
FUTURE OF FREEDOM

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More powerful than armies is an idea whose time has come.

— Victor Hugo

FUTURE OF FREEDOM

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The Future of Freedom Foundation is a nonprofit educational foundation whose mission is to advance liberty and the libertarian philosophy by providing an uncompromising moral, philosophical, and economic case for individual liberty, free markets, private property, and limited government.

Believing in the power of ideas on liberty to shift the course of society toward freedom, our methodology is based on sharing sound principles of liberty with others.

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- Our FFF Daily, which is free for the asking, provides hard-hitting commentary on current events.
- Our Libertarian Angle weekly Internet video show provides viewers with libertarian perspectives on the burning issues of the day.
- Our website, fff.org, contains all the articles and videos we have published since our inception in 1989.

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<i>The Real Lessons of the Afghanistan Disaster</i>	2
Jacob G. Hornberger	
<i>Bitter Belated Afghan Vindication</i>	12
James Bovard	
<i>Contactless Government</i>	20
Laurence M. Vance	
<i>Resisting the Market Process Undermines Freedom and Prosperity</i>	30
Richard M. Ebeling	

The Real Lessons of the Afghanistan Disaster

by *Jacob G. Hornberger*



I will never forget a formal dinner I attended shortly after the 9/11 attacks. It was sponsored by a conservative-oriented libertarian foundation. There were hundreds of people in attendance, mostly conservatives and conservative-oriented libertarians. There was no doubt about where most everyone at that dinner stood: They were fully in support of President Bush's plan to launch the "global war on terror" and to invade Afghanistan.

After the dinner was over, I was waiting for my car to be brought to me when I saw a friend of mine who was working at the conservative Heritage Foundation. I asked how things were going. He didn't hesitate. He told me that they were

jumping right into supporting Bush's "war on terrorism" with "position papers" that they were already writing and publishing.

Shortly after that dinner, I delivered a speech at a libertarian gathering in Arizona. I explained how U.S. foreign policy was the motivating factor behind the 9/11 attacks and why it was critically important to understand and examine that point. I also told the audience that an invasion of Afghanistan would prove to be a disaster, not only for the Afghan people but also with respect to the liberty and well-being of the American people.

The conservative-oriented libertarians in that audience went ballistic and lashed into me. They were fully on board with both the war on terrorism and the invasion of Afghanistan. They were not interested in hearing about motive — they accused me of "blaming America" for the attacks. They wanted vengeance for the massive death and destruction of the 9/11 attacks.

Those were lonely days for The Future of Freedom Foundation. Only a few libertarians were opposing both the war on terrorism and Afghanistan invasion. We were inundated with subscription cancellations and loss of donations from donors. We had to make major re-

ductions in salaries and author fees in a desperate attempt to survive. We were flooded with hate mail that accused FFF of cowardice, treason, naiveté, stupidity, and ignorance. One member of FFF's board of trustees resigned in protest against our non-interventionist position on foreign policy.

But we never wavered. Thanks to loyal supporters who kept us going, we were able to survive the ordeal.

And here we are 20 years later, when most everyone, including many conservatives and conservative-oriented libertarians, are jumping on the bandwagon with their criticism of President Biden for the Afghanistan debacle.

Unfortunately, however, most of the critics still don't get it. Their criticism revolves around mistakes and errors in judgment made by U.S. presidents and the national-security establishment. They argue that if only their plan had been adopted — that is, the plan of the critics — then the Afghanistan invasion would have been a tremendous success.

But the critics are living in la la land. As we were pointing out 20 years, it didn't matter whose plan was adopted. There was no way the Afghanistan invasion was going to

be a success, not for the Afghan people and certainly not us Americans.

If all that we learn from the Afghanistan debacle is that the wrong plan was used for that intervention, then we will have learned nothing, and we will continue to live in a society that is characterized by continuous and perpetual crises, chaos, conflict, and war.

**Now is the time for Americans
to engage in some serious
soul-searching.**

In the wake of this debacle, now is the time for Americans to engage in some serious soul-searching about where we are as a nation, how we got here, and what we need to do to get our nation back on the right track.

What went wrong?

The first step in that journey involves a very simple question: What do you want out of life? Do you want a life that is riddled with daily crises and chaos and in which the rights and liberties of the American people are under constant assault and destruction? Or do you want the restoration of a normal life, one in which you are free to live your life to the fullest in a peaceful, har-

monious, and free society? Assuming your answer is the latter, the question is: How do we get there?

Before addressing that question, however, permit me to address one of the most popular plans being promoted by the Afghanistan critics. I call it the “in and out” strategy. It is one that is favored by many libertarians who favor foreign interventionism, who are referred to in the libertarian movement as “liberventionists.”

The “in and out” strategy holds that the U.S. government should invade foreign countries only when it is in our “national interest” to do so. What liberventionists fail to realize, however, is that that is no limitation on power whatsoever. That’s because it is U.S. officials, not some libertarian committee, that decides whether a particular invasion is in our “national interest.” You can rest assured that U.S. officials were convinced that invading Afghanistan and Iraq, along with all their coups, assassinations, and regime-change operations over the years, were in our “national interest.”

The liberventionist “in and out” strategy holds that invasions should be quick and effective. Just go in, get the job done, get out, and come home. That’s the strategy that liberventionists say should have been

used in Afghanistan. President Bush should have ordered U.S. troops to kill or capture Osama bin Laden and as many al-Qaeda members as possible. They should have also “punished” the Taliban regime for “harboring” bin Laden by killing thousands of Taliban soldiers and bombing some infrastructure within the nation. Bush, liberventionists say, should then have issued a warning to the Taliban regime: “Don’t ever do this again.” And then Bush should have brought the troops home instead of engaging in “nation-building.”

Libertarians who favor foreign interventionism are referred to in the libertarian movement as “liberventionists.”

Let’s imagine a hypothetical scenario. Given that bin Laden escaped to Pakistan despite the best efforts by U.S. troops to kill or capture him, as soon as U.S. troops return home, he comes back into Afghanistan. Even if he had been killed, there is no reason to think that he couldn’t have been replaced by another al-Qaeda member. Bin Laden or his replacement could then have reformed and began using Afghanistan as a base of operations for planning and orchestrating another

massive terrorist attack on American soil.

Several months later, the terrorists blow up the Capitol. What would the liberventionists have advised then? They wouldn't have been advising anything because they would have been inundated by attacks from everyone else. Critics would be saying to the president, "What in the world were you thinking when you adopted the liberventionist "in and out" strategy? By leaving the Taliban in power and killing a few al-Qaeda members, you left the door open to their doing it again. To keep America safe, you now need to go back in and wipe out the Taliban regime in its entirety and replace with it with a responsible regime that will not serve as a haven for anti-American terrorists."

The 9/11 attacks were criminal offenses, just as the 1993 attack on the World Trade Center was.

There is something else to consider about the Afghanistan debacle. There was never any evidence that the Taliban regime was complicit in the attacks. If U.S. officials had believed that, President Bush would never have even considered going to the United Nations to seek authorization to invade. He would

have just ordered the invasion.

Thus, when interventionists and liberventionists say that the United States needed to invade Afghanistan to "punish" the Taliban for "harboring" bin Laden and al-Qaeda, what they mean by "harboring" is that the Taliban refused to comply with Bush's unconditional demand that the Taliban deliver bin Laden to the Pentagon and the CIA, where he would have been brutally tortured into confessing to the crime. Keep in mind, after all, that the Taliban were willing to negotiate turning bin Laden over to an independent third country for trial and that Bush said no.

That raises another important point: Notwithstanding what interventionists and liberventionists were saying immediately after the 9/11 attacks, the attacks were not an "act of war." The attacks were criminal offenses, just as the 1993 attack on the World Trade Center was. That's why one of the terrorists in that attack, Ramzi Yousef, was indicted in federal district court, prosecuted, convicted, and sentenced to life in prison.

