 18th-century Britain in which South Sea Company shares were wildly inflated through government backing and insider manipulation from Parliament before collapsing and wiping out fortunes across the country. Isaac Newton is said to have lost a substantial sum and reportedly remarked that he could "calculate the motions of the heavenly bodies, but not the madness of people."

It was precisely this mix of human folly combined with political power that led Trenchard and Gordon to recognize that the gravest threats to liberty arise not from government or commerce alone but from their union. What began as outrage over corruption quickly expanded into a broader weekly meditation on the dangers of unchecked power:

> "Arbitrary power in a single person has made greater havock in human nature, and thinned mankind more, than all the beasts of prey, and all the plagues and earthquakes that ever were."

For Trenchard and Gordon, the danger lay not just in bad rulers but in trusting



Widely read in the American colonies, *Cato's Letters* articulated principles of liberty and skepticism of concentrated power that would later animate the American Revolution. This 1724 first edition is on loan from the family of Roberto and Marie Linda Salinas Price.

"This revolution of thought rested on a rich intellectual inheritance that stretched back millennia, drawing from Pericles's democratic Athens, the Roman Republic transmitted through Cicero, and later Stoic and Christian traditions that grounded law in conscience and a moral order above political power."

rulers at all. Human nature, they argued, is constant, being capable of virtue but equally susceptible to a lust for power. Liberty cannot be grounded in the virtue or goodwill of particular individuals:

"The experience of every age convinces us, that we must not judge men by what they ought to do, but by what they will do; and all of history affords but a few instances of men trusted with great power without abusing it."

Instead, they trusted principles: the rule of law, limits on power, and a vigilant public. This focus on principle over personality gave their work a distinctly modern edge. Rather than seeking enlightened rulers, Trenchard and Gordon aimed to build a political order where power itself was limited.

Government is a necessary danger needed to preserve liberty yet is always threatening to destroy it. Without a guarantee of liberty, political power offers no benefit, only harm. On this point, Trenchard and Gordon were unequivocal: "Only government founded upon liberty, is a publick blessing; without liberty, it is a publick curse, and a publick warrant for depredation and slaughter." They used examples from every age to press a single lesson: Liberty endures only where the people remain vigilant over those who govern.

Cato's Letters reached far beyond elite audiences of educated men. On March 31, 1776, Abigail Adams wrote to her husband, John Adams, urging him to "remember the Ladies," warning that "all Men would be tyrants if they could"—an echo of Cato's claim that "all men would be unaccountable if they could."

American writers adopted Cato's style, turning the attacks on the South Sea Company and the British government into a model for resistance against the Stamp Act. What might have been a technical dispute over taxation transformed into a moral drama about liberty and rights. This approach was taken by John Dickinson, the Founder known as the "Penman of the Revolution," who explicitly drew on Cato in his *Letters from a Farmer in Pennsylvania*.

Cato's Letters were widely cited across the nation because writers could cloak their sharpest criticism in the voice of a respected British source, avoiding direct blame and censure from British authorities. Citing Cato in newspapers was a dress rehearsal for the revolution to come; it habituated Americans to openly challenging government power. Before *Cato's Letters*, there was no clear or widely developed theory of explicitly political free speech outside of religious matters. Trenchard and Gordon changed this by boldly arguing for broad, secular, and unapologetic freedom of public criticism.

In Letter no. 15, Cato argues that free expression is the foundation of all liberty: "Without freedom of thought, there can be no such thing as wisdom; and no such thing as publick liberty, without freedom of speech." Freedom of speech is the right that safeguards all others, because without the ability to speak and criticize, no other liberty can be defended. It is "the great bulwark of liberty; they prosper and die together."

A decadelong imperial crisis pitted the American colonies against Great Britain, driven by Britain's attempts to tighten control and impose new taxes after the Seven Years' War. By then, colonists were already accustomed through decades of reprints, quotations, and imitations of *Cato's Letters* to speaking about political power in openly adversarial terms. The same language of suspicion toward power and insistence on open criticism filtered into the American mind, shaping commitments to freedom of speech and the press as safeguards against tyranny.

The language of *Cato's Letters* appears in early American constitutional documents. In 1776, George Mason wrote in the Virginia Declaration of Rights that "the freedom of the press is one of the great bulwarks of liberty," a phrase repeated by James Madison in his 1789 draft of amendments to the US Constitution. The idea of freedom of speech as a bulwark of liberty spread into state constitutions and ultimately into the First Amendment, securing freedom of speech and the press in American law.

Cato's Letters also made suspicion of concentrated political power a defining feature of American political culture. Trenchard and Gordon tirelessly insisted that power can never be entirely neutral and benign: "Power is like fire; it warms, scorches, or destroys, according as it is watched, provoked, or increased. It is as dangerous as useful." Though suspicious of political power's natural tendencies, Trenchard and Gordon did not deny the necessity of government.

Liberty is fragile, while "power is naturally active, vigilant, and distrustful." The great problem of politics is that political power can and does subsist without liberty, but liberty needs some degree of political power to survive. Ultimately, even if liberty wins the battle, the enemy will always be at the gates. ✦

ABOUT THE AUTHOR

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COURTESY OF THE LIBRARY OF CONGRESS

To Save the Republic, Abandon the Empire

By Brandan P. Buck and Jon Hoffman

To the Founders, a global empire was the archenemy of liberty because it distorted US interests, expanded the executive's power at the expense of other branches of government, and undermined civil liberties at home by increasing the power of the state and its capacity to silence dissident voices. Accordingly, the Founders cautioned against permanent and entangling alliances, excessive partiality toward or dislike of other nations, and interference in the internal affairs of other countries. To combat these dangers, the Founders emphasized the paramount importance of preserving America's strategic independence—the United States "is the champion and vindicator only of her own," as John Quincy Adams put it in 1821.

American foreign policy in the 21st century violates all the Founders' prescient warnings. US interests abroad are now determined by immense, unconstitutional warmaking power vested in the president, fostered by a web of entangling alliances that make American neutrality impossible and sacrifice liberty in the name of security.

The Founding generation, who understood that the temptation for war was too great to be vested in the hands of one person, wisely placed it in the prerogative of the people's representatives, Congress. James Madison, the "Father of the Constitution," put it plainly:

> "In no part of the Constitution is more wisdom to be found than in the clause which confides the question of war or peace to the legislature, and not to the executive department. Beside the objection to such a mixture of heterogeneous powers: the trust and the temptation would be too great for any one man."

While the scope of military power and its relationship to the presidency were contested even in the early republic, the global commitments of the 20th century gave rise to what critics have called the imperial presidency. In the decades since, presidents have increasingly treated the conduct of war as an executive prerogative, a marked departure from the constitutional design the Founders envisioned. Since World War II, presidential war powers have expanded beyond their constitutional bounds, driven by Congress's willful abdication of its authority, the vast growth of America's military footprint abroad, and the emergence of an elite consensus that eschews the nation's traditional attitudes on foreign policy. Together, these structural and ideological shifts have turned American constitutional tradition on its head.

The extraconstitutional warmaking power of the modern president has been made more glaring by the Founders' other warning: permanent and entangling alliances. George Washington made this danger clear in his farewell address:

> "The great rule of conduct for us in regard to foreign nations is in extending our commercial relations, to have with them as little political connection as possible. . . . It is our true policy to steer clear of permanent alliances with any portion of the foreign world."

The fear of such alliances cut across partisan lines and was reaffirmed by Thomas Jefferson. In his first inaugural address, the sage of Monticello reiterated what had become common sense for the Founding generation, that the fledgling republic would seek "honest friendship with all nations, entangling alliances with none." The Founders recognized that perpetually hooking the US to the powers of the Old World would distort the nation's foreign policy and corrupt its internal republican character.

Yet the US is entangled to a degree the Founding generation would have thought impossible. World War II and the Cold War firmly ushered in the age of the American empire, as the US maintains some 50 formal treaty allies—more than one-quarter of the world's countries—alongside dozens of informal and quasi-alliances. These commitments have produced a global archipelago of military installations, creating both the means and the incentives for further war and intervention.

America's postwar alliances have not only materially entangled the nation but also constricted its political discourse. While George Washington warned against an excessive "partiality for one foreign nation and excessive dislike of another," today's officials on Capitol Hill have largely discarded this caution. Instead, American foreign policy elites in media and government routinely define policy through the lens of "our allies," "our partners," or "our interests." The result is an ideological entanglement that has divided American politics along foreign policy lines into rigid, often artificial camps. Time and again, American wars and interventions have relied on this conflation, equating honest and democratically legitimate opposition at home with evidence of disloyalty. As with America's constitutional order, the foreign policy establishment has turned Washington's maxim on its head, treating insufficient partiality for one nation—and insufficient hostility toward another—as suspect.

American global primacy and rampant militarism jeopardize civil liberties at home and corrode America's republican and liberal traditions. Founders such as James Madison and George Mason were deeply suspicious of large standing armies and warned about their corrosive influence upon domestic life. "The means of defense against foreign danger have been always the instruments of tyranny at home," Madison cautioned at the Constitutional Convention. While the size and composition of the early American military remained contested, with Federalists more amenable to a permanent military establishment, the Founding generation broadly recognized the domestic dangers posed by standing armies and an ambitious foreign policy. The debate at the Founding thus reflected not indifference to these risks but a shared awareness of them, even amid disagreement over how best to address them.

That awareness and the debate it sustained are largely absent in modern America, as militarism abroad has fostered government abuse at home. Whether through propaganda, restrictions on speech and association, militarized policing, or expansive surveillance, America's rise to global dominance has often gone hand in glove with civil liberties abuses. While today's conditions are not as extreme as those of earlier eras, these pressures remain real and persistent. Military equipment distributed through federal programs is now routinely deployed by police departments across the country. Warrantless surveillance authorities developed during the post–9/11 era have endured and faced only limited challenges on Capitol Hill. And through the levers of the regulatory state and immigration law, the policing of speech has become an increasingly visible feature of American public life.

The modern "information state" exacerbates many of these problems, as the government and media often informally regulate free expression. Recent disclosures suggest that Silicon Valley firms have at times cooperated with government-backed information operations on social media. These developments build on a longer tradition of selective leaks and journalistic deference to official sources, together forming a modernized version of the American information state that makes an end run around the First Amendment.

"The republic the Founders envisioned and the ideas upon which it rests, ideas that survive within the American mind, cannot commingle with the politics of empire for much longer."

The trajectory of the past century has been clear and tragic. American foreign policy and its constituent parts have veered widely from the Founders' vision. The warmaking powers of the president, unconstitutionally accrued over a century, have dovetailed with a matrix of entangling alliances that have shattered America's traditional policy of neutrality and therefore undermined liberty at home. The republic the Founders envisioned and the ideas upon which it rests, ideas that survive within the American mind, cannot commingle with the politics of empire for much longer. If the American republic is to rebound, it will not require new principles but a renewed commitment to old ones—above all, the belief that war and peace must remain subject to the will of a free people. ✦

ABOUT THE AUTHORS

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The Return of Mercantilism

By Colin Grabow

America's maritime industry offers a useful lesson in the limits of economic nationalism. The United States is the world's second-largest manufacturing country and is renowned for its competitiveness and innovation. Yet in 2024, American shipyards accounted for just 0.04 percent of global commercial shipbuilding. Not 4 percent, or even four-tenths of a percent, but *four one-hundredths* of a percent. This is not a recent stumble. The past decade's high-water mark for US commercial shipbuilding, achieved in 2016, was a paltry 0.53 percent of global output.

The malaise extends to domestic shipping as well: Fewer than 100 oceangoing cargo ships serve the transportation needs of the world's largest economy. These ships are invariably kept in service well past their normal lifespan because the cost of replacement is so punishing.

Such is the legacy of more than a century of aggressive protectionism. The Jones Act, the 1920 law requiring that cargo shipped between American ports travel on vessels that are American-built, American-flagged, American-owned, and American-crewed, is premised on the idea that such restrictions foster a robust merchant fleet and thriving shipyards. The reality, however, is a maritime industry that is expensive, shrinking, and largely irrelevant. A law ostensibly designed to build an industry has instead helped entomb it, all while inflicting high costs on the broader economy. This should not be a surprise.

Indeed, the lesson that mercantilist restrictions impoverish rather than enrich was supposed to be the American Revolution's central economic inheritance. The Declaration of Independence itself did not settle for mere abstractions in its demand for liberty, instead itemizing specific abuses and taking aim at King George for "cutting off our trade with all parts of the world" and "imposing taxes on us without our consent."

These were not rhetorical flourishes but responses to a mercantilist system

"The lesson that mercantilist restrictions impoverish rather than enrich was supposed to be the American Revolution's central economic inheritance."





Published just months before America declared independence, Adam Smith's *The Wealth of Nations* thoroughly dismantled mercantilist thought and laid out an economic theory based on voluntary exchange rather than state control. This 1776 first edition is on loan from the family of Roberto and Marie Linda Salinas Price.

that treated the colonial economy as an instrument of British enrichment rather than a domain of human freedom.

It would be a mistake, however, to view the Founders as simply reacting to the observed harm of British policy. They had an intellectual framework for understanding why that policy was wrong. In March 1776, just months before the Declaration, Adam Smith published *The Wealth of Nations*, perhaps the most thorough demolition of mercantilist theory ever written. The Founders read it. Thomas Jefferson called it "the best book extant" in political economy, and James Madison included it on a list of essential books for Congress.

“The Jones Act is hardly the lone example of modern American mercantilism. Tariffs, ‘Buy American’ mandates, and industrial policy now enjoy bipartisan enthusiasm in Washington.”

Why they assigned the book such importance is easy to grasp: Smith gave philosophical coherence to what colonists had experienced as practical oppression.

In April 1780, John Jay, contributor to *The Federalist Papers* and the first chief justice of the Supreme Court, captured the economic vision animating the new republic in a letter to a Spanish official. America, Jay wrote, was a place where every man was “at liberty by the law to cultivate the earth as he pleased, to raise what he pleased, to manufacture as he pleased, and to sell the product of his labor to whom he pleased, and for the best prices without any duties or impositions whatsoever.” Jay was not describing a utopia. He was describing, with evident pride, the actual condition of America as he knew it, a society where the state had largely withdrawn from the business of directing economic life.

Yet not all Americans welcomed the replacement of the dead hand of the state with the market’s invisible hand.

Alexander Hamilton and Henry Clay, the architect of the so-called American System of protectionist tariffs, would later push back against this vision, advocating tariffs and subsidies to build domestic manufacturing capacity. Although the duo won some policy battles—American tariff history is not one of consistent free trade—their views did not displace the broader commitment to economic liberty. The Founding era’s dominant intellectual inheritance was a Jeffersonian belief that the economy belongs to the people who participate in it, not to the officials who govern them.

Shipbuilding, where Hamiltonian logic took root and endured, stands as the cautionary counterexample. Protectionism entrenched since the country’s early days has produced not a competitive industry but one that is permanently dependent and deeply diminished.

There is a deep and particular irony to this. The Founders who declared independence partly over British trade restrictions wasted little time in adopting their own. In 1789, with the ink on the Constitution barely dry, two of the first three acts of the new Congress imposed discriminatory duties and tariffs in favor of American ships. In 1817, Congress went further, outright banning foreign ships from domestic commerce—restrictions heavily influenced by Britain’s Navigation Acts, themselves rooted in 17th-century law.

