

## REVIEWS

### **Pax Economica: Left-Wing Visions of a Free Trade World**

**Marc-William Palen**

Princeton: Princeton University Press, 2024 (xv + 309 pages)

In *Pax Economica*, University of Exeter historian Marc-William Palen details the two-hundred-year-long history of what he calls, to quote his subtitle, “left-wing visions of a free trade world.” And I do mean “details.” Palen fills his book with the names of almost every person and organization—from the famous to the forgotten—that had anything to do with pressing the case for free trade from what Palen takes to be a left-wing perspective.

Sixty-eight different organizations are named and then repeatedly referred to by their acronyms. While some of these abbreviations are familiar enough (e.g., the WTO), most are obscure and difficult to keep track of. My brain was challenged to distinguish the members and exploits of the WPP (Women’s Peace Party) from those of the WPS (Women’s Peace Society) and the WPF (World Peace Foundation), and I had trouble, after a few pages, remembering what the likes of NIEO (New International Economic Order) and WILPF (Women’s International League for Peace and Freedom) stand for.

The interesting theme of Palen’s less-than-elegant narrative is that for two centuries the ranks of free traders included many left-wingers who “connected economic cosmopolitanism with anti-imperialism and peace—and economic nationalism with imperialism and war.” Palen labels the embrace by a surprisingly large number of left-wingers as the “Marx-Manchester tradition.”

The Manchester part is obvious. The Manchester industrialist Richard Cobden, who would certainly be on the Mt. Rushmore of free traders, famously led the fight to end Britain's protective tariffs. And it is true that Cobden put special emphasis not on free trade's material benefits, but on its propensity to turn swords into plowshares.

But the "Marx" part is mysterious. Palen acknowledges that Karl Marx opposed protectionism only because he was convinced that it would postpone the proletarian revolution. Combining "Marx" with "Manchester" is Palen's awkward shorthand for signaling that many politicians and writers who believed that the state must strictly govern, or even centrally plan, domestic economic activities also believed that the state should not interfere with individuals' economic engagements with foreigners.

These beliefs are inconsistent. A government bent on centrally planning the home economy cannot tolerate free trade, for such trade would introduce patterns of resource use that conflict with the central plan. Even left-wing governments less heavy-handed than ones with central plans would find free trade bothersome. Free trade makes more difficult the effort to maintain specific industries or to prevent some workers' wages from falling.

Palen seems oblivious to the tension between being "left-wing" and being a free trader. And for most of the book he is unclear about just what he means by "left-wing." Until the reader reaches the book's final few pages, he wonders if, for Palen, someone is left-wing if he or she simply is concerned for the welfare of ordinary people and is also anti-slavery, pro-women's rights, and anti-imperialist. By this definition of "left-wing" nearly all classical liberals, including this reviewer, are "left-wing." Famous left-wingers would also include Frédéric Bastiat, William Graham Sumner, and Ludwig von Mises. Such a definition of "left-wing" is confusingly capacious.

Palen makes clear that history does indeed feature many actual, unambiguous left-wingers who supported free trade. This group includes Jane Addams, Albert Einstein, and the young George Bernard Shaw. Palen earns applause for bringing to light the incredible effort that many of these left-wingers devoted to promoting free trade as a tool to foster peace.

In the book's final chapter, however, Palen reveals that he would be appalled for readers to suppose that he occupies ideological space anywhere near that of, say, Sumner and Mises. Crucially, he misses an important distinction. Post-World War II conservative intellectuals and politicians who combined support for free markets with a belief that the US government should project its power—militarily if necessary—across the globe were not the only, or even the chief, supporters of free markets. Few of the era's celebrated intellectual supporters of free markets embraced military adventurism. F. A. Hayek, Milton Friedman, Armen Alchian, James Buchanan, Ronald Coase, and George Stigler largely stuck to economics and philosophy, while Mises and Henry Hazlitt were outspoken critics of militarism. The case made by Hayek and other liberals for the free market neither implies nor depends on the sort of military activism championed by conservatives such as William F. Buckley, Jr.

An especially egregious error is Palen's description of the Mont Pelerin Society (of which I am a member) as "neoliberal." This society, founded in 1947 by Hayek, is simply *liberal*. Like Palen, its members favor free trade; unlike Palen, they also favor free markets at home. Yet by labeling it "neoliberal," Palen aims to convey the impression that it is nefarious—and he has evidence: Philip Cortney, a Mont Pelerin member, argued that multilateral trade treaties should not grant poor-country members exemptions to use protective tariffs.

Palen sees in Cortney's argument not a reasonable plea that all parties to trade treaties play by the same rules but, rather, officiousness by a "neoliberal" rich Westerner to deny to countries in "the Global South" the opportunity to improve their economies by using tariffs.

I never knew Mr. Cortney (who died in 1971) and I have no clue of the details of the debate in which he made the argument to which Palen objects. Maybe Cortney was indeed an ogre intent on allowing rapacious western corporations to exploit poor third worlders. But a more plausible explanation is that Cortney believed not only that free trade would enrich poor countries as well as wealthy ones, but also that rich countries are less likely to agree to do trade deals with poor countries if the latter are exempt from the obligation to lower their tariffs. After all, *mutual* tariff reductions are the very essence of trade deals.

So much for this book's weakest section. Its strongest is chapter 2 where Palen lays out the argument of Cobden and other free traders that economic integration promotes peace—the "*pax economica*." And he carefully documents the intellectual discredit into which free trade began to fall in the 1870s. That discredit was due in no small part to the influence of the German Historical School and to Friedrich List's 1841 protectionist tract, *National System of Political Economy*. Tellingly, a copy of this book was said to have once been the bedtime reading of Otto von Bismarck.

Although by the early twentieth-century globalization was at its then-historic peak, intellectual support for it had for decades been flagging. Even in free-trade Britain, "protectionist rumblings became a tumult by the late 1880s." World War I erupted, therefore, in a world in which economic nationalism had for many years been intellectually and culturally ascendant. Cobden would not have been surprised that governments led by men convinced that other countries' economic gains are their countries' economic losses began shooting hot bullets at each other. Palen tells well the tale of how unsound economics and imperial fevers combined to sever the peaceable sinews created earlier in the nineteenth century by an intellectual and cultural commitment to free trade. The reader wishes that the careful scholarship on display in this chapter—and, indeed, throughout most of the first 187 pages of Palen's book—had not disappeared in the final 35.

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