The fact is that the Taliban regime was under no legal authority to comply with Bush's order to extradite bin Laden to the Pentagon and the CIA, given that there was

no extradition treaty between the United States and Afghanistan.

Let's pose a hypothetical. Suppose a Cuban exile living in the United States travels to Cuba and sets off a bomb that kills hundreds of people. He makes it back to the United States. Cuba demands his extradition. The U.S. government refuses the demand and points out that there is no extradition treaty between Cuba and the United States. What would U.S. officials say if Cuba invaded the United States in the attempt to capture the terrorist and killed hundreds or thousands of Americans in the process? My hunch is that U.S. officials would not like that at all.

To determine what should have been done after the 9/11 attacks, it is necessary for us go back 20 years, because what FFF was saying at that time is true and valid today.

Terrorists' motives

The first thing we said is that we have to examine the motives of the people who committed the attacks. Examining motive is important if we want to avoid future terrorist attacks.

There were four principal things being said about motive in the immediate post-9/11 environment.

First, some people said that terrorism was much like a virus, one

that had struck other nations around the world, but had mostly missed the United States. Finally though, on 9/11, the terrorist virus had reached the United States and, therefore, Bush and the national-security establishment had no choice but to declare war on it and vow to eradicate it from the face of the earth.

The Taliban regime was under no legal authority to comply with Bush's order.

Second, others said that the terrorists just hated America for its "freedom and values." They hated our Christian churches, our rock and roll, and our hedonist lifestyles. Since Americans didn't want to give up these things, it was said, U.S. officials would have to go to war against the terrorists, with the aim of protecting our "freedom and values."

Third, still others claimed that the 9/11 attacks were part of a centuries-old Muslim conspiracy to take over the world and establish a global caliphate. Muslims, it was said, hate Christians and were hell-bent on killing and conquering them. Americans had no choice, these people claimed, except to go on the warpath against the Islamic world.

Fourth, here at FFF, we held — and still hold — that all of these

supposed motivations for the 9/11 attacks were nonsense at best and intentional lies at worst. The real driving force behind the 9/11 attacks was U.S. interventionism in the Middle East, which had been killing people in the Middle East for more than a decade.

Consider, for example, the 1993 terrorist attack on the World Trade Center. It was no different in principle from the attack on the WTC that would take place eight years later. The big difference is that it didn't inflict massive death and destruction like the 9/11 attack on the WTC did.

Ramzi Yousef, one of the people who participated in that attack, was apprehended in Pakistan a couple of years later and brought back to stand trial in U.S. District Court. At his sentencing hearing, Yousef angrily said to the sentencing judge words to this effect: You call us terrorists? Well, it is you who are the butchers because it is you who are killing multitudes of innocent children in Iraq.

He said nothing about hating America for its freedom and values and nothing about terrorism spreading like a virus. He also said nothing about the supposed Muslim conspiracy to establish a worldwide Islamic caliphate.

What Yousef was referring to was the brutal system of economic sanctions that U.S. officials imposed on Iraq during the Gulf War, which they then enforced and strengthened for the next 11 years. The aim of the sanctions was to target the Iraqi people with death, impoverishment, and suffering so that they would rise up in a revolution and oust Saddam Hussein from power and replace him with a pro-U.S. regime.

**The real driving force
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During the Gulf War, the Pentagon had knowingly and deliberately bombed Iraq's water and sewage treatment plants, with the aim of spreading infectious illnesses among the populace. After the war was over, the sanctions prevented Iraqi officials from repairing the treatment plants. The results were widespread illness and deaths among the Iraqi people, principally children.

In 1996, the U.S. Ambassador to the United Nations, Madeleine Albright, was asked whether the deaths of half-a-million children from the sanctions was worth it.

She responded that while the issue was a difficult one, yes, the deaths were “worth it.” The sanctions continued for another five years.

Chalmers Johnson wrote a book titled *Blowback: The Costs and Consequences of American Empire*.

One of the things about killing innocent people, especially children, is that it oftentimes makes other people very angry. Think about 9/11. After those attacks, most Americans were very angry and wanted vengeance. Foreigners are not much different from Americans in that sense. They too get angry over the deaths of innocent people, and many of them want vengeance for the massive death toll that U.S. officials were exacting in Iraq. That mindset came through loud and clear at Ramzi Yousef’s sentencing hearing.

There were also the “no-fly zones” over Iraq, which were used as an excuse to kill Iraqis. One victim of a U.S. missile strike was a teenage boy tending his flock of sheep.

U.S. officials also made it a point to station U.S. troops near the Islamic holy lands of Mecca and Medina, knowing full well how that would be received by radical Mus-

lims. Bin Laden himself emphasized this point in his declaration of war against the United States. There was also the unconditional U.S. governmental support of the Israeli government, regardless of how badly it treated the Palestinian people.

U.S. foreign policy blowback

Prior to the 9/11 attacks, here at FFF we were saying that if U.S. officials remained on this course of action, the inevitable result would be a major terrorist attack on American soil. We weren’t the only ones. Prior to 9/11, the noted analyst Chalmers Johnson (whose trilogy of books on American empire I highly recommend) wrote a book titled *Blowback: The Costs and Consequences of American Empire*, which warned that the continuation of U.S. interventionism in the Middle East was almost certain to result in a major terrorist attack on American soil.

It didn’t take a rocket scientist to make this prediction. There had been the attack on the World Trade Center, as well as the attack on the USS Cole, and the attacks on the U.S. embassies in Kenya and Tanzania — all before the 9/11 attacks. All of them were motivated by anger arising from the U.S. government’s deadly and destructive interven-

tionist foreign policy. And then there was bin Laden's "fatwah," which pointed to U.S. interventionism as the reason al-Qaeda was declaring war on the United States.

Thus, as we pointed out 20 years ago, once the 9/11 attacks came, the very worst thing that U.S. officials could have done was to invade Afghanistan and, later, Iraq. The reason? These interventions would bring even more death, destruction, and suffering to people, which would then produce even more anger and rage, which would then lead to even more anti-American terrorism.

By invading Afghanistan and Iraq, U.S. officials were ensuring a constant and perpetual supply of terrorism.

By invading Afghanistan and Iraq, U.S. officials were ensuring a constant and perpetual supply of terrorism. That's what made the "global war on terrorism" a perpetual one. Many times after the invasions of Afghanistan and Iraq, I said that the U.S. government had produced the greatest terrorist-producing machine in history.

But the Pentagon, the CIA, and the NSA — that is, the three principal components of the national-se-

curity establishment — were fine with that result because it enabled them to continue acquiring ever-increasing budgets, power, and influence.

Origins of the national-security state

One of the watershed moments in American history was when, at the end of World War II, the U.S. government was converted from a limited-government republic to a national-security state, one with omnipotent powers, including legal assassination. The justification was the Cold War that had erupted between the United States and America's World War II partner and ally, the Soviet Union. U.S. officials claimed that there was an international communist conspiracy based in Moscow that was hell-bent on conquering the world, including the United States. In order to prevent that from happening, the federal government, it was said, had to be converted to a national-security state.

Thus, for some 45 years, U.S. officials had an official enemy — "godless communism" and the Soviet Union — that was used to scare people into supporting ever-increasing expenditures for the national-security establishment. But suddenly in 1989, the racket came

crashing down with the dismantling of the Soviet Union and its decision to no longer participate in the Cold War.

Without its big official enemy, Pentagon, CIA, and NSA officials knew that they could be in trouble. There were lots of people calling for a “peace dividend,” which meant drastic reductions in the budgets of the national-security establishment.

But with the 9/11 attacks and the invasions of Iraq and Afghanistan, the Pentagon, the CIA, and the NSA had a new official enemy — terrorism, which could very well prove to be more long lasting than “godless communism” and the Soviet Union.

The Pentagon and CIA wielded the omnipotent power to assassinate, torture, and indefinitely detain people.

