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# FUTURE OF FREEDOM

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*Such is the irresistible nature of truth that all it asks, and all it wants, is the liberty of appearing.*

— *Thomas Paine*

# FUTURE OF FREEDOM

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# The Kennedy Assassination: Fraudulent Photos, X-Rays, and Film

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by Jacob G. Hornberger



I highly recommend a new book on the Kennedy assassination entitled *The Final Analysis* by David W. Mantik and Jerome R. Corsi. It provides a critically important evidentiary building block that reinforces other circumstantial evidence and establishes beyond a reasonable doubt the criminal culpability of the national-security establishment in JFK's assassination.

First of all, however, let me provide some detailed context and background for this new book.

There are thousands of books on the Kennedy assassination. If someone wants to explore this important part of our nation's history — specifically, our history as a na-

tional-security state — it is a daunting challenge to determine where to start.

I always recommend beginning with a book entitled *JFK and the Unspeakable: Why He Died and Why It Matters* by James W. Douglass. This is without a doubt the best introduction to the Kennedy assassination that has ever been written. It is a profound book and one that is easy to read and understand. If a survey were to be taken of JFK assassination researchers, I'd be willing to bet that more than 95 percent of them would agree with my assessment of this book.

## How it all began

I became interested in the Kennedy assassination after watching Oliver Stone's movie *JFK* in 1991. Prior to that time, I didn't know that there were people who questioned the official narrative of the assassination. I also had not heard about the controversy swirling around Stone's film. When I walked into the theater to watch the film, I thought I was just going to be watching a biographical account of Kennedy's life.

I left the theater stunned, given that Stone had posited an entirely different narrative from the official one. He posited that the JFK assas-

sination was actually a very sophisticated regime-change operation carried out by the U.S. national-security establishment, specifically the Pentagon and the CIA.

Over the next several years, I read a number of the books on the assassination. Over time, I became convinced that Stone was right. However, I also knew that I wasn't convinced beyond a reasonable doubt, which is the standard of proof required for a conviction in a criminal case.

That heavy burden of proof was important to me because I began my professional career as a civil and criminal trial lawyer and practiced law for 12 years. Thus, I was trained to think as a lawyer. That means focusing on evidence, both direct and circumstantial. As persuasive as many of the assassination-related books were, I simply did not feel that they had established criminal culpability beyond a reasonable doubt.

And then I read a five-volume book entitled *Inside the Assassination Records Review Board* by Douglas P. Horne. Upon completing the book, my assessment of the assassination had changed. Horne's book established beyond a reasonable doubt the criminal culpability of the national-security establish-

ment in the assassination of President John F. Kennedy.

### The fraudulent Kennedy autopsy

What was different about Horne's book is that he primarily focused not on the assassination itself but rather on what happened after President Kennedy was declared dead, especially the autopsy that U.S. military officials conducted on JFK's body on the evening of the assassination.

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Once I came to the realization that the autopsy was fraudulent, it was "case closed" on criminal culpability.

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Why was that important for me? Because Horne established the fraudulent nature of the JFK autopsy. Once I came to the realization that the autopsy was fraudulent, it was "case closed" on criminal culpability. That's because there is no innocent explanation for a fraudulent autopsy. It necessarily equates to a criminal cover-up of the assassination itself. And there is only one entity that the military would be covering up for — itself. That is, there is no reasonable possibility that the military would have conducted a fraudulent autopsy on the very evening of the assassination to

cover up for the Mafia, Cuban leader Fidel Castro, the Soviets, or anyone else. A fraudulent autopsy on the very evening of the assassination could mean only one thing — a criminal cover-up of the crime that the national-security establishment itself had committed.

Knowing that many people would not take the time to read Horne's detailed five-volume book, I decided to write a multipart article that summarized his key findings. That article became The Future of Freedom Foundation's book *The Kennedy Autopsy*, which is FFF's all-time best-selling book. I would recommend reading this book after one reads *JFK and the Unspeakable*. I would then recommend reading my book *The Kennedy Autopsy 2*.

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### Horne served on the staff of the ARRB in the 1990s.

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The fourth book I would recommend would be another book published by FFF entitled *JFK's War with the National Security Establishment: Why Kennedy Was Assassinated* by Douglas Horne. That book explores the motive behind the assassination.

I would then recommend watching a five-part video series by Horne entitled "Altered History:

Exposing Deceit and Deception in the JFK Assassination Medical Evidence," which is posted in the multimedia section of FFF's website (fff.org). This is the most downloaded video in FFF's 34-year history and focuses primarily on the matters detailed in Horne's five-volume book.

I also recommend watching the presentations of two conferences that FFF held on the JFK assassination: "The National Security State and the JFK Assassination" and "The National Security State and JFK." Those presentations are posted in the multimedia section of FFF's website.

You will then be ready to tackle Horne's book *Inside the Assassination Records Review Board*.

Horne served on the staff of the ARRB in the 1990s. The ARRB was an independent agency operating under the auspices of the president. Its job was to enforce the provisions of what is commonly known as the JFK Records Act, which forced the Pentagon, the CIA, the Secret Service, and all other federal agencies to disclose their long-secret assassination-related records to the public.

The official narrative after the assassination had been that a lone nut and former U.S. Marine with no apparent motive, who just hap-

pened to be there at the right place and time, had suddenly decided to assassinate President Kennedy using an old Italian-made rifle with a misaligned scope. U.S. officials had shrouded much of their investigation of the assassination in secrecy based on grounds of “national security,” which, needless to say, was quite inconsistent with their official lone-nut narrative.

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**Horne established that there were two brain examinations in the Kennedy autopsy.**

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U.S. officials had succeeded in keeping most of their assassination-related records secret for some 30 years, a point that Oliver Stone made in his movie *JFK*. Public outcry over such secrecy is what motivated Congress to enact the JFK Records Act, which was enforced by the ARRB, for whom Horne was working.

The autopsy fraud detailed in Horne’s book (which is summarized in *The Kennedy Autopsy*) is beyond the scope of this article. However, I will focus on two particular aspects of the fraud, given that they relate to the new book I mentioned at the beginning of this article, *The Final Analysis*.

Horne established that there

were two brain examinations in the Kennedy autopsy. Why is that significant? Two reasons. First, the military pathologists who conducted the autopsy claimed under oath that there was only one brain exam. When people commit perjury over an important event, that is significant. Second, the brain examined at the second brain exam could not possibly have been the brain that belonged to President Kennedy, which obviously is another significant point.

The military pathologists also claimed that autopsy photos showing the back of Kennedy’s head to be intact correctly depicted the condition of Kennedy’s head. Yet, treating physicians at Parkland Hospital, where Kennedy was treated, established that there was a massive exit-sized wound in the back of JFK’s head. They weren’t the only ones. So did treating nurses, a Secret Service agent, a newspaper reporter, and even witnesses at the Bethesda Naval Medical Center morgue where the autopsy was conducted.

The ARRB learned of the existence of a woman named Sandra Spencer, who was a Navy petty officer in Washington, D.C., in November 1963, when Kennedy was assassinated. She worked in the

Navy's photographic lab in Washington, D.C., and worked closely with the Kennedy White House. She was summoned to testify under oath before the ARRB. After her testimony, the ARRB general counsel, Jeremy Gunn, stated that of all the witnesses testifying before the ARRB, Spencer was the most credible.

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**Upon viewing the photos, she said no — those were not the photographs that she had developed.**

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Spencer told the ARRB a remarkable story. She said that on the weekend of the assassination, she was asked to develop the JFK autopsy photographs on a classified basis. She had kept her secret for some 30 years. Gunn showed her the official autopsy photographs showing the back of Kennedy's head to be intact. Upon viewing the photos, she said no — those were not the photographs that she had developed. The photos she had developed, she said, showed a big hole in the back of President Kennedy's head, which matched what the treating physicians at Parkland and others had said.