Britain eventually came to its senses and abolished those laws in 1849. The United States has yet to, and the Jones Act is hardly the lone example of modern American mercantilism. Tariffs, “Buy American” mandates, and industrial policy now enjoy bipartisan enthusiasm in Washington. The question is no longer whether America will indulge its protectionist instincts, but how far it will go.

Written as a critique of 18th-century British mercantilism, this passage from *The Wealth of Nations* reads with uncomfortable precision as a description of a certain 21st-century governing philosophy:

> “The statesman who should attempt to direct private people in what manner they ought to employ their capitals, would not only load himself with a most unnecessary attention, but assume an authority which could safely be trusted, not only to no single person, but to no council or senate whatever, and which would nowhere be so dangerous as in the hands of a man who had folly and presumption enough to fancy himself fit to exercise it.”

In April 2025, Donald Trump told *Time* magazine how he views the American economy: “It’s a giant department store. . . . On behalf of the American people, I own the store, and I set prices, and I’ll say, if you want to shop here, this is what you have to pay.” The contrast with Smith and with Jay’s letter is almost too neat. Where Smith warned against the presumptuous statesman, Trump volunteers for the role. And where Jay described an economy in which the state stepped aside and individuals transacted freely, Trump described one in which the president is the proprietor and prices are his to set.

It would be convenient to treat this as a Trump peculiarity, but the impulse runs deeper.

Enthusiasm for industrial policy and strategic tariffs has spread across both parties. Trump is not the disease but its most candid expression. The mercantilist instinct, the belief that governments can allocate economic activity more wisely than the people conducting it, has never been fully extinguished. It persists in the Jones Act, heavy tariffs meant to benefit particular industries such as steel and autos, and “deals” with other countries that aim to reduce imports in a benighted obsession with balanced trade.

That instinct is now making a bid for the center of American economic policy.

Mercantilist restrictions did not fail because governments executed them poorly. They failed because the premise was wrong. Two hundred and fifty years after the Revolution, that premise has returned—dressed in new language and justified by new anxieties, but recognizable in its essentials. The Founders knew what it looked like. And they wrote a declaration that led to a new nation, in no small measure because of it. The question now is whether we remember why. ✦

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In John Trumbull's *General George Washington Resigning His Commission*, Washington voluntarily relinquishes command of the continental army at the end of the Revolutionary War in 1783, reflecting a republican suspicion of concentrated power that would shape the early United States. (Architect of the Capitol/John Trumbull, 1824)

Squinting Toward Monarchy

By Molly Nixon

The familiar narrative of the American Revolution holds that the colonists rebelled against the British king and established a democracy in which the people were sovereign.

That is not wrong, but it is incomplete. The colonists lodged their grievances in the Declaration of Independence against the "present King of Great Britain," not monarchy as an institution. And they had, for a longer time, criticized what they saw as abuses of the British legislature, Parliament, ultimately objecting to its jurisdiction over the American colonies entirely. Though George III served as the revolution's foil, the famous slogan was, after all, "no taxation without representation"—not "no taxation under a king."

Nevertheless, the fledgling state constitutions generally reflected a suspicion of executive power and created weak executives relative to their legislatures. Pennsylvania completely did away with a governor and vested the executive power in a council and president. And, critically for understanding the Constitution that followed, the Articles of Confederation provided for no executive at all.

The inadequacies of the Articles led to the 1787 Constitutional Convention. The delegates recognized the need for an executive of some sort early on, but the structure and powers of that office were the subject of significant debate. Indeed, Alexander Hamilton wrote later of the executive branch that there "is hardly any part of the system which could have been attended with greater difficulty in the arrangement of it than this." The convention considered proposals that the executive be chosen by the legislature, that it be established as a plural office, and that its term should be seven years with no eligibility for reappointment.

"Speaking at the Virginia Ratifying Convention, Patrick Henry regretted that Article II of the Constitution 'squints toward monarchy,' warning that if 'your American chief be a man of ambition and abilities, how easy is it for him to render himself absolute!'"

The document ultimately proposed to the states contained a framework of checks and balances designed to prevent any branch from concentrating power. Legislation must pass both chambers and be signed by the president or passed by a supermajority. The president is the commander in chief, subject to Congress's sole authority to declare war and its power to raise an army and provision the navy. Principal executive officers, federal judges, and treaties all required Senate approval, and the judiciary held lifetime appointments with salaries that could not be reduced. Each branch had the tools and, presumably, the motivation to check the others.

Even with those checks, however, the office of the president was a subject of concern during the state ratification conventions. Speaking at the Virginia Ratifying Convention, Patrick Henry regretted that Article II of the Constitution "squints toward monarchy," warning that if "your American chief be a man of ambition and abilities, how easy is it for him to render himself absolute!" And a Pennsylvania Anti-Federalist writing under the pseudonym "An Old Whig" saw the Constitution's president as a king "of the worst Kind—an elective King," and asked his readers to identify any "important prerogative the King of Great-Britain is entitled to, which does not also belong to the President during his continuance in office."

Despite such concerns, the states ratified the Constitution. In its first year of operation, Thomas Jefferson wrote to James Madison that the "tyranny of the legislature is the most formidable dread at present and will be for many years." He predicted that the tyranny "of the executive will come in its turn, but it will be at a remote period."

From Parchment to Power

The Constitution vests "the executive Power" in the president but, with the exception of a few later specifics, does not elaborate on or limit the extent of that power. The drafters' concision left much for the new nation to work out.

Some constitutional provisions that appeared straightforward were quickly altered in practice. For instance, George Washington initially believed the Constitution's "advice and consent" provision required him to seek the Senate's guidance in negotiating a proposed treaty. The unwieldy

and frustrating experience of attempting to do so apparently persuaded Washington to communicate with the Senate only in writing, and subsequent presidents have sought such advice only informally, if at all, before submitting treaties for Senate consent.

Other constitutional ambiguities as to the scope of presidential power were discovered early on. Thomas Jefferson, for example, took a strict view of both executive power and the federal government's powers, asserting that each required specific constitutional enumeration. But the chance to purchase the territory of Louisiana for $15 million in 1803 was too good to pass up, and though he believed a constitutional amendment was required for the deal, some in his cabinet thought otherwise. Jefferson went forward, rationalizing that "we must ratify and pay our money, as we have treated, for a thing beyond the Constitution, and rely on the nation to sanction an act done for its great good, without its previous authority."

Still other aspects of executive power developed over centuries. In the exigencies of a civil war, President Abraham Lincoln suspended the writ of habeas corpus, spent money without congressional appropriation, shut down critical newspapers, authorized the trial of civilians by military courts, and emancipated slaves in the Confederate states under his power as commander in chief. While post-war Congresses reasserted their power against subsequent presidents, Lincoln's wartime precedents captured the imagination and ambition of future executives.

In the early 20th century, Theodore Roosevelt advocated for a significant expansion of domestic regulation and an aggressive foreign policy, taking the view that the president possessed all powers except those specifically denied to him. Woodrow Wilson argued that past presidents had been "more theorists than statesmen," compelled by "conscientious scruples" to decline "using the full power they might legitimately have used." Intent on doing otherwise, Wilson increased the administrative capacity and responsibilities of the executive branch, and Franklin Roosevelt expanded them further, implementing a host of federal programs aimed at recovering from the Great Depression and, later, winning World War II.

The second half of the century saw no meaningful retrenchment in executive ambition. The president has increasingly driven domestic policy and taken unilateral action in foreign affairs.

"The Constitution can be either resilient or brittle depending on Americans' fidelity to its structural commitments and underlying principles."

And while presidential administrations initiated power grabs, Congress contributed to the expansion of executive power. Presidents wield much of their power under broad statutory delegations. Directions for administrative agencies to promulgate regulations and discretionary grants to the president himself result in an executive who can decide major policy questions affecting much of American life.

A Republic, if We Can Keep It

In his 1796 Farewell Address, Washington warned that the "disorders and miseries" that result from alternating dominant factions pursuing revenge on each other "gradually incline the minds of men to seek security and repose in the absolute power of an individual."

Have Americans sought absolute power in the presidency? Has the country arrived at Jefferson's "remote period" of tyranny in the executive?

Evidence in the affirmative is difficult to ignore. The current president started a war with Iran without congressional authorization, used the military to enforce domestic law in US cities, and imposed tariffs on imports from almost every country, seeming to change the rates based on personal feelings about their leaders. His predecessor sought to void $400 billion of federal student loans, tried to mandate COVID-19 vaccines for 84 million private-sector workers, and purported to recognize the Equal Rights Amendment as part of our Constitution. Congress has been institutionally silent on these actions, leaving individual members to applaud or condemn them, generally along party lines. So much for Madison's contention that "in republican government the legislative authority necessarily predominates."

But there are reasons for believing Americans will not entirely neglect their liberty-protecting inheritance. Images of the National Guard policing protests troubled even those not inclined to support the protesters' cause, and the war in Iran may be historically unpopular, due in part to the absence of congressional authorization and the public persuasion that would have required. Courts can and do check presidents, rejecting dubious constitutional interpretations or narrowly construing ostensible statutory authorizations. The Supreme Court blocked the executive branch from unilaterally imposing tariffs, deploying the National Guard in US cities, forgiving student loans, and mandating an experimental vaccine, each time finding that the action had not been authorized by Congress.

Neither Washington's nor Jefferson's warnings are forecasts; the Constitution can be either resilient or brittle depending on Americans' fidelity to its structural commitments and underlying principles. As Jefferson wrote in 1789, in the wake of the successful state ratifications:

"Wherever the people are well informed they can be trusted with their own government; . . . whenever things get so far wrong as to attract their notice, they may be relied on to set them to rights." ✦

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The Hispanic Tradition of Liberty and the American Revolution

By Gabriela Calderón de Burgos

When we learn about what schools of thought influenced the American Revolution, historians rightly point out the influence of the English, Scottish, and French Enlightenments. But this narrative misses the important influence of the ideas shared by the Spanish scholastic tradition of the 16th century, founded by the philosopher and theologian Francisco de Vitoria. It held, among other ideas, that all men are created equal and that sovereignty resides in the people.

The Jesuit Francisco Suárez, an intellectual heir to Vitoria, published *Defensio Fidei Catholicae* (*Defense of the Catholic Faith*) in 1613 as a rebuttal to Anglican theologians who advanced the theory of the divine right of kings. The book was widely read across Europe, including in England, where it so angered James I that he had a copy of it burned on the steps of St. Paul's Cathedral. At that time, Thomas Hooker, a young Puritan, was a fellow and catechist at the University of Cambridge's Emmanuel College. He later emigrated to the American colonies and gave an influential sermon in 1638, in which he argued that "the foundation of authority is laid firstly in the free consent of the people," echoing Suárez's doctrine of the sovereignty of the people. That sermon inspired the adoption one year later of the Fundamental Orders of Connecticut, which established a framework for self-government and is widely considered the first written constitution in America. John Locke himself was also familiar with the Spanish scholastics, specifically the Jesuit Juan de Mariana, who was widely read in England in the 17th century despite extensive censorship of the writings of Catholics at the time.

Mariana synthesized the main teachings of pioneering thinkers in the Iberian Peninsula who came before him, starting with Vitoria, who emphasized human rights and the limits on the power of kings, then moving on to Suárez, who developed a theory of limited government and espoused the right of rebellion against unjust rulers. The tradition culminated in Mariana's defense of participatory government and the justification of tyrannicide—only when all other peaceful means available have been exhausted and if the king remains unwilling to make amends for his ways. Furthermore, Mariana not only learned from the monetary theorists from Salamanca but also saw monetary manipulation itself as a form of tyranny. In his seminal *History of Economic Analysis*, Joseph Schumpeter argued that the "very high level of Spanish sixteenth-century economics was due chiefly to the scholastic contributions."

Ángel Fernández Álvarez, in his doctoral thesis at the Complutense University of Madrid, points out the striking similarities between Locke's and Mariana's ideas. Mariana and Locke agreed that men enter society because in the state of nature they are worse off. They both saw that civil society precedes government, which is established to safeguard the individual's natural rights. These rights, as well as certain obligations, according to both Mariana and Locke, are independent of any positive legislation and belong to individuals "by nature."

Locke had Mariana's 1599 book, *De ponderibus et mensuris* (*On Weights and Measures*), in his private library, and he cited Mariana's most famous work, *Historia de rebus Hispaniae* (*The General History of Spain*), according to Fernández's research. Locke also listed *The General History of Spain* among the essential history books for every aspiring gentleman. Fernández notes that Locke's argument for "no taxation without representation" is almost identical to Mariana's. Compare these passages (boldface added):



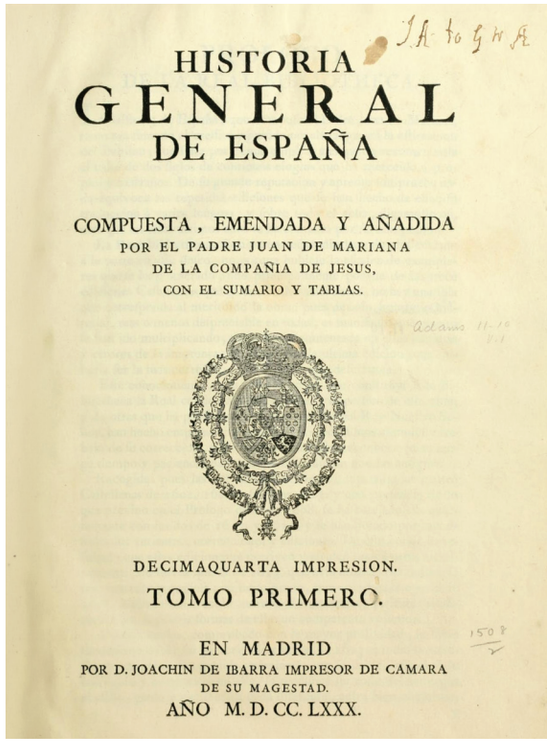
Francisco Suárez (left) and Juan de Mariana (right) were important figures in the School of Salamanca, a scholastic tradition that emerged in Spain in the 16th century and later influenced some of America's Founders. (Photos by Prisma/UIG/Getty Images)

"The king cannot impose new taxes without first having ***the consent of the governed***. Ask, then, and do not strip your subjects taking every day something by your own will and reducing little by little to misery those who until recently were rich and happy."
—Juan de Mariana, *On the King and the Royal Institution* (1599)

"For if any one shall claim a power to lay and levy taxes on the people, by his own authority, and without such ***consent of the people***, he thereby invades the fundamental law of property, and subverts the end of government."
—John Locke, *Two Treatises of Government* (1689)

Locke shares Mariana's positions on "the origin of society, the origin of the State, the origin of property in work, the consequentialist justification of property, the hierarchy of rights, the role of the state, the constraint of government and the right to rebellion," Fernández argues.

John Adams, too, was a careful student of Mariana. He owned *The General History of Spain* in Spanish, which he dedicated to his grandson George Washington Adams. In 1782, Adams also purchased a volume in Latin—now held at the Boston Public Library, where his annotations are visible in the digitized copy—that included *On the King and the Royal Institution* and *On Weights and Measures*. On the front cover of that volume, Adams wrote: "Mariana was 1 year imprisoned by the Duke of Lema in Philips the third's time for this book, 624, on weights and measures." Adams referenced Mariana's imprisonment again decades later. In a letter to John Taylor in 1814, Adams cites Mariana alongside James Harrington, Algernon Sidney, and Montesquieu: "Mariana wrote a book . . . in which he had the temerity to insinuate that Kings were instituted for good and might be deposed if they did nothing but evil. Of course the book was prohibited and the writer persecuted." While Adams was correct about Mariana's persecution, Mariana was actually imprisoned for a later book, *On the Alteration of Money*, which criticized King Phillip III for debasing Spain's currency. Regardless, Adams's annotations and references across decades show the lasting impact Mariana had on his thought.