The “global war on terror” became as big a racket as the Cold War, enriching the pockets of the “defense” industry, which was largely populated by personnel who had left the military and the CIA to make their fortune in the “private” sector.

In opposing the invasion of Afghanistan and, later, the invasion of Iraq, we pointed out that most of

the people who would be killed in these operations would have had absolutely nothing to do with the 9/11 attacks, which would generate even more anger and rage, along with the ever-growing threat of terrorist retaliation.

Meanwhile, here at home, U.S. officials were destroying the rights and liberties of the American people to keep them “safe” from the terrorist threat that U.S. officials were producing through their interventionism in Afghanistan and the Middle East. That’s when we got the USA PATRIOT Act (an Orwellian name that would match “Operation Enduring Freedom” in Afghanistan), the secret surveillance schemes, and the intrusive pat-down searches at the airports. At the same time, it became established policy that the Pentagon and CIA wielded the omnipotent power to assassinate, torture, and indefinitely detain people, in contravention of the principles found in the Bill of Rights. That’s how we also got the Pentagon’s and CIA torture and prison center at Guantanamo Bay, which they had hoped would be a Constitution-free zone.

What about bin Laden and other members of al-Qaeda? Did opposing the invasion of Afghanistan mean a free get-out-jail card for

them? Of course not. Here at FFF, we were saying that U.S. officials should put out big financial bounties for their arrest and conviction. U.S. officials could have simply waited them out until they turned up in some place in which they could be arrested and brought to justice. Remember: that is precisely what happened with Ramzi Yousef. A couple of years after the 1993 WTC attack, he was located in Pakistan. The U.S. government didn't invade Pakistan and kill thousands of innocent people in an attempt to capture him. Instead, when it finally learned that he was living in Pakistan, officials conducted a raid and arrested him. He was brought back to the United States, prosecuted, and convicted. He is now serving a life sentence in the federal penitentiary.

The virtues of non-intervention

In the wake of the Afghanistan debacle, it is imperative that we return to founding principles. The Constitution called into existence a limited-government republic, one with a basic military force and a foreign policy of non-interventionism. Our ancestors recoiled against the idea of "standing armies" because they knew that large, permanent military establishments, not foreign

regimes or gangs, posed the greatest threat to the freedom and well-being of the citizenry.

Our ancestors also established a foreign policy of non-interventionism, a concept described by John Quincy Adams in his famous Fourth of July speech to Congress in 1821, which was entitled "In Search of Monsters to Destroy." There are lots of bad things that happen in the world, he said, but America would not send troops to foreign lands to slay these monsters. If it ever were to do so, he said, the federal government would begin behaving like a dictator. Who can deny that that has been one of the consequences of having abandoned America's founding system of non-interventionism?

The interventionists and the liberventionists have it wrong. The future of our nation lies not with smarter or more prudent interventions. It lies in the restoration of America's founding foreign policy of non-interventionism and America's founding governmental system of a limited-government republic.

Jacob G. Hornberger is founder and president of The Future of Freedom Foundation.

Bitter Belated Afghan Vindication

by James Bovard



The 20-year U.S. war in Afghanistan ended with a bang in August as a terrorist attack killed a dozen Marines at the Kabul airport. For almost 20 years, The Future of Freedom Foundation has been one of the few organizations that stalwartly criticized the Afghanistan war. FFF President Jacob Hornberger helped set the gold standard for uncompromising honesty about the folly of U.S. intervention.

It all began with Bush

I wrote numerous articles for FFF on the Afghan war. My first article, “Drug Laws: Terrorists Best Friends,” in February 2002, attacked the Bush administration for perpetuating the war on drugs while promising to rid the world of terror. That article noted:

Afghanistan produces about 70 percent of the world’s opium. Revenue from opium production helped finance both the Taliban government (until production was banned) and the al-Qaeda terrorist network. Because narcotics are illegal, they tend to attract violent, ruthless people and organizations to carry out their production and marketing. The only reason that opium is more profitable for terrorists than beer is that governments criminalize the possession and distribution of opium while tolerating the possession and distribution of beer.

As soon as the U.S. military toppled the Taliban, opium production skyrocketed. The *Washington Post* reported in late December 2001 that “top Bush administration officials are now advocating that the U.S. government use tax dollars to buy opium directly from the farmers, a one-time buy-back to help farmers make the transition to other crops.” But unless the U.S. government could drive the price of wheat to \$500 a bushel, crop substitution made no sense for Afghan farmers.

At the time, President Bush was receiving glowing press coverage

each time he announced the seizure and shutdown of Muslim charities accused of assisting terrorists. President Bush declared that one dime funnelled into a terrorist activity was one dime too much. Terrorists and the Taliban quickly began massively profiting from the revival of opium growing in Afghanistan. My article concluded, “Unless President Bush can guarantee that none of the profits from illicit drugs will seep back into terrorist organizations, he should do the honorable thing and end the war on drugs.”

Bush’s debacle in Afghanistan was overshadowed by his Iraq war catastrophe.

Bush’s debacle in Afghanistan was overshadowed by his Iraq war catastrophe for most of his presidency. In my 2004 book *The Bush Betrayal* (St. Martin’s Press), I included a chapter on “Afghan Absurdities,” recounting some of the propaganda scams that followed the U.S. invasion. “George W. Bush is the first president of the United States to attack and overthrow a foreign regime because of its elementary school policies. Actually, this was not the justification for the war against the Taliban at the time U.S. troops charged in. But in the months

after the war, Bush constantly contorted the war into a tale that would thrill soccer moms and political illiterates” by boasting of rising school attendance numbers by girls.

Bush exploited the Afghan war to boost his 2004 reelection campaign, claiming that “Afghanistan has now got a constitution which talks about freedom of religion and talks about women’s rights.... Democracy is flourishing.” Bush neglected to mention that U.S. government officials openly bribed the attendees of the Afghan constitutional convention to sway them to include flowery language about women’s rights. President Hamid Karzai, the U.S. government’s hand-picked ruler, later approved a law entitling husbands to starve their wives to death if they denied them sex.

The Bush Betrayal scoffed at how Bush contorted the “victory over the Taliban to make himself appear as not only a great military conqueror but also a savior of part of humanity.”

Like a knight in Mark Twain’s *A Connecticut Yankee in King Arthur’s Court*, Bush continually inflates the size of the dragons he supposedly slayed. In a speech in Louisville, Ken-

tucky, on September 2, 2002, Bush bragged, “We went in to liberate people from the clutches of the most barbaric regime in history.” But the Taliban’s grisly record did not compare with the ravages of Hitler’s Germany, Stalin’s Russia, or Mao’s China.

In 2007, I told the *New York Times* that Bush appointing a “war czar” for Afghanistan was “the same old scam that politicians have used for a long time whenever there is a failing policy.” At that point, details were leaking about the torture regime at the U.S. government’s Bagram Air Force Base, where innocent detainees had been beaten to death. The *Los Angeles Times* reported allegations that Afghan soldiers detained by the U.S. government had suffered “repeated beatings, immersion in cold water, electric shocks, being hung upside down and toenails being torn off.” A Senate Intelligence Committee report later revealed that detainees at a CIA site north of Kabul “were kept in complete darkness and constantly shackled in isolated cells with loud noise or music and only a bucket to use for human waste. Lack of heat at the facility likely contributed to the death of a detainee.” De-

tainees were “walked around naked or were shackled with their hands above their heads for extended periods of time. Other times, the detainees ... were subjected to what was described as a ‘rough takedown,’ in which approximately five CIA officers would scream at a detainee, drag him outside of his cell, cut his clothes off, and secure him with Mylar tape. The detainee would then be hooded and dragged up and down a long corridor while being slapped and punched.” The CIA torture center was not classified as part of the billion dollars that the U.S. government spent in Afghanistan to help promote “the rule of law.”