If Spencer, the treating physicians, and other witnesses were tell-

ing the truth, then that could mean only one thing: The military's autopsy photographs were fraudulent.

The military, however, had a backup — the famous Zapruder film, which captured the assassination. It showed the back of Kennedy's head to be intact, just like those autopsy photos. That necessarily meant that if the photos were fraudulent, so was the Zapruder film.

That's where my newest book, *An Encounter with Evil: The Abraham Zapruder Story*, comes into play. In that book, I detail how the CIA produced a fraudulent copy of the film on the very weekend of the assassination, a copy that not only eliminated incriminating frames of the film but also included an artificial "black patch" on the back of Kennedy's head. Needless to say, I recommend reading *An Encounter with Evil*.

But the military still had one piece of evidence to make its point — the x-rays it took as part of the autopsy, which purport to show no massive exit-sized wound in the back of JFK's head.

**The evidence of conspiracy keeps growing**

That's where the newest book on the assassination — *The Final Analysis* — comes into play. One of the



authors of the book, David Mantik, is a radiation oncologist with a doctorate in physics. Mantik is one of the few people who have been permitted to examine the original Kennedy x-rays. In fact, he made nine separate trips to the National Archives to examine the x-rays — more than anyone else.

As part of his close examination of the x-rays, Mantik used an instrument called a densitometer to measure the densities of various parts of the x-rays. As he details in *The Final Analysis*, the densitometer revealed that the JFK x-rays were fraudulent copies, designed to hide the true trajectories of the bullets that hit Kennedy in the head.

One of the most fascinating chapters in the book is one in which Mantik focuses on a large bullet fragment that matches the caliber of the rifle that had supposedly been used to assassinate Kennedy. Mantik shows how that bullet fragment, which was not seen by the military pathologists on the night of the assassination, was later placed on a fraudulent copy of the x-rays.

Throughout his book, Mantik makes it clear that he is building on the foundation established by Horne in his five-volume book. In fact, Mantik and Corsi dedicate their book to Horne, just as I dedi-

cated *The Kennedy Autopsy and An Encounter with Evil* to him.

The subject of x-rays is obviously very complex, but Mantik does a fantastic job of simplifying the subject for a lay audience. He also carefully explains how the fraudulent copies of the x-rays were produced with equipment in 1963.

Longtime supporters of FFF might recognize Mantik because he was one of the speakers at our 2021 online conference “The National Security State and the JFK Assassination,” whose presentations are posted in the multimedia section of FFF’s website. In fact, Mantik cites and footnotes the presentations at that conference in his new book.

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**As he details in *The Final Analysis*, the densitometer revealed that the JFK x-rays were fraudulent copies.**

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It is not necessary to read Horne’s book before reading Mantik’s book. In fact, Mantik’s book serves as an excellent introduction to Horne’s book. One of the most fascinating parts of Mantik’s book occurs near the end, where he details the early surreptitious introduction of Kennedy’s body into the Bethesda morgue, a point that Horne detailed in his book.

Why is the national-security establishment's assassination of President Kennedy still so important? After all, all of the participants to that murder are now dead. The national-security state, however, is still with us, and it remains the most powerful part of our federal governmental structure. As I have long maintained, the worst mistake America ever made was converting the federal government to a national-security state. The more Americans who become convinced beyond a reasonable doubt that the Kennedy assassination was, in fact, a national-security regime-change

operation, the closer we will be to restoring our founding constitutional governmental system of a limited-government republic.

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

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**NEXT MONTH:**  
**“Tyranny and the Homelessness Problem”**  
*by Jacob G. Hornberger*

*In a free society protected against violence and fraud, economic growth is an automatic process. It takes place as a result of the desire of individuals to better the material condition of themselves and their families. In this endeavor, people save, invest, devise new and better tools, invent new products and new processes, and employ other people in order to operate more efficiently and on a large scale.*

— Albert C. Wilcox

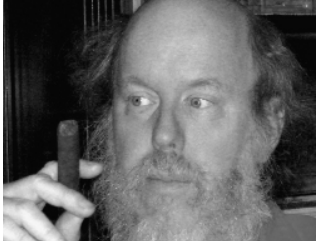
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# Merle Haggard and the Lost “Free Life”

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by James Bovard



“Is the best of the free life behind us now?” Merle Haggard asked in a haunting 1982 country music hit song. Nine years earlier, Haggard had scoffed at potheads and draft dodgers in a White House performance of his song “Okie from Muskogee” for President Richard Nixon. But reflecting widespread loss of faith in the American dream in the 1970s, his “free life” song lamented Nixon’s lies, the Vietnam debacle, and the ravages of inflation.

The issue of lost freedoms helped spur me 30 years ago to write a book titled *Last Rights* chronicling how “Americans’ liberty is perishing beneath the constant growth of government power.” When I recently updated the political damage report in a book titled

*Last Rights*, in hindsight, the late twentieth century seemed practically a golden era of freedom, federal, state, and local governments have unleashed themselves from the Constitution and commanded vast swaths of Americans’ lives. The worst regulatory abuses of the 1990s still exist and plenty of new bureaucratic depredations have been added to the lineup.

In the 1990s, federal regulators censored beer bottles, prohibiting breweries from revealing the alcohol content on the label. That prohibition ended but federal censorship multiplied a hundredfold. On July 4, 2023, federal judge Terry Dougherty condemned the Biden administration for potentially “the most massive attack against free speech in United States history,” including “suppressing millions of protected free speech postings by American citizens,” as a federal appeals court ruled last September. The Supreme Court will issue a bellwether ruling on that case before July.

## Haggard’s insights

“I wish a buck was still silver” was the first line of Haggard’s song. The U.S. Congress declared in 1792 that silver and gold were the foundation of the nation’s currency. From 1878 onwards, the U.S. gov-

ernment sold silver certificate with this declaration: “This certifies that there is on deposit in the Treasury of the United States of America One Dollar in Silver Payable to the Bearer on Demand.” In 1967, Congress passed the Act to Authorize Adjustments in the Amount of Outstanding Silver Certificates, “adjusting” the certificates by nullifying all further silver redemptions. President Lyndon Johnson removed silver from the nation’s coinage in the mid-1960s.

In the decades after Haggard’s song, inflation has totaled 225 percent. It has made it far more difficult for average Americans to keep their heads above water and ravaged the ability to plan for one’s future. Inflation has also provided a pretext for endless government interventions, including President Joe Biden’s latest caterwauling about “shrinkflation” (companies selling smaller-sized packages for the same price).

### The legacy of 9/11

During the mid-1990s, Republicans captured control of Congress and promised to put federal agencies back on the leash. But Republican resolve faded and the party rallied around George W. Bush’s promise to bring “compassionate conservatism” to Washington. The 9/11 attacks

obliterated any tattered remnants of constitutional fidelity in D.C. After the biggest intelligence failure since Pearl Harbor, the percentage of Americans who trusted the government quickly doubled. President Bush pledged to “rid the world of evil” — especially the evil of limiting politicians’ power. Attorney General John Ashcroft proclaimed in late 2001: “Those who scare peace-loving people with phantoms of lost liberty ... only aid terrorists for they erode our national unity and ... give ammunition to America’s enemies.” Critics were correct that the government was ravaging freedom, but we were still damned traitors.

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**Inflation has also provided a pretext for endless government interventions.**

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In the 1990s, police used ethnic and racial profiles to target suspected drug couriers. After the 9/11 attacks, the Patriot Act treated every American like a terrorist suspect. The Foreign Intelligence Surveillance Court secretly ruled in 2006 that all Americans’ telephone records were “relevant” to terrorism investigations and thus could be poached. The National Security Agency entitled itself to snuff the privacy of anyone “searching the

Web for suspicious stuff.” Heroic whistleblower Edward Snowden revealed that the NSA can tap almost any cellphone in the world, exploit computer games like Angry Birds to poach personal data, access anyone’s email and web browsing history, remotely penetrate almost all computers, crack the vast majority of computer encryption, and use Facebook and Google apps to send malware to targeted individuals. A federal report admitted in 2023 that FBI warrantless searches had zapped the privacy of more than three million Americans, but Congress recently extended the FISA law with no reform.