HISTORIA
GENERAL
DE ESPAÑA
COMPUESTA, EMENDADA Y AÑADIDA
POR EL PADRE JUAN DE MARIANA
DE LA COMPAÑIA DE JESUS,
CON EL SUMARIO Y TABLAS.
DECIMAQUARTA IMPRESION.
TOMO PRIMERO.
EN MADRID
POR D. JOACHIN DE IBARRA IMPRESOR DE CAMARA
DE SU MAGESTAD.
AÑO M. D. CC. LXXX.

John Adams dedicated his copy of Juan de Mariana's *The General History of Spain* to his grandson George Washington Adams, writing "JA to GWA" in the top right. Jefferson and other Founders also kept Mariana's books in their private libraries. (John Adams Library at the Boston Public Library)

"John Locke himself was also familiar with the Spanish scholastics, specifically the Jesuit Juan de Mariana, who was widely read in England in the 17th century despite extensive censorship of the writings of Catholics at the time."

Fernández Álvarez identifies clear parallels between Mariana's arguments in *On the King and the Royal Institution* and those of Adams in his *Discourses on Davila*. Additionally, Fernández sees Mariana's work reflected in Adams's many references to the history of Spain and his similar distinction between a king and a tyrant, as well as the same justification for the right to rebellion. Fernández also points out that the edition of Mariana's political economy work Adams read was the one that included the chapter "On Money," and that Adams used Mariana's arguments to oppose the creation of a central bank holding a monopoly over its issuance.

Thomas Jefferson's Francophilia is well known, but his Hispanophilia is less so. Spanish literature professor Eric C. Graf sees in Jefferson's lifelong interest in Cervantes's Don Quixote—and in his possession of Mariana's *General History of Spain*, which he also secured for his friend James Madison—evidence of a general skepticism of authority. Graf further suggests these influences may have planted the seeds of Jefferson's later opposition to Alexander Hamilton's proposed central bank. Graf has studied the classical liberal concepts embedded in Cervantes's novel and sees the influence of Mariana in it.

These works by Spanish thinkers and writers are not just intellectual curiosities or footnotes to history. They were of practical concern to the American Founding Fathers, who envisioned a republic of free and prosperous individuals and, to that end, studied the history of great civilizations. They took note of what permitted, preserved, and strengthened those customs and traditions, and innovated where they saw fit. ✦

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"A Glorious Liberty Document"

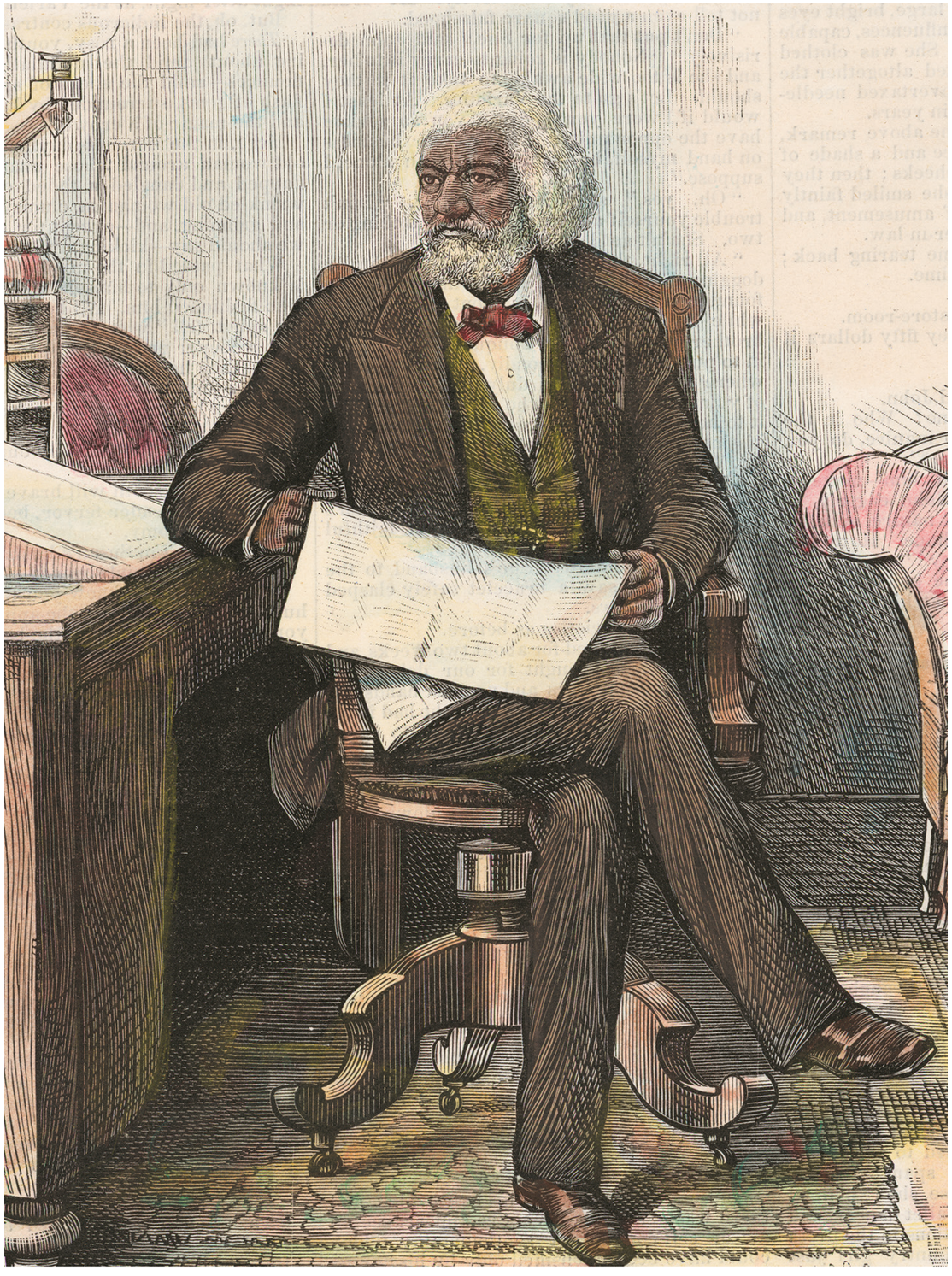
By Erec Smith

"'We, the people'—not we, the white people—not we, the citizens, or the legal voters—not we, the privileged class, and excluding all other classes but we, the people; not we, the horses and cattle, but we the people—the men and women, the human inhabitants of the United States, do ordain and establish this Constitution, &c. I ask, then, any man to read the Constitution, and tell me where, if he can, in what particular that instrument affords the slightest sanction of slavery? Where will he find a guarantee for slavery?"
—Frederick Douglass, Speech on the Dred Scott Decision, 1857

With the above words, Frederick Douglass, the runaway slave turned renowned abolitionist, challenged Americans to confront an unsettling question that still lingers as the country reaches its 250th anniversary: How do we reconcile the principles enshrined in America's Founding documents—that "all men are created equal," that individuals possess "certain unalienable rights," and that government exists to "establish justice" and "secure the blessings of liberty"—with the reality that those promises were denied to many Americans for much of the country's history? Based on the answer to this question, how should we celebrate America's semiquincentennial? Some believe the celebration should focus solely on the nation's triumphs, while others insist that any celebration must be tempered by the historical realities of slavery and racial, ethnic, and gender discrimination.

A powerful compromise can be found in Douglass himself. As an escaped slave who spent much of his freedom singing the praises of the Constitution, going so far as to call it "A GLORIOUS LIBERTY DOCUMENT" (his emphasis), Douglass

"With Douglass, we get an acknowledgment of America's greatest sin alongside celebration of its greatest hope."



A lithographic print created in 1879 of Frederick Douglass, the leading pro-Constitution abolitionist of the 19th century. (Collection of the Smithsonian National Museum of African American History and Culture, Gift of Joele and Fred Michaud)

embodies the acknowledgment of this country's history of slavery as well as the promise of the Constitution.

The Tension

In the 21st century, the Constitution is still under fire from critics who view America's Founding documents as tainted by the country's original sin.

Leading antiracism scholar Ibram X. Kendi, for instance, proposed in 2019 that the United States should amend the Constitution "to establish and permanently fund the Department of Anti-Racism (DOA) comprised of formally trained experts on racism and no political appointees," which would "be empowered with disciplinary tools to wield over and against policymakers and public officials who do not voluntarily change their racist policy and ideas."

Having an official department dedicated to eradicating a subjective phenomenon in all aspects of American life is both an intellectual and logistical challenge. What's more, installing unelected officials to do this work ensures that the public has no say in defining racism and how it should be addressed. But the ultimate counterargument to Kendi's proposal, and the most controversial, is the belief that such an amendment is not necessary because the Constitution is already built to discourage inequality. The problem was never the Constitution, but a historical inability to live up to it.

The evolution of Douglass's own perspective is informative on this point. He began his career as an ally to radical abolitionist William Lloyd Garrison, who considered the Constitution a "covenant with death and an agreement with hell." During a speaking tour through Great Britain with Garrison in the mid-1840s, Douglass told a crowd that the "identical men who drew up that Declaration of Independence, and framed the American democratic constitution, were trafficking in the blood and souls of their fellow men."

It was only after returning to the US and engaging with pro-Constitution abolitionists that Douglass changed his view, declaring in a speech on July 5, 1852:

"In that instrument I hold there is neither warrant, license, nor sanction of the hateful thing; but interpreted, as it ought to be interpreted, the Constitution is a GLORIOUS LIBERTY DOCUMENT."

For Douglass, when it came to slavery, American people were the problem, American principles the solution. Thus, Douglass is the personified solution to a burgeoning dilemma around the celebration of America's 250th anniversary. Douglass's praise, his celebration of America's Founding documents, is strengthened if placed in context with his life as a slave. With Douglass, we get an acknowledgment of America's greatest sin alongside celebration of its greatest hope.

The Letter and the Spirit of the Constitution

Comparing the letter of the law to the spirit of the law raises an interesting question: What does it mean to not only have a Constitution, but to live under it? The Constitution is not a self-executing document; it needs citizens to do that. It depends on moral and civic commitments of its interpreters. Douglass is simply demanding that Americans exercise their duty to uphold the Constitution, for it is a document of freedom only to the extent that we treat it as such. When Douglass talked about the US Constitution, he was really talking about the American public's relationship to it.

"Douglass did his best to remind us that we should read the Constitution with emphasis on its highest principles and not our flawed or incomplete applications of it throughout history. These documents are insufficient only when we, American citizens, insufficiently abide by them."

Douglass did his best to remind us that we should read the Constitution with emphasis on its highest principles and not our flawed or incomplete applications of it throughout history. These documents are insufficient only when we, American citizens, insufficiently abide by them.

A Proper Celebration

So, what does this say about the debate regarding how we should address America's 250th anniversary? Should we focus solely on the good, or should we emphasize the bad as well? I have never been to a birthday party in which the guest of honor was both celebrated and criticized, but when it comes to the United States, many think we would be remiss not to address the good *and* the bad.

The story of Frederick Douglass does both. By necessity, it addresses the evils of America's legacy of slavery and the power of America's principles to eradicate and prevent those evils. He may remind us that we are not just celebrating the 250th anniversary of the country. We are also recognizing ourselves as stewards of constitutional governance. If we want the United States to be around for another 250 years, we must all embrace that role.

The Constitution has not failed us; we have failed it. Let us make the next 250 years a triumph of its meaning and its spirit. ✦

ABOUT THE AUTHOR

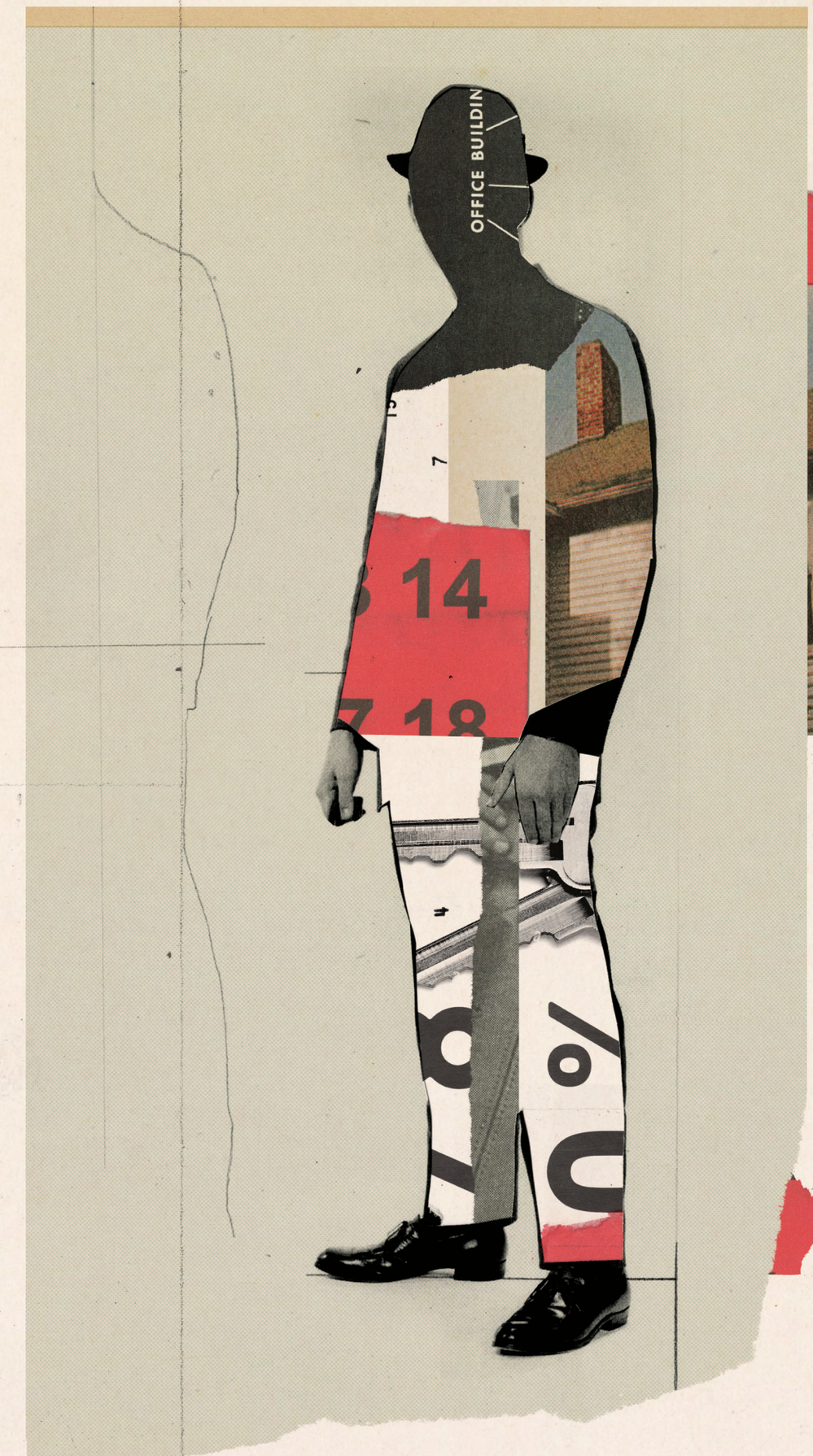
Erec Smith is a research fellow at the Cato Institute, a cofounder of the nonprofit Free Black Thought, and the author of *A Critique of Anti-Racism in Rhetoric and Composition: The Semblance of Empowerment*.