“Other times, the detainees ... were subjected to what was described as a ‘rough takedown.’”

At the start of the Obama administration, I wrote a piece for FFF headlined, “Eight Years of Big Lies on Afghanistan.” That piece scoffed at Bush’s “bragging about having given ‘freedom and democracy’ to 25 million Afghans,” a charade that “helped Bush preen as the conqueror of the world.”

Obama was Bush 2.0

In 2009, the Obama administration admitted that the U.S. military

intervention had effectively failed. Obama's solution: send another hundred thousand more U.S. troops to turn that nation into a democracy and a paradise for women's rights. My article noted, "For 8 years, the American people have been fed one big lie after another regarding Afghanistan," including "four-star howlers" such as "claims that the U.S. is speedily building up the Afghan army." That article concluded:

There is no reason to expect the U.S. government to ever become trustworthy on Afghanistan. At best, Washington will rotate its lies, the same way it rotates the National Guard units sent to the Afghan badlands. Americans need to recognize that, once their government commences warring, truth will be target number one.

The following year, FFF published a piece of mine sardonically titled, "Bringing Freedom and Prosperity to Afghanistan." The flood of U.S. aid had helped turn Afghanistan into the second most corrupt nation on Earth. According to Transparency International, the only place in the world that was

more corrupt was Somalia — a nation best known for its pirates.

U.S. government handouts have enabled the Afghan government to increase repression of the Afghan people. The U.S. government has poured billions of dollars into building up the Afghan army. But Afghan soldiers are often a pox on their countrymen who looted and raped their fellow citizens. Unfortunately, Afghans were receiving the same type of freedom that Bush created for Americans. The Afghan government created a National Security Court to try terrorist cases and other cases but did not disclose any details on how the court would actually function [similar to the trials at Guantanamo]. The new court provided the appearance of a judiciary while permitting maximum political manipulation of charges and verdicts. The Karzai government also expanded the number of judges on the Afghan Supreme Court from nine to 137. Even Franklin Roosevelt's 1937 scheme to pack the U.S. Supreme Court was timid in comparison.

To sanctify U.S. intervention, the Obama administration doubled down on pretending that Afghanistan had a democratic government. My article noted:

The election last summer in Afghanistan was one of the most corrupt in the world since the fall of the Soviet bloc. But after it became clear that Karzai was not going to budge from power, the Obama administration decided to treat him as if had won fair and square. That was the same folly that the Johnson administration fell into regarding its South Vietnamese lackeys in 1967. But in the same way that the Vietnamese people were not fooled, the Afghan people are increasingly bitter about both Karzai's abuses and the fact that the United States is sanctioning their oppressor.

There will be no happy ending to the U.S. invasion and occupation of Afghanistan. By vesting himself in one of Bush's greatest follies, Obama is destroying his credibility both with Americans and with the world. Who will be the last American soldier to die so that the U.S. president

can continue denying his Afghan follies?

Even though the CIA warned Obama that a troop surge would fail, he sent another hundred thousand Americans to Afghanistan. The following year, FFF published my piece titled, "Dying to Corrupt Afghanistan." My article noted:

American soldiers are dying so that Afghan politicians can continue looting U.S. tax dollars. Foreign aid has long been notorious for creating kleptocracies — governments of thieves. The \$50+ billion foreign aid that the United States has dumped on Afghanistan over the past decade is a textbook case of how foreign handouts drag a nation down.

Corruption has been a huge issue ever since the United States installed a puppet government in Afghanistan. One Afghan truck driver bitterly told a reporter, "Every man in the government is his own king." A United Nations study reported that 60 percent of Afghans identified corruption as the nation's biggest problem — even worse than the war with the Taliban. The

report estimated that Afghans must pay more than \$2 billion in bribes to government officials and others each year — equivalent to almost a quarter of the country's gross domestic product. That would be akin to Americans' paying more than \$3 trillion in bribes each year.

In October 2009, when the U.S. government was still purportedly debating whether to send more troops to Afghanistan, the Associated Press reported that “one U.S. military official said discussions within the Obama administration are ongoing about whether it is even possible to ‘surge’ enough troops to overcome the corruption.” The fact that the U.S. foreign aid spurred the corruption was left out of that particular discussion.

The ultimate purpose of foreign aid is to buy allegiance and submission abroad. For politicians, buying allegiance isn't corrupt — it is simply politics. There is no bureaucratic cure for the perverse incentives created by flooding foreign nations with U.S. tax dollars.

The sins of foreign aid

From 2001 onwards, American politicians talked as if they were bringing civilization and decency to a hopelessly backward nation. In August 2017, when he announced he was sending more U.S. troops to Afghanistan, President Trump declared, “In every generation, we have faced down evil, and we have always prevailed.”

“The ultimate purpose of foreign aid is to buy allegiance and submission abroad.”

But such strutting could not survive a close examination of the sordid details of U.S. intervention. In 2018, FFF published my piece, “Your Tax Dollars Bankroll Afghan Child-Molesters.” By that point, the United States had spent more than \$70 billion financing the Afghan military and police. Congress passed a law prohibiting the Pentagon from bankrolling any foreign military units if there is “credible information that the unit has committed a gross violation of human rights.” But congressional appropriations bills contained loopholes that specified that funds for Afghan Security Forces “shall be available to the Secretary of Defense, notwithstanding any other provision of

the law.” This clause, which is referred to by Pentagon policymakers as the “notwithstanding authority,” removed all legal and moral limits on U.S. government spending in Afghanistan.

The Pentagon ignored U.S.-subsidized rapings until a 2015 *New York Times* exposé.

Afghan military commanders and police routinely kidnapped young boys and used them as sex slaves — a practice known as *bacha bazi* — boy play. After the Taliban first took control of Afghanistan in 1996, *bacha bazi* was punished with a death penalty, and the abuse became far less pervasive. But that prohibition ended after the U.S. invasion toppled the Taliban. American troops complained of seeing boys chained to beds and hearing their screams at night as they were assaulted. Army captain Dan Quinn complained that “we were putting people into power who would do things that were worse than the Taliban did — that was something village elders voiced to me.” Aaron MacLean, who served in Afghanistan with the Marines, observed that the “Taliban have long used reports of rapes committed by government agents as a recruiting tool.”

The Pentagon ignored U.S.-subsidized rapings until a 2015 *New York Times* exposé of American soldiers’ being punished for protesting atrocities against boys. The *Times* reported that U.S. troops were confounded that “instead of weeding out pedophiles, the American military was arming them in some cases and placing them as the commanders of villages — and doing little when they began abusing children.” Rep. Vern Buchanan (R-Fla.) complained to the Pentagon, “It is bad enough if the Pentagon is telling our soldiers to ignore this type of barbaric and savage behavior, but it’s even worse if we are punishing those who try to stop it.”

A subsequent Pentagon Inspector General revealed that some U.S. troops were “told that nothing could be done about child sexual abuse because of Afghanistan’s status as a sovereign nation, that it was not a priority for the command, or that it was best to ignore the situation and to let the local police handle it.” Regarding pedophilia, the Navy gave its members training that “advises readers to control and overcome any frustration caused by cultural differences

that they may experience during their deployments,” while Marines were told “to be mentally prepared to encounter this attitude, and to ‘move on,’” according to the report. A subsequent Inspector General report warned that “the full extent of child sexual assault committed by Afghan security forces may never be known.” But part of the reason that the “full extent” will never be known is that U.S. government agencies did not want to know.

Americans would never tolerate paying federal funds for a notorious child-rape regime in Cincinnati or Omaha. But your tax dollars are underwriting similar sordid abuses in Kandahar and Kabul. Doctors, teachers, and social workers can be jailed for failing to report child abuse here at home. But, 6,000 miles away, U.S. troops risk their career for protesting pederasty.