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**After the 9/11 attacks, the Patriot Act treated every American like a terrorist suspect.**

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Singing in the early 1980s, Haggard likely could not have imagined how far politicians would go to forcibly disarm Americans. In a 1994 Supreme Court case, the Clinton administration portrayed gun owners as the legal equivalent of drug dealers, asserting that “one would hardly be surprised to learn that owning a gun is not an innocent act.” President Bill Clinton swayed Congress to temporarily ban the sale of so-called “assault ri-

fler” — semi-automatic firearms with knick-knacks like bayonet lugs and grenade launchers. Nowadays, President Biden and many Democrats are championing outlawing all semi-automatic firearms, which could mean confiscating more than 40 million guns.

### Schooling in service of the state

In the 1990s, local bureaucrats sporadically cracked down on home schooling, preventing a smattering of parents from teaching their own kids. During the recent COVID epidemic, teacher unions spurred unjustified school lockdowns that victimized tens of millions of children. Teacher unions vilified any opponents of school shutdowns as racists and enemies of humanity. Vast learning losses resulted that continue to plague young lives.

In the 1990s, controversies erupted when some schools gave free condoms to teenagers. Many parents fiercely opposed the giveaway programs because they feel that the schools thereby sanction teenage or preteen copulation. Schools prohibited any “opt-out from condoms” option for parents. Nowadays, many of the nation’s largest school systems encourage children to agonize over their own

gender identity from kindergarten through high school. According to the *Washington Examiner*, “West Hartford Public Schools in Connecticut has begun to introduce gender ideology in kindergarten as part of what it calls ‘social justice lessons,’” including texts that reportedly “teach 5- and 6-year-olds that their parents and doctor assigned them their sex and might have gotten it wrong.” Ten million kids attend government schools that will assist children to change their gender without parents’ knowledge or permission. The Montgomery County, Maryland, school system justifies keeping young kids’ gender transitions secret in order to protect children from their own parents. Today’s puberty blockers and “gender-affirming” double mastectomies are far more disruptive than prophylactic freebies.

### The COVID mandates

In the 1990s, civil liberties groups challenged laws requiring drug tests for new employees. In September 2021, President Biden decreed that 80+ million adults working for private companies must get COVID vaccine injections. After millions of Americans took the jab thanks to his edict, the Supreme Court struck down his order, but

neither Biden nor his political appointees have any liability for that illicit command or the side effects of the vax, including the vast increase in myocarditis in young males.

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Haggard lamented the decline of the work ethic, harkening back to a time “when a man could still work and still would.”

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Decades ago, politicians would not have dared to padlock all the churches and synagogues in their domain. But extrapolations of wildly inaccurate COVID mortality forecasts sufficed to nullify the First Amendment’s protection of freedom of religion. Nevada decreed that casinos could operate at half capacity with hundreds of gamblers at a time for example, but churches could not have more than 50 worshippers regardless of their size. When the Supreme Court refused to overturn that edict, Justice Neil Gorsuch dissented: “There is no world in which the Constitution permits Nevada to favor Caesars Palace over Calvary Chapel,” the church that sought the injunction.

Haggard lamented the decline of the work ethic, harkening back to a time “when a man could still work and still would.” But today, self-reliance is rapidly becoming an endan-

gered species. Since the “free life” song came out, the number of handout recipients has more than doubled, and the feds are now feeding more than 100 million Americans. Politicians have become shameless about using tax dollars to buy votes. In 2020, a Democratic U.S. Senate candidate won an election after distributing fliers “Want a \$2,000 Check? Vote Warnock.” The political clout of handout recipients was again demonstrated in 2022 congressional elections, when President Biden mobilized young people by promising to forgive their federal student loans.

In the 40+ years since Haggard’s songs came out, far fewer Americans continue to cherish freedom. According to a recent poll, almost a third of young American adults support installing mandatory government surveillance cameras in private homes to “reduce domestic violence, abuse, and other illegal activity.” When did government snoops become guardian angels? Fifty-five percent of American adults support government suppression of “false information,” even though only 20 percent trust the government. Relying on dishonest officials to eradicate “false information” is not the height of prudence. How can freedom sur-

vive if so many people cannot politically add two plus two? A September 2023 poll revealed that almost half of Democrats believed that free speech should be legal “only under certain circumstances” (perhaps excluding criticism of their party’s elected officials). Support for censorship is stronger among young folks whose schooling perhaps smote their natural love of freedom.

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Relying on dishonest officials to eradicate “false information” is not the height of prudence.

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Subjugation is becoming the norm and freedom the exception. Would earlier generations of Americans have tolerated Transportation Security Administration agents pointlessly squeezing billions of butts and boobs while never catching a single terrorist? Would they have tolerated the FBI investigating traditional Catholics based on far-fetched fears about their religious beliefs? Would they have tolerated a president’s reelection campaign trumpeting the notion that a vote for his opponent is a vote for Hitler?

Haggard’s 1982 song had a piercing refrain: “Are we rolling down hill like a snowball headed for Hell?” He tacked on an upbeat

ending: “The best of the free life is still yet to come.” But he lost hope and lamented before his death: “In 1960, when I came out of prison as an ex-convict, I had more freedom under parolee supervision than there’s available to an average citizen in America right now.... God almighty, what have we done to each other?” ++ to each other?” As Supreme Court Justice Gorsuch warned two years ago, “We live in a world in which everything has been criminalized.”

Since Haggard’s passing in 2016, freedom is even more of an endangered species. The biggest sea change is the plummeting number of Americans who cherish their own liberty. Many of the protestors who vehemently denounce Donald Trump or Joe Biden are not opposed to dictators per se; they simply want different dictators. No wonder a 2022 nationwide poll found that six times as many Americans expected their rights and freedoms to decline in the next decade, compared to the number expecting an increase.

How many Americans have lost the sound political instincts of their ancestors? Nowadays, politicians merely need to promise salvation to justify further decimating freedom.

The submission to COVID lockdowns and other decrees epitomizes the failure of either (or both) realism and courage among much of the populace. Do Americans recognize that once a president escapes the confines of the Constitution, they will eventually find themselves shackled? Back in 1837, Sen. Daniel Webster warned that “the Constitution was made to guard the people against the dangers of good intentions. There are men in all ages who mean to govern well, but they mean to govern. They promise to be good masters, but they mean to be masters.”

Unfortunately, it is easier to document the loss of freedom than to rouse people to defend their own rights. Liberty is invaluable regardless of how many politicians seek to destroy it or how many fools fail to cherish it.

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*James Bovard is a policy advisor to The Future of Freedom Foundation and the author of the ebook Freedom Frauds: Hard Lessons in American Liberty, published by FFF, his new book, Last Rights: The Death of American Liberty, and nine other books.*

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# What Trump Didn't Say about NATO

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*by Laurence M. Vance*



**D**uring his first presidential campaign in 2016, former president and current Republican presidential nominee Donald Trump berated NATO member countries for failing to increase their defense spending to 2 percent of GDP. He took some heat for his remarks but never seriously questioned the existence of the military alliance.

Now Trump has done it again — and then some. At a political rally earlier this year at Coastal Carolina University in Conway, South Carolina, Trump recounted a conversation he allegedly had with an unidentified foreign leader of a NATO country — presumably when he was in office — regarding the United States coming to the defense of NATO members who fail

to achieve their defense-spending targets:

One of the presidents of a big country stood up and said, “Well, sir, if we don’t pay and we’re attacked by Russia, will you protect us?” I said, “You didn’t pay, you’re delinquent?” He said, “Yes, let’s say that happened.” “No, I would not protect you. In fact, I would encourage them to do whatever the hell they want. You gotta pay. You gotta pay your bills.