THE PETER PAN STATE:

How Bad Policy Delays Adulthood

By Rikki Schlott

A generation raised under constant supervision is discovering that the oversight doesn't end when they grow up. In the 21st century, the government increasingly acts as a permanent chaperone, standing between young people and the milestones that have long marked adulthood.





ILLUSTRATIONS BY MIKE MCQUADE

Young people are hitting important life milestones at later and later ages, if at all. They are delaying leaving home, forming relationships, settling down, having kids. In 1975, 45 percent of young adults aged 25 to 34 had moved out and were married with children and working. By 2024, that number had shrunk to less than a quarter. Many young people think the American dream is out of reach, but what they don't realize is that much of their stunted development is a byproduct of bad policy. Reaching adulthood has become a permissions-based, legislated, and chaperoned process. Today, growing up means surmounting one policy-imposed hurdle after the next.

Spend a minute in the typical young American's shoes.

It's time for college! You'll probably need a student loan. Federal lending was supposed to lower the barrier to higher education, but the cost of tuition has only gone up since students started taking out federally backed loans. It turns out that schools will charge more as long as students can borrow more through indiscriminate lending. You arrived at school a kid, and now you're an adult buried in debt.

Or maybe you want to skip the credentials and get straight to work? Not so fast. Countless trades—from hair braiding and interior design to real estate and plumbing—require licenses and hours of classes. The proportion of workers who need a license to work has quintupled since the 1950s, affecting 1 in 4 workers today. And don't think you can just up and move from one state to the next. These licenses aren't necessarily portable across state lines. If you wind up opening a small business, expect permits, licensing, zoning restrictions, and endless fees.

Now it's about time you finally move out of your childhood bedroom and find a place you can call your own. Unfortunately, your local government has likely done a number on the very sorts of rental housing you're after. Zoning laws make building more expensive for developers and often restrict the number of units that can be built where people actually want and need to live. With rents high, your local city council may swoop in with rent control, but that will just distort the market further and incentivize older tenants to hold on to apartments for longer than they otherwise would and discourage landlords from maintaining their properties.

You probably want to become a homeowner, don't you? That starter home you've been dreaming about is a relic of a bygone era. Forty percent of houses built in the early 1980s were entry-level homes geared toward first-time buyers; by 2019, that had dropped to 7 percent. Many local rules make smaller homes impossible to build. Zoning laws that regulate home sizes, yard sizes, setbacks, and parking capacity all drastically reduce the possible plots for starter homes. Permitting delays can stretch as long as a year and a half in some cities, further constraining the supply of housing and pushing up prices. We haven't even gotten to tariffs yet, which, of course, make building materials—and even furniture for your new home—more expensive. And all of that is assuming a mortgage is possible

"Reaching adulthood has become a permissions-based, legislated, and chaperoned process. Today, growing up means surmounting one policy-imposed hurdle after the next."

with your student loans. According to the Federal Reserve, having more student debt is associated with delayed home ownership. Definitely don't count on your president to ease the pain. He's pulling the housing ladder up behind his generation—and saying the quiet part out loud. "I don't want to drive housing prices down," Trump told his cabinet in January, "I want to drive housing prices up for people that own their homes, and they can be assured that's what's going to happen."

But let's say you cleared all those hurdles and actually got a home. Congratulations. Now it's time to start a family. Alas, you will find that the government has worked its magic on childcare, too. Staff ratio minimums, group size limits, and facility regulation all make childcare more expensive. Childcare costs rose 214 percent between 1990 and 2020—far more than groceries or housing—while family income increased by only 143 percent. In Washington, DC, the annual cost of childcare was as high as $26,193 in 2024.

And hey, are you building wealth? Do you have enough savings? Is your 401(k) fat enough? Probably not, considering you're paying for someone else's retirement with every paycheck. Social Security checks are funded by taxation of current workers, forcing young people to pay for promises made before they were born. A typical 22-year-old entering the workforce will see a $110,000 cut to their lifetime earnings, or the equivalent of 20 months' pay, in order to keep Social Security afloat. And the system is set to run out of reserves in 2033, unless your taxes are hiked even more. Either Social Security will be unable to pay out its promises by the time you come of retirement age, or you'll be putting your grandkids in an even deeper hole.

In short: government has gotten in the way of your ability to move out, get educated, work as you please, start a new business, buy a home, build a family, and save your hard-earned cash. But you already knew that. Bad policy has been getting in your way since childhood.

You didn't roam freely with friends or walk home from school or buy something in a store by yourself like your parents did as kids. And that's thanks to a culture—and set of policies—that have legislated how children should be raised. Cops have been called on parents who let their children take a walk around their neighborhood or play

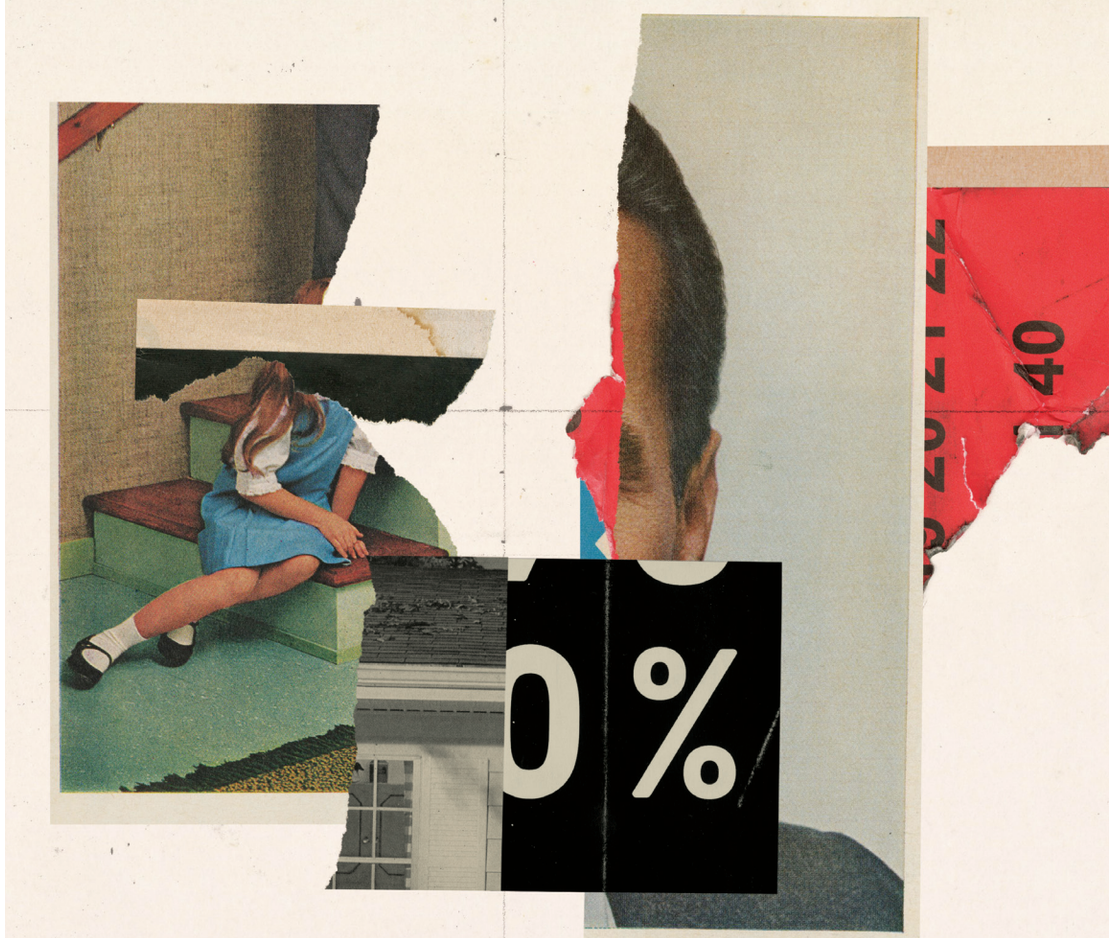
“Many young people are suspended in an arrested adolescence precisely because government insisted it must hold their hands along the pathway to adulthood.”

outside on their own. In 2020, there were 2.1 million unsubstantiated investigations into child mistreatment. This is in part an outgrowth of punitive laws that vary from state to state. When you were growing up, such laws could be as absurd as making it illegal to leave a child under 12 alone. Childhood independence was reframed as neglect in the name of protecting you. But from what?

Even getting a summer job was made harder by politicians. You wanted to get some work experience and a couple of bucks, but minimum wage laws may have priced you out of certain gigs due to your lack of experience. According to the majority of research on the topic, increases to the minimum wage have a negative impact on employment numbers, and teens, young adults, and less educated workers feel the sting the most.

And, because you were a young person in 2020, you know as well as anyone what direct government intrusion into your life really looks like. If you’re young enough, bureaucrats shut down your school during the pandemic in the name of safety, even though you, as a young person, had a significantly reduced risk of adverse effects from COVID-19. When you were missing class, nations like Sweden were proving that opening schools was good policy, but the policymakers around you put their feelings over the data. If you were in a government-run school, you probably had it worse, thanks to public-sector unions advocating to keep campuses closed—in some cases for two years. You probably don’t even know the full extent of the social consequences and learning losses you suffered, and the likely decline in wages you will earn over time as a result. If you were already out of school, you may have experienced that era as a series of setbacks in your career, injuries to your social life, and damage done to your mental health.

The government has put hurdles between young people and the American dream. But many young voters want the government to fix that problem with more regulation and more benefits. On the political left, that sentiment is personified by New York City Mayor Zohran Mamdani, who has promised to fix this sense of stagnation with free childcare, rent freezes, and government-run grocery stores. But many of these policies would just exacerbate the problems they’re trying to fix and make young people even more dependent on the government that initially failed them. On the right, the sentiment has also manifested in the form of pronatalist policy designed to encourage people to have more babies and build families. Pronatalists advocate for baby bonuses for young parents, though those bonuses have limited effects and fail to raise fertility in a sustained way. On the more extreme end, pronatalists have argued that reducing women’s access to education would be a roundabout way to increase the birthrate.



Both pronatalism and Mamdani-ism are intrusive attempts at social engineering, when the government could simply let people flourish by getting out of the way of housing, childcare, work, and savings. Many young people are suspended in an arrested adolescence precisely because government insisted it must hold their hands along the pathway to adulthood. The American dream isn’t dead. Bad policy is just strangling it. ✦

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Rikki Schlott is a media fellow at the Cato Institute, a columnist at the *New York Post*, and the coauthor of *The Canceling of the American Mind*.

What Is "Affordability"—and How Do We Improve It?

By Aaron Steelman

With the inflation surge that followed the COVID-19 pandemic still fresh in Americans' minds, "affordability" has emerged as one of the defining political issues of 2026. But policymakers are often confused about the root causes of rising prices and what can be done to make goods less expensive.

To help clarify the debate, the Cato Institute recently released its *Handbook on Affordability*, outlining more than 100 reforms that would improve living standards through sound money and economic freedom rather than government intervention.

ILLUSTRATION BY TIM O'BRIEN

If you pay attention to public policy, it's difficult to go a day without hearing a politician or pundit talk about "affordability." The concept itself is simple enough: In short, it's the ability to buy goods and services. Or, in today's parlance, it generally refers to something more specific: the ability to buy the basic necessities of life, though people can reasonably disagree about what those things are, as the basket of items deemed essential has changed dramatically over time.

Such discussion is fueled by public anxiety, with Gallup reporting in April that "affordability continues to be the main financial challenge for US households, with concerns about various costs far outpacing all other financial worries."

Clarifying what affordability means, and what actually drives higher prices, is important, especially because many policies aimed at addressing affordability would just make matters worse. Fortunately, though, there are better solutions.

The Macro

Any discussion of affordability has to start with macroeconomic policy, in particular monetary policy and fiscal policy, and in that order. They are the two primary drivers of inflation, meaning a *general* increase in the prices of goods and services in the economy.

First, monetary policy. The Federal Reserve pursued highly accommodative policies when the COVID-19 pandemic started, dropping interest rates to effectively zero in the spring of 2020 and keeping them there through the spring of 2022. Not surprisingly, that led to a sharp increase in prices, with inflation soaring in June 2022 to more than 9 percent, according to the Consumer Price Index (CPI). This was the highest number on record since the early 1980s, when then–Fed Chair Paul Volcker had to raise interest rates to nearly 20 percent to break the back of inflation that had plagued the 1970s, contributing to a deep recession. Those policies were required, however, to set the conditions for a long period of relative price stability and economic prosperity—and to put stagflation behind us.

The Fed was understandably concerned about the toll the pandemic would take on the economy and wanted to boost it as much as possible. But it kept its foot on the gas for far too long. By June 2022, the Fed had only just started raising interest rates, which wouldn't reach their post-pandemic peak for more than another year. During this time, the Fed's balance sheet—in short, its total assets on hand—mushroomed from $4.3 trillion to $8.9 trillion. It has since fallen to about $6.7 trillion, but that still represents a 50 percent increase since the start of the pandemic. Not surprisingly, the inflation rate remains stubbornly higher than the Fed's target of 2 percent—in fact, more than twice so—with the latest measure of the CPI coming in at 4.2 percent in May, due in part to higher energy prices.

While the Fed was stoking inflation, changing policy only just before it became an outright conflagration, Congress was engaged in massive fiscal stimulus through the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 and the American Rescue Plan Act of 2021—to name just a few measures. That, too, boosted prices through a variety of channels. However unwise that spending may have been, the Fed had the capacity to offset its inflationary effects at least partially by tightening the money supply, but it failed to do so.

What may be puzzling to some, though, is why the high inflationary period we have gone through has driven the affordability debate. Large and unexpected increases in prices are distortionary, do damage to the economy, and should be avoided. But during much of this time, wages rose faster than inflation, meaning that many people were still able to keep up with their previous spending patterns.

"While the Fed was stoking inflation, changing policy only just before it became an outright conflagration, Congress was engaged in massive fiscal stimulus."

When you see how people believe they are actually doing, however, things become clearer. In a December 2025 poll from Echelon Insights, only 21 percent of respondents thought their income had kept up with rising costs, with just 28 percent saying they believed the government's economic statistics. Most tellingly, fully 74 percent of respondents said that *only a decline in prices*—that is, deflation, not just disinflation—would convince them that "inflation and costs are no longer a problem."

. . . and the Micro

In addition to bad monetary and fiscal policy, which can drive up prices across the economy, there are a number of regulations and mandates that can push up costs for consumers in *specific sectors*. Cato recently released its *Handbook on Affordability*, edited by Ryan Bourne, the R. Evan Scharf Chair for the Public Understanding of Economics, which addresses nine such areas: housing, energy, health care, transportation, childcare and child raising, food, higher education, consumer financial services, and clothing, household goods, and labor services.

Scholars from across Cato's many policy groups and centers came together to create "an affordability agenda" with more than 100 reforms at the federal, state, and local levels—including easing zoning restrictions, ending occupational licensure requirements, and repealing tariffs and trade quotas—that would make it easier for consumers and producers to engage in voluntary exchange, buying and selling goods and services at prices much closer to what a free market would bear. That is what is needed—not price controls and wage subsidies, favored by activists on both the left and the right.