U.S. government interventions merely covered up evil which U.S. aid helped multiply. Americans have been encouraged to believe that U.S.

foreign policy is on moral automatic pilot and that good things happen wherever the United States intervenes. But piety too easily obscures atrocities.

Americans finally recognize many of the lies that pervaded the success claims of the 20-year war in Afghanistan. The carnage was not “good intentions gone awry.” Instead, it was a generation of politicians, government officials, and Washington “experts” who reaped power and profits by perpetuating a quagmire that pointlessly killed and maimed thousands of American soldiers and an untold number of Afghans. No Washington pundit, politician, or “expert” who vouched for the success of U.S. intervention in Afghanistan should ever be trusted again.

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Contactless Government

by *Laurence M. Vance*



It seems that at almost every business website you go to, you will see a link to information on that business's response to the coronavirus, the pandemic, or COVID-19. One of the original responses of businesses to the COVID-19 "pandemic" that is not only still with us, but apparently here to stay, is contactless service. Although this initially appealed mainly to those who were hesitant, concerned, or scared about coming into contact with another human being who might infect them with "the virus," the contactless service idea soon caught on with the rest of the population.

Contactless service

During the lockdowns, social distancing, fear, and uncertainties of 2020, pizza companies were

among the first to begin contactless service. For example, here are Pizza Hut's contactless option for delivery: "We'll put your packaged order on a contactless delivery stand and place it at the front of your door or in a designated delivery area, a driver will ring the doorbell to alert you that your order arrived safely and back up to a safe distance allowing you to grab your order. Your receipt will be placed in the front edge of the top box."

But, of course, it's not just pizza. You can order food from almost any restaurant via DoorDash, Uber Eats, or Grubhub and have it placed on your front porch or outside of your hotel room so you don't have to have contact with anyone. And now it's not just food. You can get contactless estimates for roofing, painting, carpeting, landscaping, and other home improvements. Some stores have even installed self-service pickup lockers that enable customers to collect their same-day orders without having contact with store employees.

Regardless of whether the severity of the pandemic has been overblown, there is nothing wrong with any business offering contactless services as an option or even as the only means of doing business. It is in fact a great example of busi-

nesses adapting to changing market conditions, government mandates, and the concerns of their customers. Most businesses never required contactless service, and if they did, customers who preferred direct contact with a business's employees were free to go elsewhere. One reason that contactless service caught on so quickly is that even before the pandemic, self-service checkouts at the supermarket and kiosks at fast food restaurants were becoming more and more prevalent.

Government mandates

Contrast the peaceful and voluntary actions of businesses with those of government. During the pandemic, in an attempt to forcibly keep people from coming into contact with each other, state and local governments mandated social distancing; lockdowns; curfews; stay-at-home restrictions; capacity limits for stores, restaurants, bars, arenas, and stadiums; the prohibition of concerts, plays, and Broadway shows; and the closure of parks, beaches, playgrounds, schools, recreation centers, pools, and “non-essential” businesses like museums, movie theaters, and gyms. The result of all of this turned out to be the most intrusive, comprehensive, and tyrannical control of human beings

and their movements in recorded history.

State and local governments justified many of their actions by claiming that they were following the recommendations of the federal Centers for Disease Control and Prevention (CDC). But regardless of how good or bad the CDC's recommendations were, the Constitution nowhere authorizes the federal government to have such an agency. And the same goes for the Food and Drug Administration (FDA), the National Institutes of Health (NIH), and the National Institute of Allergy and Infectious Diseases (NIAID). The Constitution is in force no matter what is happening at any given time. It contains no provision for its abeyance. The Constitution cannot be suspended in the name of “public health” anymore than it can be suspended in the name of “national security” or “natural disaster.”

**The Constitution cannot
be suspended in the name of
“public health.”**

The response of government at all levels to the COVID-19 “pandemic” has been a frontal assault on individual liberty, freedom of association, property rights, and the free exchange of goods and servic-

es. In a free society, the functions of government — in whatever form it might exist — would be strictly limited to prosecuting those who initiate violence against, commit fraud against, or violate the personal or property rights of others and exacting restitution from them. As libertarian theorist Doug Casey has explained:

Since government is institutionalized coercion — a very dangerous thing — it should do nothing but protect people in its bailiwick from physical coercion. What does that imply? It implies a police force to protect you from coercion within its boundaries, an army to protect you from coercion from outsiders, and a court system to allow you to adjudicate disputes without resorting to coercion. I could live happily enough with a government that did just those things. Unfortunately the US Government is only marginally competent in providing services in those three areas. Instead, it tries to do everything else conceivable.

And the same goes for state and local governments, who all — in the

name of “public health” — have criminalized heretofore legal activities, violated civil liberties as bad as if not worse than in wartime, and destroyed private property rights in their quest to force people to stay away from each other.

Instead of forced separation and contactless personal and commercial interactions, what Americans really need is contactless government. Here are seven key areas in which this is so.

Contactless government

Americans need contactless government when it comes to health care. Americans are currently forced by the Federal Insurance Contributions Act (FICA) to “contribute” 2.9 percent of their total wages (split equally between employers and employees) to the Medicare program. Medicare is government-funded health care for Americans 65 years old and older and for those who are permanently disabled, have end-stage renal disease, or ALS (Lou Gehrig’s disease). Medicare covers about 63 million Americans.

In addition, the federal government maintains and/or funds medical research, insurance exchanges, community health centers, clinical trials, family planning, HIV/AIDS

prevention initiatives, databases of Americans' medical records, and vaccination programs; issues nutrition guidelines; regulates the sale of and mandates insurance coverages; restricts the sale of bodily organs; has medical-record requirements; and issues mandates or regulations concerning physicians, dentists, nurses, midwives, psychiatrists, psychologists, hospitals, medical devices, pharmacists, insurance companies, medical schools, nursing homes, drugs, and drug companies.

In a free society, there would be no contact with government when it comes to health care.

On the state level there are more regulations, medical-licensing laws, Medicaid, and the Children's Health Insurance Program (CHIP). Medicaid is government-funded health care for poor Americans of any age and people with certain disabilities. It is a means-tested program jointly financed by the federal government and the states, but designed and administered by the states within federal guidelines. Medicaid covers about 75 million Americans. CHIP is a partnership between the federal and state governments that provides health insurance to children in families with incomes too high to

qualify for Medicaid. It is jointly financed, designed, and administered like Medicaid. About 7 million children are enrolled in CHIP.

In a free society, there would be no contact with government when it comes to health care. No American would be entitled to health care provided at the expense of another American. No American would be forced to pay for the health care or health insurance of any other American or their children — regardless of how poor, old, sick, disabled, or needy that other American was. All charity would be private and voluntary. Health care would not be a right but rather a service that would be provided on the free market just like any other service.

Americans need contactless government when it comes to guns. The federal government has a Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) — even though it is not authorized by the Constitution; licenses gun dealers; operates the National Instant Criminal Background Check System (NICS); regulates gun shows; and has a myriad of gun-control laws — in violation of the Second Amendment. State and local governments have waiting periods, registration requirements, and age restrictions for gun purchases.

In a free society, there would be no contact with government when it comes to guns. Anyone could manufacture or sell any type of gun, ammunition, or magazine. There would be no government interference between a willing seller and a willing buyer just because a gun was involved. There would be a free market in guns just like there is a free market in fruits and vegetables.

Americans need contactless government when it comes to education. Government at all levels holds a virtual monopoly on education in the United States. The federal government has its Department of Education, its Higher Education and Elementary and Secondary Education Acts, its mandates, its standards, its school accreditation, its initiatives, its Pell Grants, its student loans, its research grants, and its funding of education at all levels. Every state has a department of education; a provision in its constitution for the operation of K-12 schools, colleges, and universities; and compulsory-attendance laws. Local school boards have the authority to tax everyone — whether they have children or not — to fund the operation of their schools. Private colleges and universities depend on government funding and student grants

and loans to stay afloat. Many private K-12 schools likewise depend on government vouchers to keep their doors open.