White House spokesman Andrew Bates responded that “encouraging invasions of our closest allies by murderous regimes is appalling and unhinged — and it endangers American national security, global stability, and our economy at home.” President Joe Biden commented that Trump’s remarks calling into question the U.S. “sacred” commitment to defend its NATO allies from attack were “dangerous,” “shocking,” and “un-American.” He then explained: “The promise of NATO — that an attack on one is an attack on all — keeps American families safe. It’s that simple. Any individual who calls into question the durability of that vow is a danger to our security.” “President

Biden is absolutely right,” said former president Barack Obama. “The last thing we need right now is a world that is more chaotic and less secure; where dictators feel emboldened and our allies wonder if they can count on us. Let’s keep moving forward.” The head of NATO, Secretary General Jens Stoltenberg, warned that Donald Trump was putting the safety of U.S. troops and their allies at risk. He said in a statement: “Any suggestion that allies will not defend each other undermines all of our security, including that of the United States, and puts American and European soldiers at increased risk.”

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**NATO has been enlarged  
10 times and now has 32 member  
countries.**

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Trump being Trump, he then doubled down on his comments about NATO countries having to “pay up” because they are “not paying what they should.” What is significant is not what Trump said about NATO, but what he didn’t say about NATO.

### NATO

The North Atlantic Treaty Organization (NATO) was established in 1949 by the North Atlantic

Treaty (known as the Washington Treaty) with 12 member countries: Belgium, Canada, Denmark, France, Iceland, Italy, Luxembourg, the Netherlands, Norway, Portugal, the United Kingdom, and the United States.

According to NATO’s official history, “The Alliance’s creation was part of a broader effort to serve three purposes: deterring Soviet expansionism, forbidding the revival of nationalist militarism in Europe through a strong North American presence on the continent, and encouraging European political integration.” Although the Treaty was initially made valid for a 10-year period, after which it could be reviewed, it has never been reviewed, and is now celebrating its 75th anniversary this year. This is why Dwight D. Eisenhower, NATO’s first supreme commander and future U.S. president said in 1949: “We cannot be a modern Rome guarding the far frontiers with our legions if for no other reason than that these are not, politically, our frontiers. What we must do is to assist these people [to] regain their confidence and get on their own military feet.”

Since its founding, NATO has been enlarged 10 times and now has 32 member countries. Greece

and Turkey joined in 1952; Germany in 1955; Spain in 1982; Czechia (Czech Republic), Hungary, and Poland in 1999; Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia (Slovak Republic), and Slovenia (Republic of Slovenia) in 2004; Albania and Croatia (Republic of Croatia) in 2009; Montenegro in 2017; North Macedonia (Republic of Macedonia) in 2020; Finland in 2023; and Sweden in 2024. Thus, all of the former Warsaw Pact countries are now members of NATO, except, of course, for Russia. NATO membership is open to “any other European state in a position to further the principles of this Treaty and to contribute to the security of the North Atlantic area.”

According to NATO, as “an alliance of countries from Europe and North America,” it “provides a unique link between these two continents, enabling them to consult and cooperate in the field of defence and security, and conduct multinational crisis-management operations together.” NATO’s purpose is “to guarantee the freedom and security of its members through political and military means.” The organization is committed “to the principle that an attack against one or several members is considered as an attack against all.” This principle of “collec-

tive defence” is “enshrined in Article 5 of the Washington Treaty.

The Parties agree that an armed attack against one or more of them in Europe or North America shall be considered an attack against them all and consequently they agree that, if such an armed attack occurs, each of them, in exercise of the right of individual or collective self-defence recognised by Article 51 of the Charter of the United Nations, will assist the Party or Parties so attacked by taking forthwith, individually and in concert with the other Parties, such action as it deems necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area.

This means that the United States — by virtue of its membership in NATO — is obligated to go to war to defend countries like Albania, Estonia, Latvia, Luxembourg, Montenegro, North Macedonia, and Slovenia — all of which have armed forces that number less than 10,000 — and Iceland, which doesn’t even have a military. By contrast, the United States has about 1.4 million military personnel.

In 2006, NATO countries made a commitment to aim to spend 2 percent of their GDP on defense. According to the most recent (2022) *NATO Secretary General's Annual Report*, "In 2014, only three Allies met the guideline. The United States accounted for 54 percent of the Allies' combined GDP and 70 percent of combined defence expenditure." Accordingly, NATO declared in 2014 that the countries that weren't meeting the 2-percent goal would "aim to move towards the 2 percent guideline within a decade." In 2022, NATO reported that seven member countries were meeting that obligation. The NATO secretary general now says that 18 member countries will meet the 2-percent standard this year.

### What Trump didn't say

Everyone has focused on what Trump said about NATO, but there are a number of things that Trump didn't say about NATO that are noteworthy.

Trump didn't say that others before him — including then-president Barack Obama — have told NATO countries to "pay up." In 2010, then-Secretary of Defense Robert Gates expressed concern about NATO members cutting back on their military spending and

shifting the burden of defense onto the United States. He warned that NATO was confronting a "crisis" because its European members had spent too little on defense over the past decade. He predicted a "dim, if not dismal future" for NATO if the decline in European defense capabilities was not "halted and reversed." He also said that he was "the latest in a string of U.S. defense secretaries who have urged allies privately and publicly, often with exasperation, to meet agreed-upon NATO benchmarks for defense spending." In 2014, Obama gave several speeches urging NATO countries to increase their defense spending and pay their "fair share."

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Trump didn't say that others have told NATO countries to "pay up."

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Trump didn't say that NATO is obsolete even though the destruction of the Berlin Wall, the collapse of the Soviet Union, the deposing of the communist governments of Eastern Europe, the fall of the Iron Curtain, and the disbanding of the Warsaw Pact rendered NATO obsolete after 1991. No doubt Elon Musk spoke for many Americans when he wrote on his social media platform: "I always wondered why NATO continued to exist even though its

nemesis and reason to exist, The Warsaw Pact, had dissolved.”

Trump also didn't say that NATO should never have expanded. The main purpose of NATO was always to counter the threat posed to Europe by the Soviet Union. That ceased to be true after 1991. But instead of disbanding NATO, or at least withdrawing from it, the United States sought to expand it up to the borders of Russia. George Kennan (1904–2005), the famed author of the “containment” policy during the Cold War, warned that enlarging NATO would be the “most fateful error of American policy in the entire post-cold-war era.”

As explained by Jack Matlock, former U.S. ambassador to the USSR, in his 2010 book *Superpower Illusions: How Myths and False Ideologies Led America Astray — And How to Return to Reality*:

The Clinton administration's decision to expand NATO to the East rather than draw Russia into a cooperative arrangement to ensure European security undermined the prospects of democracy in Russia, made it more difficult to keep peace in the Balkans and slowed the process of nuclear disarmament started by Presidents

Reagan and Gorbachev.

Neither did Trump say that it is because of NATO that we have the current war between Russia and Ukraine. In 2008, NATO members made the fateful decision that at some point, Ukraine and Georgia would “become members of NATO.” Fiona Hill, an intelligence briefer under President George W. Bush, warned him that “Mr. Putin would view steps to bring Ukraine and Georgia closer to NATO as a provocative move that would likely provoke pre-emptive Russian military action.” Current CIA director William Burns, then American ambassador to Russia, said at the time:

Ukrainian entry into NATO is the brightest of all redlines for the Russian elite (not just Putin). In my more than two and a half years of conversations with key Russian players, from knuckle-draggers in the dark recesses of the Kremlin to Putin's sharpest liberal critics, I have yet to find anyone who views Ukraine in NATO as anything other than a direct challenge to Russian interests.