The handbook also includes chapters outlining macro reforms: making the Federal Reserve follow a transparent monetary rule and focus more closely on price stability, while proposing changes to get the federal budget, and especially entitlement spending, under control.

The Affordability Discussion Isn't Going Away

Writer Matt Yglesias recently titled an essay "I'm Sick of 'Affordability.'" I can't say that I blame him. It can be exhausting to hear people talk about a somewhat nebulous concept so frequently, especially when the measures they propose would make things worse, all in the name of "helping workers." But inflation has recently started to outpace wages once again, and it's not clear when that will stop. People are rightly aggrieved. They want to do better for themselves, their children, and their grandchildren, and they see that goal as increasingly hard to attain.

Thankfully, there are policies that would drive prices down, policies that would also likely have the salutary effect of increasing economic growth and wages simultaneously. It's time to implement them. ✦

ABOUT THE AUTHOR

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Inside Argentina's Deregulation Revolution with Federico Sturzenegger

By Marcos Falcone

As Argentina's Minister of Deregulation and State Transformation under President Javier Milei, Federico Sturzenegger is the architect of the most ambitious deregulation effort in the country's history. His work started years before Milei came to office and was shaped by his firsthand experience with Argentina's bureaucracy under two previous administrations, including a three-year stint as president of the country's central bank.

In this Q&A with the Cato Institute's Marcos Falcone in Buenos Aires, Sturzenegger discusses the motivations that led him toward deregulation even before Milei was elected president; details the process of overcoming powerful interests that long relied on Argentina's corporatist economic system; and explains why the case of Argentina—originally founded on the same classical liberal principles as the United States—offers lessons that travel well beyond its borders. The following transcript of the interview, which was conducted in April, has been lightly edited for clarity and length.



Federico Sturzenegger (left), Argentina's Minister of Deregulation and State Transformation under President Javier Milei, details the government's deregulation push in an interview with Marcos Falcone (right), a policy analyst at Cato's Center for Global Liberty and Prosperity. (Photo by Mule Agency)

MARCOS FALCONE: Years ago, you went viral in Argentina while posing alongside piles of regulations that you proposed to eliminate or modify. What inspired you to map every single federal regulation in Argentina, even before joining Milei's team?

FEDERICO STURZENEGGER: I participated in two previous governments in Argentina, the de la Rúa administration and the Macri administration, which were attempts to reform a country that had been stagnating for about 50 years. These governments were full of very capable, honest people who really were trying to make a change for their country. How is it possible that they failed? I came to the conclusion that the reason those governments failed is that Argentina was living in its own self-made Bermuda Triangle. This Bermuda Triangle is the work of interest groups within the country that basically had used the legal architecture to build up privileges for themselves.

There are three players in this triangle: the unions, the crony capitalists, and the Peronist Party. If we were to use the wording of economists Daron Acemoglu and James Robinson, Argentina had established a number of non-inclusive economic institutions and a vicious circle: You create privileges, those privileges create regulatory rents, and those rents are then used to buy out the willingness to preserve the privileges. Once you create these privileges, it's very difficult to dismantle them. I came to the conclusion that if we were going to dismantle that, we needed to dismantle the legal architecture, and we needed to

dismantle it fast and furious. I wanted whoever was going to be president at the end of 2023 to have all the laws that had to be changed in Argentina so that if they wanted to undo this legal architecture, it could be done.

That's why I started working two years before the new government would come in. We read all the laws of Argentina and classified them as laws that had to be repealed, laws that had to be kept, and laws that had to be changed. We actually drafted modifications to the laws. I think we were fortunate to have Milei, a true believer in freedom and a true believer in undoing all this regulation that had piled up as geological layers over the last decades. It was a lucky coincidence that he basically had the political capital and the willingness to execute it.

It's a project that, I think, is very, very liberal. It's pretty unique. We've done 15,000 deregulations in the first two years of the Milei administration. It's a dream come true, honestly.

FALCONE: The Milei administration has stated that its goals are explicitly libertarian. How does that work in practice for you as a minister in this administration, and how does that differ from the other two administrations you were part of?

STURZENEGGER: I sometimes illustrate it with the following: The Macri administration had a Ministry of Modernization, but the state never modernizes. What we think modernizes is allowing people to be free, getting the government out of the way. The government is particularly devastating for small and medium-sized enterprises, because it's like a fixed cost. In order to have an economy that is vibrant and growing, the conventional wisdom needs to be challenged all the time, and for that you need to have all this creativity, to be able to operate unbounded. So I think for us, the objectives of the deregulation program were very clear from the start.

FALCONE: Which sectors of the Argentine economy have you had the most success in deregulating? How do you overcome regulatory capture and deal with those vested interests that each regulation protects?

STURZENEGGER: I think Argentina is a country where we had basically blocked all the things we were good at. For example, we had a glacier law that basically made it impossible to mine. You have Chile on the other side of the Andes, which exports $60 billion per year, and we basically had no mining exports, but that was out of our own making. We have the mountains, we have the copper, we have the gold, we have the silver, we have everything. Imagine if this country would have exported $60 billion of mining products over the last 40 years—this would be a completely different scenario. We just punished ourselves. Another example: We have also forbidden foreign direct investment in the agricultural sector, in regional economies, in the forestry industry. *Kirchneristas* had passed a law that we're in the process of repealing—this change in the Land Law is going to bring about $15 billion of investment across the country. It's going to change the landscape completely. Before this, if you wanted to farm salmon, you couldn't, because we forbade farming salmon in the ocean. If you wanted to harvest, you needed authorization from the Agricultural Agency. If you wanted to import used capital goods, you couldn't do it, because of lobbying by a particular sector. I could go on and on with all the restrictions we have self-imposed on ourselves. So we see our task as removing all those constraints, and I think the results are pretty impressive.

You asked me about how to deal with a vested interest and how to make this reform sustainable. You should interpret all our economic reforms as having two layers. One layer is the economics layer. To give you an example: trade openness. We want to do that because we think that's good, right? The economy is going to work better. But then there's a deeper and perhaps more important layer, which is the political economy layer: When you open up the economy, you dilute the rents of firms that were using those rents to influence the political system so that Argentina remained closed.

Take labor reform: The bill we promoted aimed to make the labor market more flexible, better at adjusting to regional conditions and reducing litigation, all the things that economists know work. But I think there's a much more important dimension of the labor reforms in that we changed the way labor negotiations are implemented. Today in Argentina you have national negotiations by sector, so the truck drivers' union is the same for the whole country. But now we're going to allow negotiations at the firm level, which is going to prevail over the national agreement, and I think this is very important for the labor market to work better, because you may have places where you need a different agreement, and if you put in place a one-size-fits-all model, it's not going to work. But most importantly, it breaks the power of the unions. The unions are no longer this monolithic national power: People can now splinter apart, and they can just make their own decisions and their own agreements. So you always want to think of the regulations as having these two layers: One we deal with as economists, because we want the system to work better, and the other we deal with as politicians, or as political scientists, by weakening the economic might of what I call these blocking agents—the guys who were responsible for this architecture of privileges. If we weaken them economically, we weaken their ability to defend that system, and I think that's the best way to

"In order to have an economy that is vibrant and growing, the conventional wisdom needs to be challenged all the time, and for that you need to have all this creativity, to be able to operate unbounded."



Federico Sturzenegger leans on stacks of laws that the Ministry of Deregulation and State Transformation has deregulated. (Photo by Mule Agency)

deal with the problem. If you don't reduce the economic power of the blocking agent, sooner or later they're going to drift back to the ancien régime.

FALCONE: I've heard you stress that it's not just important to deregulate, but also to follow up on deregulation. Could you tell us about a deregulation that has been especially complex to disentangle?

STURZENEGGER: There is resistance from two sources. You can have resistance from the vested interest, or you can have resistance from the bureaucracy. The vested interest has turned out to be much easier for me than, I think, for any other reformer in the world. Why? Because I have President Milei. Remember that you have to think of regulations not as the result of some central planner thinking how to do good, but as a result of special interests using the state to generate regulation to benefit themselves.

So for us, the benchmark is that regulation is bad, not that regulation is good. The burden of proof to keep a regulation is very much on the one who wants to keep the regulation, not on the ones who want to eliminate it. Behind the regulation there's an owner, someone who was benefiting from this regulation. So when I announce a deregulation, President Milei immediately goes on social media and supports it, and this is critical because whoever was thinking about lobbying against the deregulation cannot do it, because the president has already supported this. I tell Javier that it's a little bit like he's walking ahead of me with his machete and he's clearing the path, so that then the ministers and myself can walk and make a lot of progress.

Then there's the resistance of the bureaucracy, which doesn't want to lose power. Remember that every regulation is an opportunity for corruption. So, when you undo this system, there are a lot of people within the bureaucracy who don't want this to go along, and the bureaucracy is like a monster with many heads, you don't know how to get to it, you get it somewhere and then it goes out in some other way. I've had cases of doing a deregulation at a lower level of resolution, and the bureaucracy reestablishes what we had eliminated at a higher level. So you have to be very careful; you have to be vigilant all the time.

I have very fluid conversations with who I call the "victims of the state," and they say, "Oh, Federico, you deregulated this, but you forgot this other provision." So I go at it again and they say, "No, you forgot this other one." In the same way that data centers have these redundancies, these guys that built the legal architecture also built redundancies, thus making sure that there are three or four

"Every regulation is a way of attacking competition, because it's an entry barrier—it's a way of diminishing the amount of competition in the economy."

protections on each one of their privileges, so it takes some time.

Social media is great because it is a place where everybody speaks to everybody. I've established a way of communicating, which has turned out very helpful for me: Every morning I send a tweet on X—I explain a deregulation, I try to put some humor into it and make it accessible, and then that creates attention. If something is not working, people are going to say it out loud, because people celebrate deregulation, people celebrate their freedom, but if it doesn't work, they'll make it clear and noticeable. So, for us, just tracking social media is like an audit of what we're doing, and it helps us correct along the way. Society as a whole is actually helping us do our job. Even Milei publicly supporting the reforms is also something that could not have been possible perhaps 15 or 20 years ago, because it would have been intermediated by the media, but now you can just say what you are doing and everybody's listening. The game has changed quite a bit.

FALCONE: You used to have a countdown showing the number of days left until the expiration of delegated powers granted by Congress in 2024 to deregulate the economy. That occurred in July 2025, but I see that the countdown is still here and now reflects the number of days left in office. How has your work changed compared to the time when you had these delegated powers?

STURZENEGGER: When we passed that bill in Congress with very significant reforms, one of the articles basically gave the government what's called delegated powers, which are in our Constitution, which means that on a specific matter for a specific time you can make some changes. In our case, Congress delegated powers to us to transform the state, but they didn't give us delegated powers for deregulation, just for closing units, and having some flexibility in what we could do there. So I had a counter of the days we had left with those delegated powers because I wanted the whole team to be on its toes and make sure that we didn't lose the opportunity. That's why on top of the counter, we have this quote from Gandalf when he's talking to Frodo and says that it doesn't matter how much time we have, but what we decide to do in the time we have been given. We issued 72 delegated decrees in the limited time that Congress gave us.

Now, as you said, it has the number of days left in the administration, because I also want my team to cherish this time that we've been given. We have a unique president who believes in the idea of freedom as no other leader I've seen in the world, who has the guts and the courage to move ahead. We want to be very aware of that, and that's why we have the counter, but the job hasn't

changed much. When we had the delegated powers, we could, through a delegated decree, change some things at the level of laws. But this year, given the good showing we had in our midterm election, we have the ability to go to Congress, and I think we can be quite optimistic with regard to most of the laws we're interested in passing. Of course, there's always a discussion, but that's the nature of democracy.

FALCONE: In your paper "Deregulation: From Theory to Practice," you talk about how regulators are often disproportionately risk-averse, implementing rules that cost too much for the unlikely risk they're trying to avert. Is this part of a mindset that needs to change for a deregulation to work?

STURZENEGGER: I don't know if it's the mindset or the incentive structure, because, for example, if you read Milton Friedman's *Free to Choose*, he discusses the issue of approval of medicines—if an authority approves a medicine and then a person dies from the approved medicine, certainly that regulator will be in trouble, correct? Now, if you don't approve the medicine, and then there are a lot of drugs that don't make it to the market, and thousands of people die because the product didn't make it to the market, what happens to the regulator? Nothing, because nobody even knew about it. Friedman says the incentive structure of the regulator is totally biased toward being conservative and overly cautious, and I think that's very problematic. People die crossing the street and that's terrible, but we wouldn't go to the point that we forbid people crossing the street. That would just make no sense. In our discussions, I see the regulator being overly conservative, and part of my job is convincing them to take more risks.

But when you say "let people be free," the bureaucrat's imagination blossoms, it becomes better than Jorge Luis Borges's or Julio Cortázar's—they come up with stories of all the terrible things that will happen if people are free. I say: "Now give me the same stories of all the things that will not happen because of this regulation," and there's nothing there. So I think there's very strong tendency to overregulation, and I think part of my job is to try to get people to take risks.

Let me go back to what I was telling you before, about an example of things that are unbelievable: In Argentina it was forbidden to use satellite internet (I think people at Cato have written about this). For those who don't know much about Argentina, if you place it over Europe, it'll extend from Portugal to Estonia, so it encompasses the whole of the European continent. But we have only 47 million people here, so we are very dispersed. You're never going to get a fiber optic cable to everybody. It doesn't make any sense and it never will. Yet we could not buy satellite internet—that was forbidden because the largest media conglomerate in Argentina is a big provider of internet and it was very easy for them to lobby some guy who was earning $1,000 per month at ENACOM, which is the regulatory agency, and try to convince that guy one way or the other to issue a regulation that you can't have satellite. That was much cheaper than competing. Milei, on his 10th day in office, eliminated that rule, and several companies started operating, of which the most well known is Starlink. And today three million more Argentines, which is close to 10 percent of the population, have access to high-quality internet just because of freedom, without the government spending a penny today.



Federico Sturzenegger (right), who served in two previous administrations, greets Argentine President Javier Milei (left) on the floor of Congress after submitting a budget proposal in September 2024. (Photo by Alejandro Pagni/AFP via Getty Images)

FALCONE: What's next for deregulation in Argentina? What do you hope to achieve in the remainder of your time as minister?

STURZENEGGER: I have several projects sent to Congress. One project is going to eliminate something like 100 laws, legal structures that get obsolete with time, and I think it'd be interesting to have this process as a regular thing. For example, Texas has a sunset clause where after a state agency has existed for a number of years, the state legislature has to renew the law authorizing the agency. If not, the law stops, so I think this is part of this process of clearing out the dead wood in our legislative system. There is also a bill in the Senate that is going to repeal the Land Law of the *Kirchneristas* and allow foreign direct investment in the agricultural sector, which is critical. I'm also going to be sending to Congress a bill to deregulate capital markets and the insurance market, among others. Another is the navigation market. In the US, you have the Jones Act, which protects local ships but has dramatically increased the cost of shipping. President Trump has suspended it—I don't know if it will be just temporary, but I would certainly recommend making it permanent. We have our equivalent to the Jones Act in Argentina, which has made transporting merchandise through rivers very expensive, so we're going to deregulate that completely. In some cases, that will imply reductions in the cost of production of between 20 and 50 percent. Imagine people who are isolated who have to put merchandise in trucks and then burn diesel to make it to a port that is maybe 1,000 kilometers away, instead of just using the river one kilometer from where you're producing. The reduction in costs will be dramatic.