In a free society, there would be no contact with government when it comes to education.

The education of children would be the responsibility of parents. Education would be a service provided on the free market by private entities. And no American would be forced to pay for the education of any other American or their children.

In a free society, there would be no contact with government when it comes to education.

Americans need contactless government when it comes to alcohol. The federal government heavily taxes and regulates alcohol. Seventeen states are “alcoholic beverage control” states where the state government controls the wholesaling, and often the retailing, of distilled spirits, and in some cases, beer and wine. In some states, the government owns and operates all of the liquor stores. States and local governments regulate the opening and closing times of bars and restaurants that serve alcohol, the days of the week on which alco-

hol can be sold, and the hours of the day during which alcohol can be sold. Thirty-three states allow localities to prohibit the sale of alcoholic beverages. About 10 percent of the landmass of the United States is made up of dry counties and municipalities. Some states ban happy hours in which discounted alcoholic drinks are offered. Every state requires a license to sell alcohol. Every state has a legal drinking age of 21 even though adults at age 18 can vote, get married and divorced, serve in the military, serve on a jury, adopt children, and enter into binding contracts.

Americans need contactless government when it comes to employment.

In a free society, alcohol would not be treated differently from any other commodity, and manufacturers, distributors, and sellers of alcohol would be treated as any other business. It would be up to stores to decide when and to whom alcohol could be sold. And it would be the role of businesses, families, friends, ministers, religious organizations, temperance unions, social-welfare groups, and medical professionals to instruct Americans on the safe use and potential dangers of alcohol.

Americans need contactless government when it comes to employment. The federal government has a Department of Labor, a Bureau of Labor Statistics, a National Labor Relations Board, and an Equal Employment Opportunity Commission — even though none of them are authorized by the Constitution. Businesses large and small are saddled with mandates like the Family and Medical Leave Act, the Fair Labor Standards Act, the Equal Pay Act, the Fair Pay Act, and Obamacare health insurance mandates.

Job applicants are expected to submit, and employers are required to report to the government, sex, race, and other demographic information. De facto racial employment quotas must be instituted so as not to run afoul of anti-discrimination laws. Overtime pay eligibility and amounts are set by the government. Union members who go on strike cannot be fired. Governments at all levels have enacted minimum wage legislation. Employers are forced to “contribute” to the unemployment compensation program. Employers cannot hire those whom the government designates as “illegal” or “undocumented” no matter how much they are able and willing to work.

In a free society, there would be no contact with government when it comes to employment. There would be no minimum-wage laws. Employees would freely decide to take a job with a company on the basis of the wages and benefits offered. In the absence of an employment contract, businesses could hire and fire employees at will. Employers could discriminate against job applicants just as freely as job applicants discriminate against employers. Government would not interfere in any way with the employer-employee relationship.

Americans need contactless government when it comes to commerce. Public-accommodations laws, which infringe on property rights, freedom of association, and freedom of contract, mandate that businesses must serve anyone and everyone. Occupational licensing laws mean that some Americans must get permission from the government to open a business or work in certain occupations. Price-control laws concerning interest rates, rent control, ticket scalping, price gouging, overdraft fees, and agricultural commodities must be followed lest one be accused of charging too much or too little. The federal government has an arcane maze of trade laws and “protects”

certain industries from foreign competition by forcing Americans to pay more for imported goods. Companies cannot merge or acquire other companies without the federal government’s permission. In some cities and towns, one cannot have a garage sale without some government entity’s permission.

Americans need contactless government when it comes to commerce.

In a free society, there would be no contact with government when it comes to commerce. There would be no antitrust laws or regulations to stifle businesses. A fair and just price would be the price voluntarily agreed upon by a buyer and a seller. Government would never interfere with any actions between a willing buyer and seller.

Americans need contactless government when it comes to retirement. Americans are currently forced by FICA to “contribute” a percentage of their wages to the Old-Age, Survivors, and Disability Insurance (OASDI) program, popularly known as Social Security. The Social Security tax rate is 12.4 percent (split equally between employers and employees) on the first \$142,800 of employee income. Only

members of certain religious groups may be exempt from Social Security taxes. Employees of state and local governments who are covered under a public retirement plan do not have to pay Social Security taxes. Self-employed individuals pay the full 12.4 percent, but receive both a reduction in their net earnings from self-employment and a tax deduction equal to 50 percent of the amount of the Social Security tax they paid. Social Security provides monthly benefits to retired workers, their families, and survivors, as well as providing monthly benefits to disabled workers and their families.

**In a free society,
there would be no contact with
government when it comes to
retirement.**

In a free society, there would be no contact with government when it comes to retirement. Saving for retirement, providing for one's family, and preparing for unforeseen events like accidents or disability would be the responsibility of each individual. Retirement planning and services would be provided by employers or on the free market by private entities. And no American would be forced to pay for the re-

tirement or misfortune of any other American or their children.

A golden age

There was a time in this country when Americans did have contactless government—a time when unless you committed a crime (not a victimless crime, but a crime with a tangible victim and measurable damages) or went to the Post Office, you did not have contact with government officials and bureaucrats. As described by Future of Freedom Foundation president Jacob Hornberger:

Let's consider, say, the year 1880. Here was a society in which people were free to keep everything they earned, because there was no income tax. They were also free to decide what to do with their own money—spend it, save it, invest it, donate it, or whatever. People were generally free to engage in occupations and professions without a license or permit. There were few federal economic regulations and regulatory agencies. No Social Security, Medicare, Medicaid, welfare, bailouts, or so-called stimulus plans. No IRS. No Departments of Education,

Energy, Agriculture, Commerce, and Labor. No EPA and OSHA. No Federal Reserve. No drug laws. Few systems of public schooling. No immigration controls. No federal minimum-wage laws or price controls. A monetary system based on gold and silver coins rather than paper money. No slavery. No CIA. No FBI. No torture or cruel or unusual punishments. No renditions. No overseas military empire. No military-industrial complex. As a libertarian, as far as I'm concerned, that's a society that is pretty darned golden.

The first federal economic regulatory agency, the Interstate Commerce Commission (ICC), was not established until 1887.

This, of course, doesn't mean that during the 1800s there were never any infringements on individual liberty and private property and that minorities and women had all of the rights and privileges that they have now. But it does mean that you were not in danger of the government fining you for cutting hair without a license, stopping you in your travels and confiscating all of your cash, or locking you in a

cage merely for possessing too many plants that the government didn't approve of.

Americans don't need the government to keep them safe and healthy any more than they need the government to make sure they act moral and virtuous.

A free society is a society where people have the freedom to live their lives any way they choose, do with their property as they will, participate in any economic activity for their profit, engage in commerce with anyone who is willing to reciprocate, accumulate as much wealth as they desire, and spend the fruits of their labor as they see fit. Americans don't need the government to keep them safe and healthy any more than they need the government to make sure they act moral and virtuous. In a free society, Americans would go about their business without government licenses, regulations, restrictions, standards, intervention, oversight, surveillance, or interference. As long as people's actions are peaceful, their associations are voluntary, their interactions are consensual, and they don't violate the personal or property rights of others, they should not have to come into con-

tact with the government. The government should just leave them alone.

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NEXT MONTH:

“A Great Opportunity to Restore the Republic”
by Jacob G. Hornberger

“My Two-Bit Political Awakening”
by James Bovard

“Equality and Freedom for All but Property Owners”
by Laurence M. Vance

No one can find a safe way out for himself if society is sweeping towards destruction. Therefore everyone, in his own interests, must thrust himself vigorously into the intellectual battle. None can stand aside with unconcern; the interests of everyone hang on the result. Whether he chooses or not, every man is drawn into the great historical struggle, the decisive battle into which our epoch has plunged us.