That redline was crossed in 2002 when, in the words of Cato Institute

scholar Doug Bandow, “the U.S. refused to negotiate with Russia over NATO’s pledge to induct Ukraine.” Then “the U.S. launched an expensive and increasingly bitter proxy war against Russia with outright victory as the goal,” and Ukraine formally applied for “fast-track” NATO membership in autumn of 2022. The result has been two brutal years of war, lost territory, bombed cities, and millions of displaced Ukrainians. Yet, according to Bandow:

Before the war, Ukraine likely could have kept its territory by agreeing to neutrality — *without* suffering tens or hundreds of thousands of casualties, enduring destruction of many cities and towns, deforming their land with mines, fortifications, and graves, and facing endless combat. The allies would have maintained non-military ties with the Ukrainian people while saving hundreds of billions of dollars and conserving their military arsenals. The West would not have pushed Putin and other Russian nationalists eastward into a tighter embrace with China. And the entire world would have been spared the severe

economic dislocations caused by both combat operations and economic sanctions.

And, I might add, millions of American tax dollars would not have been wasted.

Trump didn’t say that U.S. membership in NATO was an entangling alliance warned against by the Founding Fathers, even though George Washington in his Farewell Address famously warned against “permanent alliances with any portion of the foreign world.” He also said that “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.” In both of those ideas, he was echoed by America’s third president, Thomas Jefferson:

I am for free commerce with all nations, political connection with none, and little or no diplomatic establishment. And I am not for linking ourselves by new treaties with the quarrels of Europe, entering that field of slaughter to preserve their balance, or joining in the confederacy of Kings to war against the principles of liberty.

And then there is the classic line from Jefferson's first inaugural address of March 4, 1801, "Peace, commerce, and honest friendship with all nations — entangling alliances with none."

Trump didn't say that the United States should withdraw from NATO. The purpose of NATO, of course, has always been for the United States to come to the aid of Europe, again. But what is the purpose of the U.S. military? It seems pretty obvious that the purpose of the military should be to defend the United States from foreign attack — to patrol and protect American borders, coasts, shores, and skies. The purpose of the U.S. military is not to defend other countries — to patrol and protect their borders, coasts, shores, and skies. This means not only that the United States should withdraw from NATO but that the United States should never have joined NATO.

Trump also never said that the United States being a part of NATO could needlessly and foolishly result in the shedding of American blood and the loss of American lives and limbs. As a member of NATO, the United States could be drawn into a war over an incident between Russia and small and insignificant (as far as U.S. interests

are concerned) countries like Montenegro, North Macedonia, Slovakia, and Slovenia — countries that didn't even exist before 1991, countries that most Americans don't care a whit about, countries that many Americans couldn't locate on a map, and countries that some Americans may not even realize are countries.

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**Trump didn't say that the United States should withdraw from NATO.**

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Trump didn't say that there is nothing wrong with European countries having a NATO alliance as long as the United States is not a member of it. But if the countries of Europe want to continue having a military alliance — whether it is called NATO or something else — then they can fund it, expand it, or reorganize it any way they choose. From the American standpoint, it doesn't really matter what the Europeans do as long as the United States is not a part of it.

### **Natural national defense**

When Trump doubled down on his NATO comments as he left a Manhattan courtroom, he made a reference to America's natural national defense. Said Trump: "Add

up the countries that make up NATO, it is about the same size as our economy. So we're in for \$200 billion, they're in for \$25 billion, and it is much more important to them because we have an ocean in between." Trump never elaborated on his mention of the Atlantic Ocean, undoubtedly not realizing the significance of what he was saying. President Jefferson recognized the significance of the Atlantic Ocean over 200 years ago: "At such a distance from Europe and with such an ocean between us, we hope to meddle little in its quarrels or combinations. Its peace and its commerce are what we shall court." He also made reference to both the Atlantic and Pacific oceans functioning as a natural national defense: "The insulated state in which nature has placed the American continent should so far avail it that no spark of war kindled in the other quarters of the globe should be wafted across the wide oceans which separate us from them."

According to the Peter G. Peterson Foundation, "the United States spends more on national defense than China, Russia, India, Saudi Arabia, United Kingdom, Germany, France, South Korea, Japan, and Ukraine — combined." It ought to be spending much less. Because the

United States has been blessed with an ocean on both sides, it should not only withdraw from NATO but should also close all of its foreign military bases and bring all of its troops home.

In his inaugural address in 2021, Donald Trump stated, "From this day forward, a new vision will govern our land. From this day forward, it's going to be only America first, America first." Withdrawing from NATO will put America first. But don't expect Trump to do it should he get reelected.

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### NEXT MONTH:

**"Buy a Bible, Become a Terror Suspect"**

*by James Bovard*

**"Fiscal Insanity"**

*by Laurence M. Vance*



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# The Global Economy: Free Trade versus Managed Trade

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by Richard M. Ebeling



In 1831, Sir Henry Parnell (1776–1842), a long-time chairman of the Financial Committee of the House of Commons, published *On Financial Reform*, in which he made the case for freedom of trade at a time when trade protectionism was mostly the order of the day in Great Britain, especially in agriculture:

If once men were allowed to take their own way, they would very soon, to the great advantage of society, undeceive the world of the error of restricting trade, and show that the passage of merchandise from one state to another ought to be as free air and water. Every country should be

as a general and common fair for the sale of goods, and the individual or nation which makes the best commodity should find the greatest advantage....

Happily, the time, if not yet arrived, is rapidly approaching, when the desire to reduce the principles of trade to a system of legislative superintendence will be placed in the rank of other gone-by illusions. The removal of obstacles is all that is required of the legislature for the success of trade. It asks nothing from Government but equal protection to all subjects, the discouragement of monopoly, and a fixed standard of money. All that is wanted is to let loose from commercial restriction, protection, and monopoly, the means the country has within itself by force of individual exertion of protecting and promoting its interests, to secure its future career in all kinds of public prosperity.

Sixteen years later, in June 1846, Parnell's hope came to fulfillment with the unilateral abolition of the Corn Laws that had secured the British landed aristocracy a profit-

able protection from foreign competition in farming, especially in wheat production. The British prime minister at that time, Sir Robert Peel (1788–1850), had been placed in that office by the Tory Party to assure the continuance of agricultural protectionism against the supporters of free trade. But with the worst crop failures in living memory in 1845–1846, and with growing hardship and threatened starvation among the low-income members of British society, Peel came around to the free-trade position of Richard Cobden (1804–1865) and John Bright (1811–1889). With the support of the free-trade advocates and a sufficient number of Tory members in the House of Commons and the House of Lords, the importation of less expensive foreign wheat and other food products unilaterally became the law of the land on June 26, 1846.

Furious with Robert Peel's defection, the Tory landowners forced his removal as prime minister. In his last speech before stepping down from his position, Peel declared:

If other countries choose to buy in the dearest market, such an option on their part constitutes no reason why we should not be permitted to

buy in the cheapest. I trust the Government ... will not resume the policy which they and we have felt most inconvenient, namely the haggling with foreign countries about reciprocal concessions, instead of taking the independent course we believe conducive to our own interests. Let us trust to the influence of public opinion in other countries — let us trust that our example, with the proof of practical benefit we derive from it, will at no remote period ensure the adoption of the principles on which we have acted, rather than defer indefinitely by delay equivalent concessions from other countries.

### British unilateral free trade and the beginnings of globalization

Great Britain, thus, became the symbol of a policy of freedom of trade, regardless — indeed, in spite of — any restrictive and protectionist policies maintained or introduced by other countries. Of course, not every tariff was actually reduced to zero or as a modest revenue tariff. But certainly after Britain's commercial treaty with France in 1860, for all intents and purposes

Great Britain practiced what it preached. And soon, a growing number of other European countries followed the British and French examples and lowered their trade barriers.

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**Trade retaliations and reciprocations merely harmed the citizens of one's own country.**

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The idea and ideal of unilateral free trade became the basis of British thinking in the face of any and all proposals for restricting imports in the name of retaliation against the protectionist policies of other countries or waiting for reciprocity before any modification on remaining duties on imported goods. Toward the end of the nineteenth century, its logic was emphasized by Henry Dunning Macleod (1821–1902) in his *History of Economics* (1896). Trade retaliations and reciprocations merely harmed the citizens of one's own country far more than they imposed any supposed damage on a protectionist trading partner.