We're also going to change the competition law because the most dangerous player for competition is not private companies, but the state. Every regulation is a way of attacking competition, because it's an entry barrier—it's a way of diminishing the amount of competition in the economy. We want to give our antitrust agency the power to go

“The deregulation agenda and the freedom agenda reinforce themselves, because on the one hand it weakens the economic power of the blocking agents, but it also creates political support, since the beneficiaries of the deregulation program are the public at large.”

against government policy, which affects competition. It’s a completely different change in focus.

The other thing I want to mention is the legal structure for artificial intelligence. The Dutch allowed capitalism to flourish when they invented the limited liability company 400 years ago in Amsterdam. You needed to somehow distinguish between the risk of the activity in which the company is engaged and the wealth of the individuals who are participating there, and that’s the limited liability concept. I think with AI, you very much have this issue, because you don’t have full control of what AI agents are going to do, and if you don’t have strong limited liability for the deployment of artificial intelligence, it’s not going to work. There was a recent ruling in California that transferred the risk of what the AI agent was doing to the developers, and then people started to say, “Well, California is not a place where we can deploy AI agents.” So we want to introduce a chapter in our corporate law where we’re going to have very clear rules and very clear limited liability for AI agents and corporations, with the hope of providing the framework of freedom and property rights that the rest of the world is not providing for AI.

FALCONE: Besides these examples of the Jones Act and AI, what lessons could the US draw more generally from the Argentine experience in deregulation?

STURZENEGGER: I think there are two main lessons. The first lesson is that if you’re in political trouble, the best thing you can do is reduce government expenditure, and there I’m turning Keynesianism on its head, because people tend to say, “Oh, spend to gain political power,” but Milei and I say, “Who on earth convinced us that taking people’s money from them and giving it to a politician so that the politician spends it on behalf of the people is going to be more popular than handing back that money to the people?” Javier Milei reduced government expenditure by 5 percent of GDP, the economy grew 6 percent, and he won the elections by a landslide, because that money has to come from somewhere. How can that not be popular? So I think the first lesson is reducing government expenditure and therefore reducing taxes.

The other lesson is that reform is popular. If someone opposes the deregulation agenda, it’s the vested interests—it’s not the people. We deregulated satellite internet, and people cherish that, they cherish that freedom, they cherish that service. Of course, that large media conglomerate is still angry about it, but the 47 million people in Argentina are exhilarated. I think the deregulation agenda and the freedom agenda reinforce themselves, because on the one hand it weakens the economic power of the blocking agents, but it also creates political support, since the beneficiaries of the deregulation program are the public at large. So to do this, you need to prepare yourself, because reform is like David versus Goliath: The reformer is David and the vested interests are Goliath, because they have the power, they have the money, they can buy out the press, and they can get votes in Congress. So how did David beat Goliath? With a surprise factor, correct? David basically threw a stone when this guy wasn’t expecting the stone, knocked him down in the first blow, and then cut his head off. You need to move fast, but you need to be prepared for that.

FALCONE: Is this why the case of Argentina is relevant to the rest of the world? Because this is clearly not just about deregulation, as you said. Is this about reforming a failed country? Is it about going back to the ideas of Juan Bautista Alberdi, the founding principles that once made Argentina and also the United States free and prosperous?

STURZENEGGER: I think it’s certainly about turning around the history of Argentina, but when we go abroad and people hear the name of Javier Milei and listen to what we’re doing, it becomes aspirational for them. They say, “This is the politician I want, a politician that doesn’t believe in the government, a politician that actually despises the government and believes in freedom, who believes that the good things in the society are built by the private sector and not by government.” In Europe, people go mad about this because they’re really fed up, they have layers of regulations—it’s impossible to do anything there. But I would say, even in the US, they look at Milei aspirationally. People see that this is a pretty extreme experiment in freedom, and if it works in Argentina, that says a lot. If it allows Argentines to turn around a history of 50 years of stagnation and government intervention that left 70 percent of our kids in poverty, then that’s a case to be noted and taken into account. I think everybody’s watching because of the boldness of the president, his conviction and his love for freedom. The economy has grown significantly in the first two years, inflation has come down, poverty rates have come down, we’re in the middle of an export-led boom. Amazing things are happening in Argentina that had never happened before. We’re very, very optimistic. ✦

ABOUT THE AUTHOR

Marcos Falcone is a policy analyst focusing on Latin America at the Cato Institute’s Center for Global Liberty and Prosperity. His research interests range from contemporary public policy in his home country of Argentina to the history, theory, and language of classical liberalism.

How Did You Become a Libertarian?

By Joshua Hardman

America's 250th anniversary is, by any measure, a moment for inventory. What has held? What has been won, slowly and painfully, from the original promise? And what remains urgently unfinished?

We sat down with 10 scholars and staff at the Cato Institute—with different origin stories, areas of expertise, and concerns—to find out how they came to libertarianism, what gives them hope, and what they would fix first if they could.



Sophia Coyne-Kosnak, program director of Cato University

How did you become a libertarian? Or how did you first come to realize and express your kind of libertarianism?

CLARK NEILY: I've always hated bullies, people who think they're entitled to impose their will on others just because they're stronger. It turns out there's actually a philosophy underlying that, and it's essentially libertarianism: respecting the right of other people to be left alone. Where it really got driven home was when I clerked for a federal judge here in Washington. I got to watch the government in action in court for a year. There were times when the government really messed up, violated somebody's rights—but the one thing you would never see was the government taking responsibility for any of its misconduct. By the time I got to the end of that year, I thought: Whatever is the most opposite of what I just saw is what I want to be. And that's libertarian.

ALEX NOWRASTEH: I always knew I was a libertarian. When I described my opinions to a family friend around sixth or seventh grade, they said, "You sound like a libertarian," and from that point on, that's the term I used. But the most formative moment came when my father brought me on a business trip to Toronto. I found a copy of *The Libertarian Reader,* edited by David Boaz, in a bookstore, and instead of running around the city having a fun time, I stayed in the hotel room and read it cover to cover. That was the first time I encountered Hayek, Mises, Rothbard, and other luminary libertarian thinkers.



Top row, left to right: **Peter Goettler** is president and CEO of the Cato Institute; **Clark Neily** is senior vice president for legal studies; **Barbara Galletti**, who hails from Peru, is a senior producer at Cato and Libertarianism.org, active both behind and in front of the camera for many of Cato's short-form and long-form videos; **Alex Nowrasteh** is senior vice president for policy; and **Stephen Rowe** is expanding Cato Courses, a free online learning platform for high school students, and serves as its program director. Bottom row, left to right: **Sophia Coyne-Kosnak**, program director of Cato University, relaunched it in 2024 and has already hosted events for hundreds of undergraduate and graduate students across the country; **Jonathan Fortier** is the director of Libertarianism.org, a Cato platform for multimedia education and outreach to broad and intellectually curious audiences; **Scott Lincicome** is vice president of general economics and Cato's Herbert A. Stiefel Center for Trade Policy Studies; **Molly Nixon**, senior fellow in executive power, recently wrote about the risk of pardon-power abuse within the executive branch, congressional abdication of lawmaking and appropriations powers, and more; and **Alfredo Carrillo Obregon**, from Mexico, is a trade policy analyst who started at Cato as an intern.

SOPHIA COYNE-KOSNAK: My libertarian origin story was a process of realization that what mattered most to me was principles, not politics. Growing up, probably like most people, I was really only aware of political parties as opposed to political philosophies—you have your Democrats and your Republicans, and they each want to control certain aspects of your life. I had a lot of questions about that. It all seemed very inconsistent to me. Why do they know enough to make decisions for people? Why do we assume that the government should be involved in this? I kept asking why, why, why. One day, I think I finally annoyed one of my teachers into saying you know, you sound like a libertarian. So I came home and said to my parents, "my AP government teacher called me a libertarian, what is that?" And then my grandma got me *Libertarianism from A to Z* by Cato's Jeff Miron. That was really my first introduction to the word libertarianism and what it could mean to have a principled political philosophy rather than to adopt whatever a given political party happened to be saying that day.

JONATHAN FORTIER: I came to libertarianism through literature and the arts, reading figures like Henry David Thoreau and Emerson, reading Western novels that celebrated the individual spirit of independence and self-reliance, and then, in later years, went on to read Orwell and Huxley and others that painted visions of the future that were bereft of freedom. I then went on to read many other figures well known in the libertarian tradition, such as Hayek and Friedman. But it was literature and the arts that inspired me to think more clearly about the possibilities of power being abused to stifle individual creativity and self-realization.

MOLLY NIXON: I think I was born and raised at least dispositionally libertarian, but it was a while before I had the education or vocabulary to articulate those inclinations. The 9/11 attacks occurred during my first weeks at college and I started paying more attention to government and its capacity to intrude on civil liberties in the months and years after that.

I began to fit my heterodox mix of views into a classical liberal framework when I came down to DC for a summer program with the Fund for American Studies. I took a fantastic comparative economics class with a professor named George Viksnins, who had fled Latvia with his family in World War II, and he taught us the greats: Hayek, Schumpeter, Friedman. In particular, the light bulb came on in my head when I read about the "knowledge problem": the most well-intentioned central planners can't possibly gather and utilize all the knowledge that is dispersed among billions of individuals with different experiences and information and insights. But that tremendous wealth can be tapped by free people participating in free markets.

PETER GOETTLER: I grew up in the '70s as the welfare state mushroomed, and I just had a visceral reaction to the idea that the state could take money from one group of people and give it to another—on a moral level, I believed in limited government and limiting state power. Then, when I was in high school, I worked at a pharmacy in inner-city New Haven, Connecticut—a very poor area—and I saw the negative consequences well-intentioned government programs were having on people's lives. I started with a moral commitment to limited government, and then I developed the practical experience of why it was important.

ALFREDO CARRILLO OBREGON: I got introduced to libertarianism through Cato, where I have worked to defend and promote free trade and learned about libertarian



Jonathan Fortier, director of Libertarianism.org

perspectives on a variety of issues. Trade remains the issue where I hold my strongest beliefs, because they also match what I studied and what I have experienced. After engaging with debates on trade and globalization in an academic setting, I realized that a lot of the opportunities that my family (in Mexico) and I have had can be traced back to globalization and closer economic relations between the United States and Mexico. And it's been encouraging to learn about and meet people on the US side whose lives have also been positively impacted by that expansion in trade and globalization. These personal connections motivate me to keep working on these issues because there's plenty of room for America to improve so that the benefits of trade and globalization reach even more people.

This is the 250th anniversary of the Founding of the United States of America. What are you most proud of this nation maintaining or improving on?

PETER GOETTLER: There's so much focus these days on the sins of the Founders, and it's important not to gloss over this. But we can't let the sins of the Founders impugn the ideals of the Founding: They unleashed the forces of liberalism that have been advancing ever since, that have led to the end of slavery, to equal rights for blacks and other minorities, for gays, for women. The words of the Declaration have been carried before every human movement for freedom and against tyranny since. That's what Jefferson's philosophy enabled, and we shouldn't lose sight of that.

MOLLY NIXON: I'm moved by the capacity for Americans, over the course of our history, to be persuaded, sometimes reluctantly, by the logic of arguments grounded in the country's Founding ideals. It may take too long, but movements for the abolition of slavery, women's suffrage, civil rights, and freedom of speech even for very disfavored opinions . . . I think all of these were the result of advocates showing the majority that they're not living up to Founding-era principles and commitments. And I am just so moved by the fact that eventually America comes around.

JONATHAN FORTIER: I am most proud of the American ability to preserve a faith in the value of liberty and a faith in civic institutions. There's a sort of folk libertarianism that exists and persists in American society, and you see that expressed in the robust way Americans support their civic institutions, their churches, sports teams, clubs, volunteer societies, and this is something that is really to be celebrated and cherished.

"I've always hated bullies, people who think they're entitled to impose their will on others just because they're stronger."

CLARK NEILY: America got the principles right, which is that government exists to protect our individual right to live our lives as we see fit, provided we respect the equal right of others to do likewise. It's unusual for a country to even get that much right, and then we've been more true to those principles than I think any country that has come before.

SCOTT LINCICOME: One of the really great things about the Constitution and the Declaration is free commerce among the states. If you live in North Carolina, you can trade with somebody in South Carolina and nobody's going to get in the way, even though in a lot of places today—Canada, Europe, elsewhere—there are still huge and costly restrictions. That has ended up being a superpower for the United States, and something a lot of us take for granted because we don't know any alternative.

ALFREDO CARRILLO OBREGON: The United States stands for something. For a lot of people in a lot of countries, the US stands as a beacon of democracy, of economic success through free-market capitalism. It's still one of the most prosperous countries on earth—and setting aside the sheer economic statistics, it's a country where you can come with goals, work hard, and achieve the life you want to achieve. There are so many inspiring stories across tech, health care, manufacturing, services—businesses that do well because that's the ethos of the US. What

“America has another 250 years. This is not the Roman Empire— this is the United States of America, and we have one of the most brilliant Foundings.”

has led to this moment, where America stands for that—notwithstanding all its problems—is what I think is most important to preserve as it moves forward.

BARBARA GALLETTI: I think the United States has been remarkably stable because of the principles embedded in the Declaration of Independence and the Constitution. I compare it especially to my experience in Peru, where every election features the left-wing candidate proposing to write a completely new constitution from scratch. But Peru’s struggle with authoritarianism has always been part of our political culture, not just the left wing.

The current constitution was written in 1993 by Alberto Fujimori—a very complicated, non-ideological leader who ended up instituting some important free-market policies. But just a year before that, Fujimori had dissolved Congress and assumed legislative and judicial powers with the support of the military.

My grandfather was president of Peru’s lower house of Congress at the time. My mother happened to be visiting him when he was placed under house arrest. She and my older brother escaped with the help of a CNN reporter. I grew up knowing that everything can change in a day, so I have a deep appreciation for America’s relative constitutional stability and the resilience of free societies in the face of government overreach.

What are you most optimistic about for this country and/or the world?

SCOTT LINCICOME: I’m hopeful for the future of K–12 education. I have a teen daughter, and I’ve seen a radical change in how education is funded and how individual families can improve their children’s education through their choice of school, something that wasn’t available to me as a kid and wasn’t available to millions of others. That’s going to be a massive benefit for the United States.

SOPHIA COYNE-KOSNAK: What gives me optimism for our future is the young people I get to interact with through my work in Cato University. There is, on the one hand, a sense of deep anxiety among young people in this country—they’re not happy with the political polarization they see around them, and they’re not happy with what the two political parties are able to offer them. But that sense of anxiety leads them to action, and that action leads them here. Talking with them and seeing what might be possible in offering them a path toward a freer and more open society brings me a sense of great optimism.



Stephen Rowe, program director of Cato Courses



Molly Nixon, senior fellow in executive power

ALEX NOWRASTEH: I’m optimistic about the United States because I see how many people around the world still want to become Americans. You look at the state of entitlements, the invasiveness of economic regulation, the fact that drugs are still prohibited—these are enormous problems. But the fact that so many people around the world still look here and think it is a place of opportunity, of individual liberty, of free markets, and they want to come here and join us—that fills me with an optimism that frankly overwhelms all the negativity.