— Ludwig von Mises

Resisting the Market Process Undermines Freedom and Prosperity

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by Richard M. Ebeling



The free market often seems a hard sell. The resistance and opposition to its seemingly straightforward case emerges and persists, over and over again. It is all very strange, since, after all, how many people do not want the personal liberty to make their own choices about what to buy, where to live, and the amount they are willing to pay for something?

The same applies to their decisions on the supply side of the market. Which one of us does not want to decide what type of job and employment we'd like to pursue, the wage we are willing to accept for a job offered to us, and the ways we might apply our talents and abilities?

The alternative is for someone else to make all such decisions for us. When the fairy-tale rhetoric and utopian dreams about socialism are put aside, and people are told that a real socialist system involves the government telling you where you will live, the kind of job to which you will be assigned, and the wages and amenities of life to which you will be allowed, along with the personal freedoms that will be restricted or done away with, many of them soon become disillusioned, and even, sometimes, strongly opposed.

There is also the important moral element to the free-market society, that being that all human relationships should be based on mutual agreement and voluntary consent. Most people do not want to be coerced into associations and relationships to which they do not consent.

Stated in such general terms, certainly a majority of people in the United States would, no doubt, say they believe that these are essential and desirable elements to a free and good society. If the interested person were willing to sit through a more detailed explanation and understanding of the economics of the free society, they would most likely also agree with the logic of

division of labor and comparative advantage.

Division of labor and gains from trade

When individuals specialize in their labors and develop their particular skills and abilities, all are made better off in a social setting in which we each offer in trade that which we decide to specialize in and obtain in exchange from others the goods and services we could not produce on our own, or at least not as effectively in terms of qualities or costs as some trading partners. Even if we are more productive and cost-efficient in many or most things compared to potential trading partners, by buying some things from these less efficient producers, it frees up our time to specialize in those areas where our productivity and income-earning possibilities are greatest.

A standard example of the latter is the highly valued lawyer who could do his own gardening around his home in, say, four hours, while a professional gardener might take five hours to do the same job. But if the lawyer's opportunity cost is such that if those four hours are freed up to represent clients in court for \$100 an hour, then even if the less efficient gardener were to charge him \$50 an hour, for a total

cost of \$250, the lawyer would still be ahead to the tune of an additional \$150 by entering into an exchange with a less efficient trading partner. If the lawyer values more highly what the extra \$150 of income would enable him to buy than doing his own gardening, then both, clearly, gain from the market transaction. The more productive and the less productive all can find a place at the common table of free-market collaborative association.

So why, then, are people so often resistant to allowing the free-market to go about its work? To say there is "one" answer to this question would, of course, be completely misplaced. But a central one, in my view, is an aspect that has its origin in the very system of the division of labor that improves the overall economic wellbeing of all those participating in the social network of specialization.

Consumer interests and trade restrictions

Each of us in our respective producer roles in the division of labor offers for sale the particular good or service that we have chosen to specialize in. Only to the extent to which we are successful in producing, marketing, and selling that good or service to others in society

can we earn the financial means that enables us to return to the marketplace in our role of consumer. In that role, we demand all the other diverse goods and services others in society are, in turn, specializing in the production and sale of so they, too, can earn the financial means to be consumers in the arena of competitive exchange.

Another way of expressing this is that while we are consumers of many goods, we are normally the producer of one or more goods or services. None of us can be a consumer unless we have first succeeded as a producer. As a consequence, we pragmatically place far greater importance on our producer role than on our consumer role in society.

Suppose you produce and sell a product that earns you \$5,000 per month, or \$60,000 a year. And further suppose that during the year, you spend that \$60,000 on 20 different types of goods (e.g., food, housing, clothing, entertainment, transportation, etc.), or, on average, \$3,000 per year on each of these categories, or \$250 per month (just for the sake of the example).

Imagine that some of the domestic producers of clothing were to lobby their representatives in Washington, D. C., and successfully

have an import tax imposed on their foreign competitors' clothing apparel entering the United States, a result of which is the price of clothing in America increases by, say, 10 percent. This means that the clothing you had been purchasing for \$3,000 over the year, or \$250 per month, would now cost you \$3,300 per year, or \$275 per month.

While we are consumers of many goods, we are normally the producer of one or more goods or services.

As a consequence, you would find that your income now did not go as far as it had before in the purchase of clothing. You would have to reduce your apparel purchases accordingly, or marginally reduce your buying of other things, so to maintain the real amount of clothing purchased even in the face of the 10 percent rise in its price.

You might mumble and grumble, and if you were aware that this had been caused by the lobbying activities of American clothing manufacturers, you might curse it as another instance of "crony capitalism." But out of \$60,000 of expenditures during the year on all the various types of goods and services you buy, are you really going

to become a radical anti-tariff activist over the loss of \$25 a month in your standard of living due to this instance of trade protectionism? In many instances, it's not even equal to the cost of one evening's nice meal at a pleasant restaurant. And that \$300 is barely 0.005 percent of your total \$60,000 of spending on all goods and services over the year.

Producer interests and restricting trade

On the other hand, suppose that you are one of those clothing manufacturers. And suppose that you had been selling 150,000 pieces of clothing to consumers in America at \$20 per item. Your total revenues, as a result, were \$3 million. But now, after the 10 percent tariff kicks in, you are now able to charge \$22 per clothing item. Even if with the higher prices for clothing consumer demand for the product were to fall by 5 percent, so that total sales were now 142,500 items, your total revenues would still increase to \$3.135 million, or an extra \$135,000, for a 4.5 percent increase.

Even if you were a member of a clothing manufacturer's association and were expected to contribute, say, \$10,000 to help cover the lobbying costs to get the tariff increase passed, you would still be \$125,000

ahead with this interference with freedom of trade. And, certainly, a political "investment" of \$10,000 for an effective lobbyist to get an extra \$125,000 in your pocket is not a bad return for getting an anti-competitive hurdle placed in the way of your foreign rivals.

Domestically, the same logic applies in understanding the reasons behind many, if not most, regulations that successfully restrict or at least hinder the ability of new competitors entering the market. Suppose that very lawyer who we referred to earlier of the logic in our example of the division of labor and comparative advantage was making an annual net income of, say, \$250,000.

If the prospect of that type of monetary reward were to act as incentive for more people to decide to attend law school and make a living in the legal profession, our currently practicing lawyer might wonder if the arrival of new competitors in his area of the law might not, over time, result in legal fees being competed down, leaving him in the future with a net income of only \$200,000. Or a 20 percent decrease in his yearly net income.

He and other lawyers might form an association devoted to protection of the standards and quali-

ties of the legal profession. Maybe they might call for “quality” control in law school curriculum, to see that there is not a “diluting” in the training of lawyers through too much overcrowding in the classrooms. Hence, they might “suggest” — as the practicing “keepers” of the profession — limits on the number of accredited law schools, the number of students who might be annually admitted, and the imposing of stiffer law exam requirements to assure that those “joining them” in serving the legal needs of the public are properly prepared, knowledgeable, and qualified.

And just by coincidence, the number of new lawyers entering the profession each year under these rules and restrictions results in our already-established lawyer’s net income more or less staying at \$250,000, or maybe even increasing over time if the number of new lawyers entering the field was not enough to keep up with any increases in consumer demands for such services.

From the perspective of consumers of law services, legal fees simply remain the same, rather than the decline that might have been experienced if the supply of lawyers had competitively grown over time. How can anyone know

how much lower they might have been if the law associations were not as insistent in more rigorous “quality controls” in the name of the “public interest?” Especially if the law associations insist that without passing the bar and receiving a license, the government will not recognize a lawyer’s standing in a court of law.

It is an invisible “might have been,” one that was never experienced, so how does any consumer of legal services know what he might have lost in terms of legal fees due to anti-competitive restrictions in the legal profession? On the other hand, current competitors in the legal profession have a strong interest in limiting such new competition because its impact can be significant on how much they earn as producers, and for them to have the financial wherewithal to be comfortable consumers themselves.