If the present hostile tariffs destroy an incalculable amount of commercial intercourse, a resort to reciprocity and retaliation would destroy it infinite-

ly more.... If foreign nations smite us on one cheek by their hostile tariffs, if we followed the advice of the reciprocitarians, and retaliated, we should simply smite ourselves very hard on the other cheek.... The true way to fight hostile tariffs is by free imports.

As a consequence of these movements toward more universal freedom of trade, the age of globalization truly emerged and encompassed a growing part of the planet. By the end of the nineteenth century, in fact, economists could hail the amazing social, cultural, and economic integration that had occurred — and was occurring — through the internationalizing of commerce, trade, and investment. For instance, the Irish economist Charles Bastable (1855–1945) explained in *The Commerce of Nations* (1899):

One of the most striking features of modern times is the growth of international relations of ever-increasing complexity and influence. Facilities for communication have brought the closer and more constant intercourse between different countries of the

world, leading to many unexpected results. This more intimate connection is reflected in all the different sides of social activity. International law, that two hundred years ago was almost wholly confined to the discussion of war and its effects, now contains a goodly series of chapters treating in detail of the conduct of nations during peace. It draws the bulk of materials from the large and rapidly growing body of treaties that regulate such matters, and form so many fresh links between the states that sign them. Literature, Science and Art have all been similarly affected; their followers are engaged in keenly watching the progress of their favorite pursuits in other countries and are becoming daily more and more sensitive to any new tendency or movement in the remotest nation.

But, as might be expected, it is in the sphere of material relations that the increase in international solidarity has been most decisively marked and can best be followed and appreciated. The barriers that in former ages impeded the free passage of men and of

goods from country to country have been — it cannot unfortunately be said removed, but very much diminished; and more particularly during the last fifty years the extraordinary development and improvement of transport agencies both by land and sea have gone far towards obliterating the retarding effects of legislative restraints or national prejudices. So little attention is ordinarily paid to the great permanent forces that govern the changes of societies, in comparison with the interest excited by the uncertain action of minor disturbing causes, that it is eminently desirable to emphasize as strongly as possible the continuous increase of international dealings. In spite of temporary checks and drawbacks, the broad fact stands beyond dispute, that the transfer of human beings from country to country which is known as “migration,” as also similar movement of goods described as “commerce” is not merely expanding, but if periods sufficiently lengthy for fair comparison are taken, expanding at an accelerated rate.

The world was, increasingly, a single market, especially due to the global nature of the British Empire, which served as one, vast free-trade zone. All were more or less welcome to trade, invest, and reside regardless of any individual's nationality or politics. Following the end of the Napoleonic Wars in 1815, Great Britain and many other European countries did away with the formalities of passports and visas, with the right of freedom to move an increasingly accepted principle in the middle decades of the nineteenth century. It is worth recalling that Karl Marx moved to London in 1849 and lived there for the rest of his life, without any visa requirement or residency or work permits.

### The three freedoms of the nineteenth-century globalization

It is true that protectionism was making a return in the 1880s, most especially in Imperial Germany, with Bismarck's reintroduction of an extensive political paternalism in the form of the institutions of the modern interventionist-welfare state and tariffs meant to more directly influence German industrial and agricultural development. Nonetheless, it is not an exaggeration to say that in comparison to

the world before the nineteenth century and much that occurred in the twentieth century, the middle and late decades of the 1800s stand out as an epoch of what the German economist Gustav Stolper (1888–1947) in *This Age of Fables* (1942) called the era of the three freedoms: free movement of men, money, and goods:

The economic and social system of Europe was predicated on a few axiomatic principles. These principles were considered as safe and unshakeable by that age as the average American citizen even today considers his civil liberties embodied in the Bill of Rights. They were free movement for men, for goods, and for money.

Everyone could leave his country when he wanted and travel or migrate wherever he pleased without a passport. The only European country that demanded passports (not even visas!) was Russia, looked askance for her backwardness with an almost contemptuous smile. Who wanted to travel to Russia anyway? The trend of migration was westward — within Europe from the thinly populated agricultural east to

the rapidly industrializing center and west, and above all from Europe to the wide-open Americas.

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**And the most natural  
of all this was the freedom of  
movement of money.**

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There were still customs barriers on the European continent, it is true. But the vast British Empire was free-trade territory open to all in free competition, and several other European countries, such as the Netherlands, Belgium, Scandinavia, came close to free trade. For a time, the Great Powers on the European continent seemed to veer in the same direction. In the sixties of the nineteenth century the conviction was general that international free trade was the future. The subsequent decades did not quite fulfill that promise. In the late seventies reactionary trends set in. But looking back at the methods and the degree of protectionism built up at that time we are seized with a nostalgic envy. Whether a bit higher or a bit lower, tariffs really never checked the free

flow of goods. All they effected was some minor price changes, presumably mirroring some vested interest.

And the most natural of all this was the freedom of movement of money. Year in, year out, billions were invested by the great industrial European Powers in foreign countries, European and non-European.... These billions were regarded as safe investments with attractive yields, desirable for creditors as well as to debtors, with no doubts about the eventual return of both interest and principal. Most of the money flowed into the United States and Canada, a great deal into South America, billions into Russia, hundreds of millions into the Balkan countries, and minor amounts into India and the Far East. The interest paid on these foreign investments became an integral part of the national income of the industrial Powers, protected not only by their political and military might but — more strongly — by the general unquestioned acceptance of the fundamental capitalist principles: sanctity of treaties, abidance by internal

law, and restraint on governments from interference in business.

### Globalization before 1914 versus after the world wars

This period before the First World War stands out for two reasons relating to the issue of globalization. First, it was in stark contrast to the world that followed in the 1920s and 1930s. The interwar years saw the rise of political and economic nationalism, along with the emergence of totalitarian regimes that overturned what remained of the prewar era of those three freedoms after the four years of World War I. In their place was a strongly antiglobalization movement, as many governments imposed high tariff walls as part of their systems of domestic control, command, and planning, none of which was in anyway compatible with open and free international trade.

The second reason the globalization trends before the First World War stand out is that it differed in essential ways from the attempt to restore an international environment conducive to a return to a global economic order of human cooperation after the Second World War. The distinguishing character-

istic of nineteenth-century Europe and North America and the globalization that was fostered is that, however inconsistently and imperfectly it might have been practiced, the hundred-year period between 1815 and 1914 can rightly be said to have been the product of the classical-liberal spirit.

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The guiding principle that directed much of public policy in most of the countries of the “civilized world” was the *depoliticizing* of social life. With the triumph of free trade over mercantilism and protectionism in the early and middle decades of the nineteenth century and the elimination of many of the domestic regulations, monopoly privileges, and restraints on private enterprise, the state was dramatically removed from the affairs of everyday life. In its place arose civil society, the blossoming of the “private sector,” an extension of the network of “intermediary institutions” of voluntary association and market relationships. As the British classical economist Nassau Senior (1790–1865) expressed it:

The advocate of freedom dwells on the benefit of making full use of our own peculiar advantages of situation, wealth, and skill, and availing ourselves to the utmost of those possessed by our neighbors.... The principle of free trade is non-interference; it is to suffer every man to employ his industry in the manner which he thinks most advantageous, without pretense on the part of the legislature to control or direct his operation.

### The liberal ideal of globalization through private enterprise

In especially the second half of the nineteenth century, governments did form international associations and reached various agreements with each other. But for the most part (and separate from various changing political and military alliances), their associations and agreements were designed to facilitate the smooth functioning of private intercourse between citizens and subjects. They included international river commissions, railway and transportation agreements, telegraph and postal unions, health rules and guidelines, procedures for uniform weights and measures, and respect for patents and copyrights.

The thinking behind these arrangements was to establish general “rules of the game” to assist in the further globalization of private commercial and cultural exchange.