STEPHEN ROWE: America has another 250 years. This is not the Roman Empire—this is the United States of America, and we have one of the most brilliant Foundings in all of recorded history. I’m optimistic about the people. You can feel despair when you talk to Generation Z, but I promise you: These are kids learning ideas that can ultimately change the course of history for the better. I’m also optimistic about entrepreneurship, about innovation. America continues to lead, and when faced with the challenge—whether it was World War II, the space race, or other moments of national challenge—America has always risen to the occasion. I have every ounce of faith that this country will continue to do so.

ALFREDO CARRILLO OBREGON: The American people are highly entrepreneurial, highly motivated. And people from all over the world will still come here to achieve their dreams, exchange ideas, and build together. That will propel the country forward into the future. I also think there is a growing global awareness that relatively free trade and globalization have helped many people escape poverty and achieve a greater standard of living. Progress on the trade front won’t be inexorable, but I’m hopeful that the pendulum will swing back and we’ll see a renewed push for freer trade and support for globalization in the long run.



Scott Lincicome, vice president of general economics and Cato's Herbert A. Stiefel Center for Trade Policy Studies



Alex Nowrasteh, senior vice president for policy

If you could change just one policy, what would it be?

CLARK NEILY: I would make us go back and rediscover one of the most important, but ignored, bits of wisdom from the Founding era: The citizen jury is one of the most important attributes of a well-functioning democracy. Your vote is unlikely to be determinative in an election, but an avenue for civic participation the Founders understood very well was the ability to serve on a civil or criminal jury. If you look at the Bill of Rights, more words are spent on criminal procedure than any other subject, and most of that is about the right to a criminal jury trial. And guess what? They're practically extinct on American soil, replaced by coercive plea-driven mass adjudication. Our system was meant to put citizen participation at the very heart of the administration of criminal justice, and citizens have been almost completely excluded. That is the one thing I would change.

STEPHEN ROWE: I would change our view on education. Nelson Mandela said education is the most powerful tool with which you can change the world, and I think we can do a lot. I look toward Alpha Schools as a great example of students using AI and innovation to achieve results better and faster than ever before. School choice is also expanding across America—just exploding in Arizona and Florida—with parents and students now able to choose their school based on academics and the right fit for them, not just being locked into a system because of their zip code. If we get education right, we're going to be in a really good position to have 250 more years of America, because at the end of the day it starts with that next generation.

MOLLY NIXON: If I could change one policy right now, it would be a balanced budget requirement. Not only because I'm worried about the national debt and the annual deficits we run, but, even more importantly, I think a requirement to balance the budget every year would give legislators muscle memory for negotiation and compromise and the capacity to balance trade-offs. The members don't exercise that institutional competency when they can consistently rely on debt and deficits, but a legislature that is forced to engage in and annually resolve difficult tax and spending decisions would better reflect and serve Americans on other policy issues.

"I got introduced to libertarianism through Cato."

SCOTT LINCICOME: On the economic side, I'd push for true unilateral free trade. Not just the new executive tariffs, but the old Buy American laws, the Jones Act, all the things that inhibit free commerce among individuals around the world. But frankly, all that stuff pales in comparison to some individual liberty issues. If I could snap my fingers and abolish the death penalty tomorrow, that'd be the obvious choice.

BARBARA GALLETTI: As an immigrant, I believe the work that Cato is doing advocating for a simplified and open legal immigration system is very important. The US has a rich history of welcoming immigrants who look for opportunity and freedom in this great country, but efforts to erase this tradition have been even more pervasive in the last few years. I really hope that changes soon.

PETER GOETTLER: If you gave me the power to amend the Constitution, I'd go big: The government cannot take something from one person and give it to another. The Achilles heel of democracy is that once the public realizes they can plunder the national Treasury to get things for free—or politicians realize they can buy votes with it—it's very hard to find an equilibrium where government doesn't just keep growing. I'd go for broke on that one.

SOPHIA COYNE-KOSNAK: Congress—where are you? I would love to rein in executive authority. This one-man-rule tendency is very bad for us, not only in the policy space but culturally—it is making us so polarized to have so many major policy decisions flowing from the president. Having Congress fulfill its constitutionally assigned role would be my biggest ask. ✦

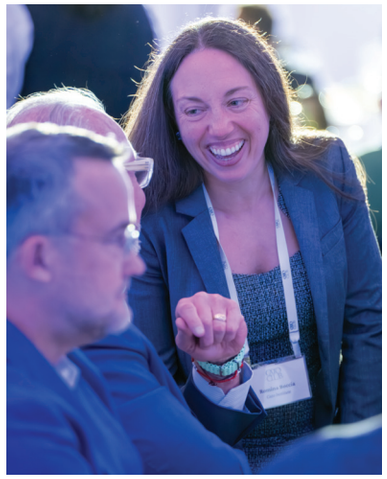
ABOUT THE AUTHOR

Joshua Hardman is a development communications manager at Cato and contributing writer for *Free Society*.

Scan the QR code to watch extended interviews with Cato scholars and staff.

EVENTS









Cato Club Retreat 2026
Top left: Marian L. Tupy (left), senior fellow at Cato's Center for Global Liberty and Prosperity, in conversation with Bjorn Lomborg (right), who is known globally for promoting cost-effective solutions to climate problems. Top right: Romina Boccia, director of budget and entitlement policy at Cato, connecting with a Cato Partner. Bottom left: Robert McDonald, Cato adjunct scholar and professor of history, Department of History and War Studies, United States Military Academy. Bottom right: Peter Goettler (left), president and CEO of Cato, and former Senator Joe Manchin.

In April, the Cato Institute gathered its most committed Partners at Montage Palmetto Bluff in South Carolina for the 2026 Cato Club Retreat. The event brought together donors, Cato scholars, and thought leaders for candid discussions about the state of liberty in America and Cato's role in defending it. At a moment when threats to individual freedom are arriving from across the political spectrum, the retreat was a timely reminder of why principled, independent institutions matter—and a recommitment to the work ahead.



Fueling Human Flourishing
Secretary of Energy Chris Wright (left) outlined a vision of energy abundance through deregulated markets and technological innovation during an event at the Cato Institute. "Why do we produce energy? Well, one reason: better human lives," Wright told Travis Fisher (right), Cato's director of energy and environmental policy studies. Their conversation explored recent efforts to roll back energy subsidies, the future of energy production, and the role of energy in alleviating poverty. Wright also thanked Fisher for his work last year to help coordinate a report on climate change by the Department of Energy's Climate Working Group. (Photo by Sarah Wood/Department of Energy)



The Supreme Court: The Last Constitutionally Functioning Branch?
That's the contention of Sarah Isgur (left), *Advisory Opinions* podcast host, *SCOTUSblog* editor, and author of the new book *Last Branch Standing: A Potentially Surprising, Occasionally Witty Journey Inside Today's Supreme Court*. Isgur argues that the conventional left-right framing of Supreme Court justices misconceives how they decide questions and that the Court looks more like a 3–3–3 institution than a 6–3 one. Clark Neily (right), senior vice president for legal studies at Cato, peppered Isgur with edifying and zany questions to explore the Court's proper role, its fascinating history, and the institutional dynamics that continue to shape Court outcomes.



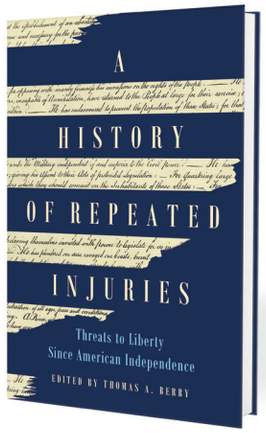
Philanthropy, Civil Society, and the Limits of State Power
Showcasing Cato's unique ability to bring together voices from across the spectrum, Maria Santo Bier (right), Cato's director of foundation and corporate relations, hosted a panel on the vital role of charitable giving and private philanthropy in a free society. The panel—Walter Olson (left), senior fellow at the Cato Institute; John Palfrey (middle left), president of the John D. and Catherine T. MacArthur Foundation; and Lawson Bader (middle right), president of DonorsTrust—discussed the historical importance of voluntary associations and donor privacy for strengthening civil society and limiting government power.



The Economic Harm and Constitutional Implications of Trump's Tariffs
Rep. Jimmy Panetta (D-CA, left) joined Clark Packard (right), a research fellow at Cato's Herbert A. Stiefel Center for Trade Policy Studies, for a discussion about the harmful economic effects of President Trump's tariff policies and the need for Congress to reclaim its constitutional authority over trade. Packard was also joined by Stan Veuger of the American Enterprise Institute and Hana Greenberg, former chief of staff to Rep. Ron Kind (D-WI).

View all past and upcoming Cato events at Cato.org/events or scan the QR code.

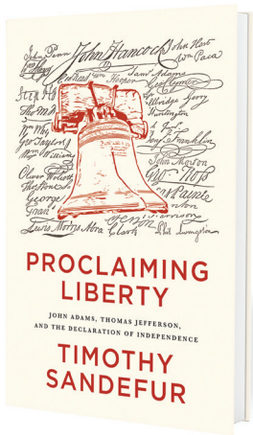
PUBLICATIONS



A History of Repeated Injuries
To commemorate the 250th anniversary of American independence, this volume presents a series of essays that examine the Founders' grievances against King George III as articulated in the Declaration of Independence, within the context of historical experience.

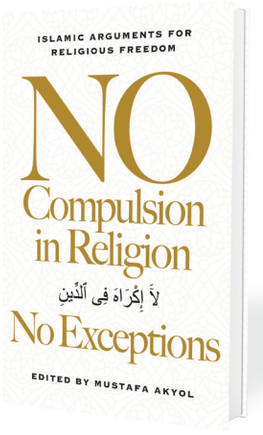
Edited by Thomas A. Berry, director of the Cato Institute's Robert A. Levy Center for Constitutional Studies, this volume features contributions from expert policy scholars on a wide range of issues that were top concerns for America's Founders and that remain contentious today.

While Americans have much to celebrate on the nation's 250th birthday, the authors contend that the wisdom of the Founders serves both as a warning against erosions of liberties and as a source of timeless principles to guide America forward.



Proclaiming Liberty
As America celebrates the 250th anniversary of the Declaration of Independence, *Proclaiming Liberty* revisits the revolutionary year of 1776 through the minds of John Adams and Thomas Jefferson, two men whose words and ideas gave birth to modern liberty. Cato adjunct scholar Timothy Sandefur's engaging narrative brings to life the "American mind" as those extraordinary Founders sought to express it—their arguments, ideals, and enduring beliefs in natural rights and self-government.

Sweeping from the English Civil War and the writings of Locke and Montesquieu to the colonial battles over the Stamp and Townshend Acts and the battlefields of Massachusetts and Virginia, Sandefur's fast-paced narrative shows how the Declaration distilled centuries of debate about freedom, law, and human nature into one of history's most enduring statements on justice.



No Compulsion in Religion—No Exceptions
Most Muslims today are familiar with that remarkable Qur'anic statement: "There is no compulsion in religion" (2:256). This verse, in a few words, seems to present an amazingly ancient precedent to a modern liberal value: that religion must be based on freedom, not coercion.

However, traditional Islamic legal sources also include various measures of religious coercion. Apostates and blasphemers are sentenced to the death penalty, and "religious police" forces are called to enforce piety. Moreover, some self-defined "Islamic" regimes of today, such as the Taliban, enforce these verdicts rigidly, shocking the conscience of many people, including Muslims.

This book, edited by Cato Institute senior fellow Mustafa Akyol, brings together a team of Muslim scholars to address this important question. By highlighting insights from Qur'anic exegesis, Islamic jurisprudence, Muslim history, and contemporary trends in the Muslim world, they make the case for full-fledged religious freedom.

FEATURED CATO STUDIES



The Simon Abundance Index 2026
The latest edition of the *Simon Abundance Index* finds that the world's resources have become dramatically more abundant over the past 45 years, even as the global population nearly doubled during the same period. The index—developed by Marian Tupy, editor of HumanProgress.org and senior fellow at Cato's Center for Global Liberty and Prosperity, and Gale Pooley, a Cato adjunct scholar and economic history professor—measures resource abundance using "time prices," which refers to the amount of work required to purchase a given commodity. Since 1980, the average time price of 50 basic commodities fell by 70.9 percent, meaning that what required an hour of work in 1980 now requires only about 18 minutes. After dipping from 2020 to 2023 due to the COVID-19 pandemic and geopolitical turmoil, abundance continued its upward trend in 2024 and 2025. The index is inspired by the late Julian Simon, a University of Maryland economist and Cato senior fellow who understood that human ingenuity and innovation are limitless and drive abundance.

RECENT CATO STUDIES

Improving Trump Accounts
By Adam N. Michel

The $7.25 Minimum Wage Myth
By Ryan Bourne and Nathan Miller

Section 122: The Trump Administration's Illegal Stopgap
By Clark Packard and Alfredo Carrillo Obregon

Let 1,000 Flowers Bloom
By Colleen Hroncich

Federal Budget Reform Opportunities in Higher Education for 2026
By Andrew Gillen

Immigrants' Recent Effects on Government Budgets: 1994–2023
By David J. Bier, Michael Howard, and Julián Salazar

Addressing Civil Investigative Demand Overreach at the Consumer Financial Protection Bureau
By Solveig Singleton

Illegal Immigrant Incarceration Rates, 2010–2024: The Demographics of American Imprisonment
By Alex Nowrasteh and Michelangelo Landgrave

How Viktor Orbán's Hungary Eroded the Rule of Law and Free Markets
By Johan Norberg

World Trade Without the US
By James Bacchus

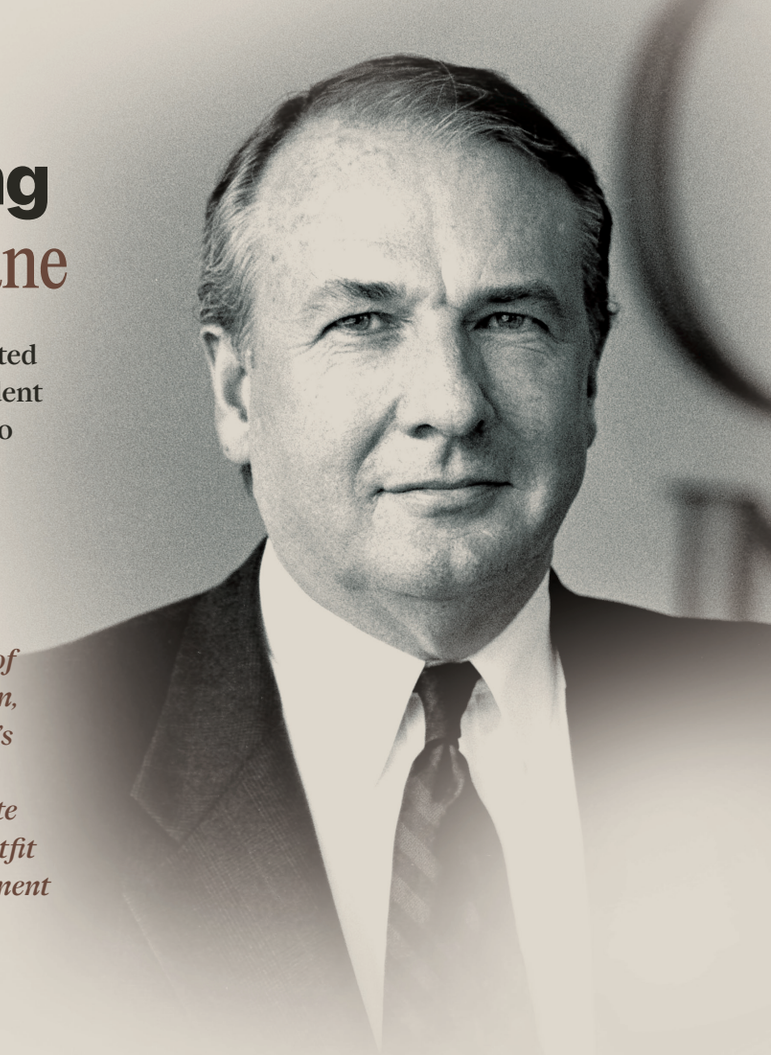
The Future of Online Expression and Innovation Depends on Robust Section 230 Protections
By David Inserra

Politically Motivated Killers: 51 Years of Terrorist Murders on US Soil, 1975–2025
By Alex Nowrasteh

COVID-19 Slowed but Couldn't Stop the Fall in Global Inequality
By Chelsea Follett and Vincent Geloso

View the latest books and studies at Cato.org/pubs or scan the QR code.