Wicksteed and the producer interest in fostering scarcity

This dichotomy between each person’s interest as a producer versus as a consumer was explained fairly clearly more than a century ago by the British economist Philip Wicksteed (1844-1927) in *The Common Sense of Political Economy* (1910). The division of labor, he

said, “differentiates the position, the functions, the opportunities and the capacities of men in such a way that each one is dependent for the supply of all his wants on the cooperation of countless individuals scattered all over the world.”

The end result is growing poverty and reduced improvement in the condition of all.

Each of us, Wicksteed said, is interested in the best terms for his own particular product or service that we offer on the market, so to maximize the income earned and have the greatest buying power possible to be able to reenter the market as a consumer and purchase all the other things we want that are available from everyone else. As a consumer, our interest is to have the lowest prices possible for all the things we wish to buy so each of the dollars we’ve earned can purchase as much as possible.

Thus, we want a relative scarcity of and high price for the product we sell but a general abundance of and low prices for everything we want to buy. But when those supplying various goods in their respective corners of the division of labor attempt to all do the same, the end result is growing poverty and re-

duced improvement in the condition of all.

In the free market, this anti-competitive urge to increase the scarcity of one’s own product is prevented from hindering innovation and progress. But once organized groups form and can turn to the state to limit competition, it all becomes a different matter. Said Wicksteed:

The desire for relative scarcity in his own skill, or his own commodity, is, therefore, only too natural and intelligible in any man. It is the desire for the conditions that will secure to him what everyone desires... Where there is an open competitive market, this desire for scarcity may remain a pious (or impious) wish to which those who entertain it can give little or no effect....

But when we pass from the individualism of the open competitive market to the deliberate and concerted action of organized trades, or legislative assemblies, or to the general atmosphere of social ideals and aspirations by which they are supported or prompted, we see at once how fatally perverse this whole way of

looking at things must be.”
(pp. 353-354)

Restricting labor markets to gain higher-than-competitive wages

And the same applied, Wicksteed went on, when there is an attempt to interfere with market guided and establishment wages for labor:

If in the open market a man is not likely to receive in return for his effort more than it is worth to someone else at the margin, we must reflect that where there is any kind of patronage, or any system of fixed salaries for elective posts, it is extremely possible that a man may be receiving in payment for his work more than it is worth to anyone.

And if, as in all public and official posts, those who determine how much a man is to be paid are not those who ultimately pay him, we escape to an undefined extent the controlling action of the economic forces. If I am to decide how much a man is worth to me for my purposes, and I am then to pay him, I have a more direct interest in determining his worth than if I am to de-

cide how much he is worth to someone else, and how much he is therefore to receive from him....

No doubt, then, there are a large number of persons who are receiving from various public bodies, under the name of salary, more than their efforts are worth. Proposals for a minimum wage, coupled with provision for state employment, whenever that wage cannot be earned in the open markets, would constitute a method of securing more than they are worth, to a large number of other persons. (pp. 343-344)

Wilhelm Röpke on why producer interests trump consumer interests

Inspired by Wicksteed, this was all very clearly summarized by the German free-market economist Wilhelm Röpke (1899-1966) in his book *The Economics of the Free Society* (1962):

Thanks to the division of labor, each of us in our role as producers is desirous of keeping our goods and services as rare, and therefore as expensive as possible in relation to other goods. By the same to-

ken, in our role as consumer, each of us is desirous of having abundance and cheapness prevail in all categories of goods other than those which we ourselves happen to produce.

But since the consumer's interest is spread over innumerable goods, the judgment of each man in economic matters is determined by his position as producer than by his position as consumer. The concentration of producer interests in a given case will normally permit these interests to enjoy easy victories over the divided consumer interests. Thus, though the interests of the consumers taken as a whole are greater and more encompassing than the opposed interests of the producers in question, the latter will be easily able to override the dispersed and hence ineffectual power of the consumers. The producers' task is made all the easier by the use of pseudo-economic theories which lull consumers into accepting their own impotence as a normal and beneficial state of affairs. (pp. 68-69)

Röpke highlighted that the only means by which both freedom and prosperity may be secured is a personal ethics and a constitutional order that requires of each member of the society to respect the rights of others to freely choose and freely compete in their respective roles as consumers and producers. We all abstractly know and understand that our standards of living and qualities of life are far better than those enjoyed in America 200 years ago, 100 years ago, even 50 or 25 years ago as a consequence of people being left relatively free to innovate and compete in the marketing of new products, better products, and less expensive products.

A free society needs a personal ethics of social liberty

This requires an open and unrestricted free-market arena in which the only legal prohibitions recognized and impartially enforced are those against murder, theft, and fraud and misrepresentation. This does not suggest that the determination and delineation of each of these is always clear cut or does not require a proper nuancing of the law as cases come before the courts. But the underlying principle in a free and open society is that these broad concepts of right and justice

dictate and guide the defining and execution of the law. And all else is left to the free play and voluntary associations and agreements of the societal members themselves.

“The judgment of each man in economic matters is determined by his position as producer than by his position as consumer.”

Röpke pointed this out, as well, in his earlier work *The Social Crisis of Our Time* (1942), where he said:

We will have to resign ourselves to the fact that in the majority of cases only the re-establishment of unadulterated and honest competition can put an end to the exploitation of all by all rampant today. But in order to achieve this and to maintain free competition against all opposition, an urgent appeal to the insight and goodwill of all concerned is once more necessary.

It is also in order to keep competition itself untainted because it cannot function unless it is based on certain definite ethical norms: general honesty and loyalty to business, adherence to the rules of the game, making excellence

of workmanship a point of honor, and a certain professional pride which deems it humiliating to defraud, to bribe or to misuse political power for one's own selfish purposes.

It should in fact be the rule that everyone who does not adhere to the strict code of business ethics, who violates the rules of competition, indulges in monopolistic manipulations, asks the state for economic assistance ... should be socially ostracized as violating the dictates of decency, and in worse cases as a cheat, as a fraudulent bankrupt, as someone engaging in a “dishonest” profession.” (pp. 133-134)

Only by changing the climate of opinion and ethical presumption, Röpke was reasoning, can there be a turn away from the interventionist state with its anti-competitive favors and privileges. But before the politics of government interventionism can be reversed and repealed, Röpke was saying that ideas must first change in society, the transformation of which brings about a different ethical attitude about the role of government in

-serving the producer interests of sectional groups against what is, in fact, the interest of all of us as consumers as free-choosing actors in the marketplace.

If people today support or acquiesce in market restrictions that increase scarcity or retard the reduction of scarcities, it is due to acceptance that it is alright for people to use the state to gain at other's expense, and if some have done so, why shouldn't I be able to play the same game? Most of us, if you see that someone has dropped their wallet, consider it as right to bring it to their attention and return it to them, even if a policeman is not immediately looking over our shoulder. It is just "the right thing to do." Stealing is wrong, and taking advantage of such a situation in which someone has dropped their wallet is just not the right thing to do.

This is the crucial task as hand: Restoring a sense of right and wrong in terms of what are people's

individual rights in making their own choices and in their freedom of associations and agreements with others. Until this is done, little that is lasting is likely to move us back in the direction of the truly free and prosperous society.

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NEXT MONTH:
**"Civil Liberties,
Economic Freedom, and
Property Rights"**
by Richard M. Ebeling

You say, “there are persons who lack education,” and you turn to the law. But the law is not, in itself, a torch of learning which shines its light abroad. The law extends over a society where some persons have knowledge and others do not; where some citizens need to learn, and others can teach. In this matter of education, the law has only two alternatives: It can permit this transaction of teaching-and-learning to operate freely and without the use of force, or it can force human wills in this matter by taking from some of them enough to pay the teachers who are appointed by government to instruct others, without charge. But in this second case, the law commits legal plunder by violating liberty and property.

— Frédéric Bastiat

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