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### Individuals freely and voluntarily associated and exchanged goods and services.

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Within these rules of the game, individuals were to be left free and at liberty to direct their own lives and determine how best they thought the use of their own labor and private property; individuals freely and voluntarily associated and exchanged goods and services, along with investment capital and resource uses. The forms, directions, and effects of globalized trade and investment were matters of individual and private-enterprise decision-making, guided by market prices in determining the coordination of internationally connected and interdependent supplies and demands. It would be an exaggeration to say that governmental “affairs of state” never intruded itself into the private sector, but they were far more the exception than the rule. This was especially the case in Great Britain, as Herbert Feis explained in *Europe, the World's Banker, 1870–1914* (1930):



Like those who carried on industry and trade for their own profit, those who had capital to invest, and those whose business it was to deal in investments claimed the right to carry on their activities without government hinderance and control. Their affairs, they argued, were best run, judged by their own interest and national interest, without government interference. To this laissez-faire argument official opinion subscribed.... Thus, the government attempted no formal regulation of capital investment, except to prevent fraud and to prevent activities judged socially unwholesome.... Save in exceptional instances where some British interest, usually political, seemed to be threatened, there was little wish for formal official interference.

The fundamental premise was that the purpose of production was consumption, that the role of supplies was to meet and satisfy consumer demands in the least costly and most efficient ways, so as to maximize the economic well-being of as many people in society as possible. It was best to leave it to the

knowledge and judgments of the individuals in the various corners of the division of labor, who would see to it that the scarce means of production were employed in such ways that a system of absolute and comparative advantage assured the most effective achievement of people's ends through the employment of means. Not only did this not require the guiding or influencing hand of governments, but as Adam Smith also said, the assigning of any such authority to those in political power, "could be safely 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 the folly and presumption enough to fancy himself fit to exercise it."

### Trade liberalization through managed trade

The policies of the 1920s and 1930s had turned such arguments and reasoning on their head. The state, in both totalitarian and democratic countries, returned to the pre-free-trade notion of the mercantilists that government knew better than all the individuals about how the economic and social affairs of society should be organized and directed. The post-World War II

era seemed to be a restoration of a free global international economic order only because in the context of the economic nationalism, protectionism, and autarkic policies advocated and implemented in the interwar and war years, the liberalizing tendencies introduced in the years after 1945 seemed so “liberating” in comparison.

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**The new world order that arose out of the ashes of World War II was not like the world order before 1914.**

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During the Second World War, the Allied countries, led by the United States, decided that a continuation of policies of autarky and economic nationalism would be a disaster. International trade and commerce, global access to raw materials, and the opportunity for foreign investments were essential elements if a new world order was to be constructed. But the new world order that arose out of the ashes of World War II was not like the world order before 1914. Instead, the new globalization was based upon and managed in the context of a set of international governmental organizations. The new system would revolve around three intergovernmental institutions: the World Bank

for long-term loans for economic reconstruction; the International Monetary Fund (IMF) for long-term monetary stability through shorter-term loans; and the General Agreement on Tariffs and Trade, out of which has grown the World Trade Organization (WTO), to coordinate trading rules and procedures among the member countries.

Why and how did this new globalization structure come into existence? While proclaiming the belief in free trade and globalized commerce, the world in the postwar period increasingly became enveloped in a spider’s web of welfare-statist programs that required governments to secure redistributive shares of income and market shares for selected and privileged sectors of their respective economies. Given the institutional responsibilities that modern governments took upon themselves in the name of the “social good,” the “national interest,” and the “general welfare,” the state’s use of domestic policy tools to serve special interests feeding at the trough of the government became inevitable.

Those institutions established after 1945 have reflected this ideological, political, and economic trend. Whether it be the IMF, or the

World Bank, or the WTO, the purpose has been for governments to oversee, manage and direct the patterns of international trade and investment. The IMF and the World Bank have expanded and extended their activities to more greatly influence the distribution of loanable funds to both governments and private investors, especially in what used to be called Third World, that is, less-developed countries. They have also taken upon themselves the responsibility of tying such loans and credits to guidelines for economic policy reform in the recipient nations.

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**The central problem with an idea like “fair trade” is that it is as empty and ambiguous a term as “social justice.”**

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During their existence, the IMF and World Bank have followed the various interventionist and collectivist fads and fashions that have dominated public policy, whether in developed countries or in the less-developed nations: financial support for nationalized industries or government-privileged “private” enterprises; below-market interest rate loans for loss-making sectors of the economy; billion-dollar credit lines for governments in less-

er developed countries; planning schemes to foster politically determined “balanced growth”; and fiscal policies pushing tax increases rather than absolute and consistent cuts in government spending and regulations.

### **The swings between liberal and illiberal managed trade**

As we saw, in the first several decades of international trade relations after the Second World War, global trade and commerce was noticeably liberalized, with tariff barriers and import restrictions being significantly lowered. Yet this was not the result of an ideology and policy of free trade per se but rather of the particular pattern of politically managed trade agreed upon by the international trading partners. It remained in effect only for as long as the member governments desired to regulate global markets in the direction of freer trade.

However, beginning in the 1970s and 1980s, a different set of ideas about when international trade can be considered “fair” or “just” became dominant. The central problem with an idea like “fair trade” is that it is as empty and ambiguous a term as “social justice” because it can mean almost anything that the user wishes it to. As

economist Jagdish Bhagwati pointed out, “If everything becomes a question of fair trade, then ‘managed trade’ will be the outcome, with bureaucrats allocating trade according to what domestic lobbying pressures and foreign political muscle dictate.”

The 1990s saw a partial return to the idea of trade liberalization with the demise of the Soviet Union and the collapse of the socialist central-planning ideal. Socialism-in-practice had brought too much of a social and economic disaster in all the countries burdened with the Marxian ideal, so in China after the death of Chairman Mao in 1976 and then in the Eastern European nations and many of the Third World countries with the end of Soviet socialism, market-oriented institutional reforms introduced more of an economically liberal agenda around the globe.

### From illiberal managed trade to a new global central planning

But with the global financial crisis of 2008–2009 and the breaks in the global supply chains due to the national lockdown during the Coronavirus crisis of 2020–2021, new calls were heard for national economic security against similar disruptions of essential resource

availability and production capability. This has been exacerbated by the growing political tensions and war fears resulting from Russia’s military aggression in Ukraine and China’s drive for political, economic, and military ascendancy in East Asia and beyond.

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Concerns over economic and political conflicts always serve as reasons and rationales for national or regional protectionism against imports and justifications for artificial subsidies and supports for domestic suppliers to provide import substitutions, leading to economic results that are worse than what would be the case if freedom of trade were followed by some or all nations. Humanity is less well off than it could have been.

The most recent danger to global trade and exchange is the reemergence of the central-planning mindset under the name of “stakeholder capitalism,” which is meant to fight climate change and impose a new social order of supposed equity and inclusion. A model for this has been formulated by the World

Economic Forum. The intention is to impose a series of controls and commands on every corporation and business enterprise in the world, first through seemingly “voluntary” association but ultimately, as proposed, on the basis of political dictates via national and international governmental authorities. Prices, wages, work conditions, methods of production, and types of output, along with employment quota systems based on racial, ethnic, and gender group classifications and identifications would steer and direct the global economy.

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**A central purpose for freeing trade from the heavy hand of governments was to take politics out of the marketplace.**

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Such a political-economic agenda and the governmental policies to bring it about, if sufficiently or fully pursued could result in a global central planning — regardless of any name officially given to it. It might easily be called Global Fascism — government command and control over private enterprises having little or no real autonomy over their own decision-making.

However, respective national and domestic regulatory, planning, and income-share goals necessarily

come into conflict with each other in the arena of international trade, commerce, and investment. Any attempt to coordinate national politics at the international level through a global agenda such as the one proposed by the World Economic Forum would only exacerbate the conflicts due to arguments and dogmas over who gets what share based on a world-wide system of “diversity, equity and inclusion,” plus who will bear the economic costs of “saving the planet,” and by how much in terms of reduced standards of living.