Remembering Edward H. Crane



This issue of *Free Society* is dedicated to Ed Crane, cofounder and president emeritus of the Cato Institute, who passed away on February 10, 2026.

Described by Nobel Prize–winning economist and Cato distinguished senior fellow Vernon L. Smith as "a great American in the tradition of such Founders as Franklin, Madison, Hamilton, and Washington," Crane's legacy will live on in the institution he built. He guided the Cato Institute from its 1977 founding as a small outfit in San Francisco to the most prominent libertarian think tank in the world. Below, a few longtime friends and colleagues offer their tributes.

"Ed's true legacy is his advocacy for a free society—from his days as a Berkeley student to his work on the Goldwater campaign, his efforts to reform Social Security and establish term limits, his voluminous writings and speeches and media appearances, and his prodigious fundraising capabilities, without which the success of the Cato Institute would not have been possible."

—**Robert A. Levy**, chairman emeritus of the board of directors and former senior fellow in constitutional studies at Cato

Scan the QR code to learn more about Ed Crane's life and legacy.

"Ed was a man of great energy, confidence, and intellect. His passion was to defend liberty so that people could thrive in the pursuit of happiness. His presumption of liberty, bounded by a just rule of law protecting persons and property, was the guiding principle for all of Cato's policy work."

—**James A. Dorn**, senior fellow emeritus at Cato and former editor of the *Cato Journal*

"Ed was—as his longtime executive vice president, the late, great David Boaz, would never tire of saying—a visionary. He was somebody who saw the potential of bringing classical liberal ideas under one roof, presenting them in a serious and policy-relevant way, and making them a force to be reckoned with in national politics and beyond."

—**Ian Vásquez**, vice president for international studies, director of the Center for Global Liberty and Prosperity, and David Boaz Chair at Cato

Seed Round for Liberty: Cato's Innovation Project

By Audrey Grayson



The Cato Institute is looking for libertarian entrepreneurs and innovators you haven't heard of—yet.

As the Cato Institute approaches its 50th anniversary, its leaders are asking a pointed question: What if some of the most important libertarian thinkers of the next generation aren't involved in public policy now?

They might be shipping software in Austin, building a business in rural Ohio, or writing on Substack for a few thousand readers. They may have never applied to work at a think tank. They may not even know Cato is looking for them.

That's precisely the problem the new **Cato Innovation Project** is designed to solve.

Rather than posting job descriptions and waiting for familiar faces to apply, Cato is inverting the model. The program offers up to three two-year paid fellowships—starting at $100,000 annually with full benefits and dedicated project budgets—to individuals who submit their own original proposals for advancing individual liberty, limited government, free markets, and peace. Cato isn't defining the job. The applicant is.

"Capitalism rewards entrepreneurs because decentralized competition surfaces information that no central planner can gather. Applying that same reasoning internally, Cato is wagering that the ideas it hasn't thought of yet are exactly the ones it most needs."

The logic is borrowed directly from the market principles Cato has championed for decades. Capitalism rewards entrepreneurs because decentralized competition surfaces information that no central planner can gather. Applying that same reasoning internally, Cato is wagering that the ideas it hasn't thought of yet are exactly the ones it most needs.

"The best idea for liberty might be one Cato hasn't thought of. We intend to find the person who has—and give them the resources to run with it," says Peter Goettler, president and CEO of the Cato Institute.

The program is candid about what success looks like and what it doesn't. Most innovation fellows, by design, won't become permanent Cato employees. Smart failure is built into the model. The real return on investment will be determined by testing ideas that will better equip the institution for a volatile policy environment.

For the right fellow, the two years could become a career. Cato will evaluate each project at the end of its term for conversion to a permanent role, making the fellowship not just a proving ground for ideas but also a potential on-ramp for new talent to call the Institute home.

The timing reflects a genuine inflection point. Forty-five percent of Americans now identify as politically independent—the highest share ever recorded. These are voters skeptical of both parties, increasingly alienated from a government that has expanded under administrations of every stripe. The audience for a serious, principled liberty movement has never been larger.

The Innovation Project is an attempt to change that, one unconventional proposal at a time. ✦

ABOUT THE AUTHOR

Audrey Grayson is the senior director of development communications and editor in chief of *Free Society*.

Applications and FAQs are available at cato.org/innovation.

A Foundation of Trust:
Jordan and Lyn's Multimillion-Dollar Bet on the Future of Freedom

By Audrey Grayson



From Austin dinner tables to mountain trails: Jordan and Lyn Weingarten have spent 30 years building a libertarian legacy rooted in community and principle.

Jordan Weingarten came to economics the way many scientists do—reluctantly, then obsessively. A physician by training, he had never taken an economics course, and the discipline remained largely foreign to him well into adulthood. That changed when a friend in Austin passed along a policy paper from the Cato Institute. With the same methodical instinct that had guided Jordan through years of medical study, he didn't just read the paper—he chased down every reference, ordered textbooks, sought out academic articles, and gradually built a working understanding of how markets and incentives shape human life.

"I don't take things as given," Jordan says simply. It's a philosophy that has defined not only how he thinks but also how he gives.

That intellectual journey brought Jordan and his wife, Lyn, to make one of the most significant planned gifts in Cato's history: an eight-figure legacy contribution to the institution they have supported since 1995. For the couple, it is the culmination of three decades of conviction, community-building, and a deeply considered trust in an organization they believe will remain philosophically steadfast long after they are gone.

Jordan and Lyn's relationship with Cato has never been passive. In their hometown, the two founded the Austin Civil Society, a gathering of libertarian-minded neighbors, professionals, and thinkers who met monthly—almost always at Jordan and Lyn's home—for nearly seven years. Lyn, a trained chef, would prepare a simple meal: spaghetti and salad, perhaps, with a glass of wine and good conversation to follow. The group was deliberately informal, resistant to the heavy hand of organized debate, though

that informality occasionally made topical discussions a challenge. "Herding cats," Jordan recalls with a laugh. Members arrived at libertarianism from vastly different directions—some through economics, some through personal freedom, some through a single animating issue. What they shared was a willingness to sit together and think.

That experience sharpened something in both Jordan and Lyn: an appreciation for ideas held with integrity, and a wariness of institutions that drift. When it came time to think seriously about a legacy gift, they approached the question with the same rigor Jordan had once applied to those early economics textbooks.

"We looked around at a lot of opportunities," Jordan explains. "The question was: Who do I trust with the unknowable future?" Many organizations, he notes, shift their missions over time—sometimes gradually, sometimes dramatically. Foundations change priorities. Leadership turns over. Names get fought over. He and Lyn wanted their resources directed somewhere with a proven record of philosophical consistency. Cato, in their view, stood apart. "Past results predict future performance more with Cato than with most," Jordan says. "That's simply a matter of trust. And we trust Cato."

One area where the couple is especially eager to see Cato's principles applied is environmental conservation, a cause that might surprise those who assume libertarianism and environmentalism occupy opposite ends of the political spectrum. For Jordan and Lyn, the connection is natural and even inevitable.



Austin's Barton Creek Watershed, preserved through negotiated land agreements rather than forced taking, illustrates what Jordan and Lyn Weingarten have long believed: that libertarian principles, properly applied, can be among conservation's most powerful tools.

As wealth increases, Jordan argues, societies reliably demand cleaner air, cleaner water, and healthier natural environments. The challenge isn't whether people want conservation—it's how to achieve it without the coercive tools of government mandates and forced takings. He points to examples from his own backyard. The Barton Creek Watershed—a roughly 12,000-acre expanse of hill country that encompasses but extends well beyond the familiar Barton Creek Greenbelt—was assembled through a combination of city bonds approved by voters in a landslide, private donations, land swap agreements with developers, and conservation easements. No eminent domain was involved. Market logic and civic goodwill, not compulsion, created something genuinely beautiful. It's a view that reflects something Cato has long argued across domains: that when people have a genuine stake in what they steward, when rights are clearly defined and incentives are properly aligned, better outcomes follow than any mandate can reliably produce.



Watching wildlife through a long lens, Jordan and Lyn Weingarten embody the connection between libertarian principles and genuine conservation.

Jordan also points to cautionary tales. When Texas designated certain lands as habitat for the golden-cheeked warbler, landowners responded not by protecting trees but by clearing them preemptively—every backhoe in the state deployed against the very habitat the regulation was meant to save. The unintended consequence was devastating. "Not all conservation is equal," Jordan observes. Connected corridors of land serve migrating birds and wide-ranging animals far better than scattered, isolated parcels, and smarter policy design, he believes, can achieve more with less imposition.

Ecotourism, private land trusts, conservation easements, and development negotiations like the one that created Austin's greenbelt all illustrate what Jordan believes Cato's principles make possible: conservation achieved not through compulsion but through the alignment of incentives, rights, and willing human action. For Jordan and Lyn, supporting Cato means supporting the ideas that make that kind of stewardship conceivable in the first place. Conservation, in this light, isn't a detour from the liberty argument. It's one of its clearest expressions.

Jordan and Lyn's legacy gift is less a conclusion than a continuation—of a curiosity sparked by a single policy paper, a community built around a dinner table, and a conviction that liberty and stewardship of the natural world are not in conflict but deeply intertwined.

"It ultimately comes down to liberty versus power," Jordan says. "What you think government is intended for. The concepts of left and right aren't important. What's important are the principles you hold."

After thirty years of holding those principles alongside Cato, Jordan and Lyn Weingarten are betting on the next thirty and beyond. ✦

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Audrey Grayson is the senior director of development communications and editor in chief of *Free Society*.

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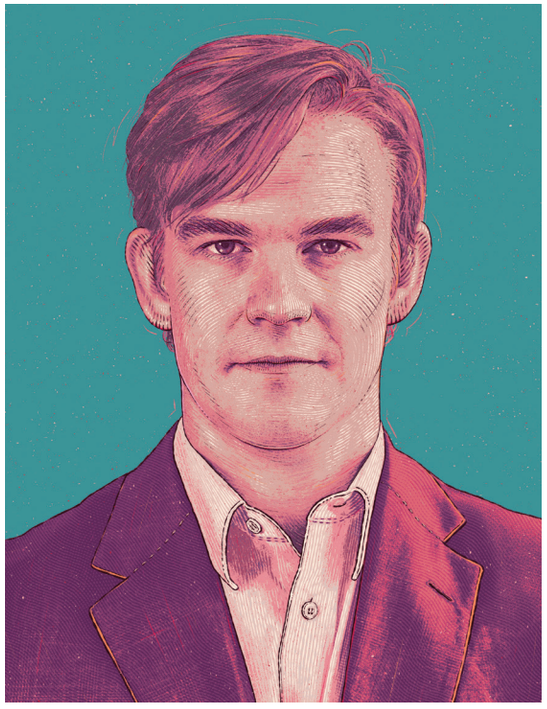


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Last Word: On Pursuing Happiness, with Friends

By Paul Best

The Framers of the Constitution spent the summer of 1787 in frenzied debate. One month after convening in Philadelphia, Benjamin Franklin told the assembled delegates on June 28 that they were still "groping as it were in the dark to find political truth." By July 10, deliberations were "in a worse train than ever," George Washington told Alexander Hamilton: "I *almost* despair of seeing a favorable issue to the proceedings of the convention." In mid-August, James Madison noted "the extreme anxiety of many members of the Convention to bring the business to an end."

But by mid-September, the Framers had a Constitution that resolved many of the thorniest issues under consideration. It was a feat that Washington deemed "little short of a miracle," and apparently worth celebrating with a miraculous amount of booze.

The delegates strolled a few blocks down the street on September 14 to City Tavern, where the First Troop Philadelphia City Cavalry threw a farewell party for Washington to close out the convention. The resulting bar tab for 55 attendees included 54 bottles of Madeira wine, 60 bottles of claret wine, 22 bottles of port, 12 bottles of beer, 8 bottles of cider, and 7 large bowls of punch, along with dinner, hors d'oeuvres, and more drinks for the 16 musicians who performed.

The Founders were serious men. They pored over classical texts in Latin and Greek, studied ancient governments, debated the nature of man and the role of the state, and designed a government that has done a remarkable job of fulfilling the Declaration's promise of life, liberty, and the pursuit of happiness.

The Founders also liked to have a good time, striking a balance they may have gleaned from antiquity. Cicero was the most important classical figure in shaping the thought of the Founders, but his

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contemporary and ally Cato the Younger also served as inspiration. When the Continental army was camped at Valley Forge in the winter of 1777, considered by many the darkest period of the Revolutionary era, Washington inspired his troops by putting on a play of Joseph Addison's *Cato, A Tragedy*, which dramatized Cato's defense of republicanism and unwavering opposition to Julius Caesar.

Cato's incorruptible nature made him the embodiment of Stoic virtue, inspiring John Trenchard and Thomas Gordon to write *Cato's Letters*, from which the Cato Institute draws its name. But Cato, like the Founders, also understood that the pursuit of happiness requires more than studious learning. In a biography of Cato in *Parallel Lives*, the Greek historian Plutarch wrote that because Cato was "prevented from literary pursuits" by his all-consuming civic and public occupations during the day, he would gather "with the philosophers at night and over the cups":

> "For this reason, too, when a certain Memmius remarked in company that Cato spent his entire nights in drinking, Cicero answered him by saying: 'Thou shouldst add that he spends his entire days in throwing dice.'"

The frequent bouts of merriment familiar to the Founders are increasingly foreign to Americans today. Drinking has been in decline throughout the US in recent years—a drop variously attributed to inflation concerns, rising marijuana use, and the recognition of alcohol's adverse health effects.

Some of this decline may be welcome, but it is also happening alongside increasing isolation among young people, the disappearance of third places, and a degradation of civil society.

A quarter-millennium after the Founding, many Americans now maintain friendships through carefully curated social media profiles, order their meals via food-delivery apps, and argue with strangers online instead of engaging with others in real life.

Drinking more alcohol will not fix these problems—indeed, some of the Founders were teetotalers and many of them viewed temperance as a virtue—but the backslapping and toasts that took place at City Tavern on September 14, 1787, are an often overlooked but essential ingredient of a flourishing republic.

You don't have to party like the Founders (and you probably shouldn't try), but consider raising a glass with your friends and family this summer, and enjoy the revelry and camaraderie that sustain us in the pursuit of happiness. ✦

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Paul Best is the managing editor and senior writer for the Cato Institute's *Free Society* magazine.

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WE hold these Truths to be self-evident, that all Men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the Pursuit of Happiness.

— Declaration of Independence
July 4, 1776

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