**Liberal globalism versus a planned world economy**

This is not what was meant by a global economy in the minds of its earlier proponents in the nineteenth century. To the classical liberals of that time, a central purpose for freeing trade from the heavy hand of governments was precisely to take politics out of the marketplace, by making all such interactions private matters of peaceful mutual agreement and association; competition was not to be affairs of political power and military aggrandizement. Global competition in all its forms and facets was meant to be the means and methods for peaceful rivalries in discovering,

implementing, and offering more, better, and less expensive goods and services and life opportunities to as many humans as possible. The world was to benefit from everyone's knowledge, abilities, and talents by precisely leaving individuals at liberty to apply themselves as they thought best through the globalized division of labor and peaceful and productive human association.

These are the two opposing visions and possibilities for globalization in the remainder of the twenty-first century: free trade or managed trade. Only the classical-liberal idea and ideal of free trade is consistent with liberty, peace, and prosperity. Managed trade only offers constant conflicts as governments attempt to bend market outcomes, domestically and internationally, to satisfy power-grabbing visions of planning and regulating promoted by ideologues and special-interest groups

desirous of using political power for themselves at the expense of the rest of humankind.

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### **NEXT MONTH:**

**“The Political Economy of Natural versus Contrived Inequalities”**

*by Richard M. Ebeling*

**“Who Will Build the Roads? Part 2”**

*by Wendy McElroy*

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# “Who Will Build the Roads?” Part 1

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by Wendy McElroy



Everyone who argues for the free market over government involvement in the economy has heard this common comeback: “Who will build the roads?” Sometimes, the question is sincere and deserves to be answered with patience.

Much of the time, however, it is the dismissal of a complex argument and is intended to close off discussion with a glib victory.

It is annoying to answer and re-answer the same question for decades, but it is important to do so because the question “Who will build the roads?” captures a key obstacle to achieving a free economy. Namely, many people believe the private sector is either incapable of producing the goods and services society needs or that it would produce them in a destructive manner;

for example, the profit-driven free market would produce such an expensive health system that the poor would be left to die.

“Who will build the roads?” There are many ways to answer this question. The Austrian economist Murray Rothbard liked to address the question by drawing a parallel. Rothbard’s approach on this issue has been famously called “The Fable of the Shoes.” If government had always enjoyed a monopoly on producing shoes, he observed, then someone who argued to privatize shoe-making would be viewed as heartless or moronic or both. “How could you!” defenders of the shoe monopoly would cry. “You must be opposed to the public and to poor people wearing shoes! And who would supply shoes ... if the government got out of the business? Tell us that! Be constructive! It’s easy to be negative and smart-alecky about government; but tell us who would supply shoes?” These defenders of a government shoe monopoly would have so closely identified government with shoe-making that an attack upon its monopoly would have become an attack on shoe-making itself and upon shoe wearers.

Rothbard’s response of offering a parallel between shoe-making and road-building is powerful for

several reasons.

First, it reveals an emotional dynamic that often underlies what should be a purely economic question. This hidden bias may be an honest one because it is easy for people to innocently pick up the assumptions and attitudes of their culture. If the questioner realizes his own hidden bias, however, he is more likely to listen to counterarguments.

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**The road questioner is implicitly stating that roads require central planning and tax-funding.**

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Second, the “Fable of the Shoes” shifts the ground of argument and places the burden of proof onto the questioner. Remember: The burden of proof is on the person making an assertion. In most cases, the road questioner is implicitly stating that roads require central planning and tax-funding. Instead of going on the defensive, the free-market advocate should ask, “I don’t understand why free-market roads would be a problem. Why do you think they would be?” After all, like shoes, private roads have been common throughout history. If there is a reason they can’t occur in our society — at least, a reason that doesn’t come from government obstacles — then the

burden is on the questioner to demonstrate why this moment in history is different than any other.

Third, Rothbard appeals to common knowledge. From infancy, everyone has experienced private-sector shoe-making; it is undeniable proof of how an important service is provided without government. And it is further fuel for the free-market advocate to ask, “In principle, why would free-market roads be different from free-market shoes?”

Fourth, the fable deflates the alleged dilemma of poor people going shoeless. In the free-market shoe zone that is America, next to no one is shoeless. For one thing, the charities that proliferate in prosperity distribute free clothing. But most of all, in a free market, a dazzling variety of shoes are mass manufactured, which makes them cheaper and more available in new and used forms, and more likely to be discarded by those who buy shoes frequently. At worst, some people will wear decent second-hand shoes; this is not the fault of freedom but of the inevitable poverty that occurs in every society. The incredible productivity caused by the profit incentive makes it far more likely for the poor to have shoes in America than in a communist country.



## Complex systems

Shoe-making is a simple service/good compared to many others. And the same person who is convinced by “The Fable of the Shoes” may balk at the private sector controlling complex economic systems without government regulation. Governments around the world are now poised to hyper-regulate complex systems that are currently either free market or a hybrid of free market and government control due to the creeping intrusion of law; artificial intelligence, the Internet, and cryptocurrency are examples. With free-market cryptocurrency, governments want to assert an outright monopoly by issuing Central Bank Digital Currencies and eliminating free-market ones, if possible.

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**There are many counterarguments on how the profit motive protects the public.**

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Objections to private-sector control grow even louder when the complex system involves an essential good or service. In economics, essential goods are physical items that consumers require to sustain health or life, like pharmaceuticals. “We are no longer discussing footwear,” skeptics will declare. “With-

out health and safety standards imposed on pharmaceutical companies, they will produce shoddy or dangerous drugs. Or the goods will be priced out of the reach of many of the people who need them most.” Because medicines are essential and some consumers could be excluded, advocates of government control maintain that such goods are too important to remain in private hands. The opposite is true, and this is ground on which the free market must be vigorously defended.

Again, there are many counterarguments on how the profit motive protects the public. Companies live or die on their reputations, which are difficult to regain if damaged by producing dangerous drugs. Reputations are essential because profit-hungry companies want to outcompete their rivals and grab a larger market share. Unless the company has governmental protection, there is always the risk of huge lawsuits if pharmaceuticals are negligently produced or misrepresented. Free-market economists can also point to the role of neutral and dependent third parties who rate and report on businesses; this is a privately created warranty of safety, quality, or performance. These are a mere sampling of the counterarguments available.

### The USP

But, again, as with the shoe-making example, the best counter-argument on the drug issue is an existence proof; namely, a free-market pharmaceutical venture that was a roaring success. Happily, there are many. Consider just one. Almost everyone in North America has prescription drugs, vitamins, or similar supplements on their bathroom shelf with the initials USP somewhere on the label. The initials are a certification of quality from the United States Pharmacopeial Convention. USP is a fascinating example of how the free market can and does provide the complex standards upon which people’s health and life depend.

The USP was privately established as a nonprofit organization in 1820 when 11 physicians joined together to protect their patients from inconsistent and low-quality drugs. Back then, most drugs were assembled from recipes by individual pharmacists who had to trust the accuracy of their recipes, their skill at “cooking” drugs, and the quality of their ingredients. This means the drugs produced varied widely in quality, dosage, and ingredients. Moreover, many of the ingredients were untested on human

beings so there was little science behind their use. Patients were often harmed, and they sometimes died from inaccurate doses or other quality-control issues. Shortly after forming, the USP began to publish the results of its lab analyses and other research on drugs through the United States Pharmacopeia, which became the authoritative compendium of drugs and drug usage, not only in America but through much of the world. The compendium includes standardized indications, dosage recommendations, warnings, contraindications, and off-label uses. The USP organization actively reached out to pharmacists and pharmaceutical schools to spread these drug standards, with incredible success. Rather than being indifferent to the public welfare, the overwhelming majority of medical people did not want patients to die from taking their advice.

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