

Freedom: A Truly Unknown Ideal

Written by Ed Bugos.

Economics is a relatively new science. It is called a dismal science by some. Others refuse to acknowledge it as a science altogether. Rather, for them it is a branch of what is dubiously called “political science” (an oxymoron if there ever was one) propagated by bourgeoisie sycophants. Before moving on, let’s quickly dispense with this nonsense. It is quite obvious to anyone participating in the libertarian or free market movements today that the biggest threat to freedom in the last few decades has come from the right—the supposed bourgeoisie—which uses the state to impose a form of “state capitalism” (distinct from free market capitalism) on society whereby they use the state to limit free competition, tilt the playing field, and earn “rent”, or income over and above what the free market would have earned them. These robber barons are no friends of free market capitalism which is for the young and not so rich who wish to become rich one day. It is the untried type. And that is a fact that has yet to dawn on the left wing strata of modern society who seem to believe that if only we could tie the hands of the rich—so they cannot use the state in this way— then the field would be open for the left to achieve their egalitarian utopia. The point is that the voice of freedom and free market capitalism does not come from the left, center, or right, in the traditional sense. Rather, it comes from all of those corners to one extent or other, though usually a very minor extent of each. Free market capitalism is laissez faire capitalism which means little or no government. And although the right claims this idea rhetorically, it has scarcely ever really aimed for it. It simply pays lip service to it, and that plays right into the hands of the socialists.

Mitt Romney does not represent my interests. If you are for free market capitalism and think that he represents your interests then you are really deluding yourself. The only “politician” whose platform seriously aimed at free market capitalism in any sense that is consistent was Ron Paul’s, and the reason he lost is because most people don’t want free market capitalism. They want some bullshit between outright socialism and state controlled capitalism. They want economic fascism, except they would never call it that because most are ignorant about what the term means. It does not necessarily impute militarism, though if it did who could really argue that the US has not become almost completely fascist anyway, with a police state harassing hard working citizens at home and a military empire murdering and intimidating foreign peoples abroad all in the name of freedom!

Economic freedom – laissez faire capitalism – is for the young and enterprising, not the rich and powerful. And the latter hate it as much as the socialist utopian. Once you get old and rich, and powerful, cozying up to the state is a much easier way to maintain your wealth than by promoting genuine free competition, which is usually no longer in your interest.

"The rich, the owners of the already operating plants, have no particular class interest in the maintenance of free competition. They are opposed to confiscation and expropriation of their fortunes, but their vested interests are rather in favor of measures preventing newcomers from challenging their position. 'Those fighting for free enterprise and free competition do not defend the interests of those rich today. They want a free hand left to unknown men who will be the entrepreneurs of tomorrow and whose ingenuity will make the life of coming generations more agreeable. They want the way left open to further economic improvements. They are the spokesmen of progress.'" - Ludwig von Mises (Human Action, pp. 83)

Naturally, you would still wish to defend the property rights doctrine if only to keep the lefties from outright expropriating your stuff, but there is no need to be consistent in your philosophy. In fact, in an educated world, many of the envious statist would be surprised to learn that their regulatory lobbies tend to work in your favor by raising the costs of entry and competition.

When Lloyd Blankfein of Goldman Sachs testified back in 2009-10 that he supported financial regulatory reform - including higher capital requirements - dimwits like ZeroHedge inferred that it *"is in fact lobbying with millions of dollars and doing all it can to persuade its lackeys Dodd and Corker to leave derivatives just as they are."*

This is what you'd expect to hear from your average socialist lackey. But in reality, Goldman benefits from more regulation. The regulators ultimately work for the big firms like Goldman. Together they squeeze the little guy. Together they use the regulatory power of the state not to protect "the little guy", but to protect the big guys from new competition.

I once tried to explain this to a socialist. He was awestruck at the prospect that the rich and powerful use the left and their regulatory urges to insulate themselves against genuine free competition. All he could say is: "I've never heard such an idea before." He could not refute it. He wanted to hear more. I referred some books to him. The fact is, if you HATE freedom, voluntarism, and the free market, then you will never believe this no matter how logical and true it is. But that's okay. The rich count on you. You are delusional if you think you are the voice of the poor. It doesn't have to be that way. As Gustave Molinari, the world's first anarcho-capitalist put it, when he tried to show the socialists almost 200 years ago that, while they wanted the same thing we did: "abundance" and "justice", they went about it by means that have failed to work historically: by restricting economic freedom...

"If you became certain that you had been mistaken as to the true cause of the evils that afflict society and the means of remedying them; if you became certain that the truth is on our side and not on yours, no bonds of vanity, of ambition, or of stubborn partisanship would be strong enough to keep you on the shore of error: your hearts would be saddened,

no doubt; you would bid with regret a last farewell to the dreams that have fed, enchanted, and misled your imaginations; but in the end you would abandon these beloved chimeras, you would overcome your repugnance, and you would come over to us."

We too cry out to the socialists: stop supporting the robber barons and slave runners! Stop giving them the power to steal and collect economic rents (above market profits), to repress competition, and to erect monopolies. It is your nonsense and not ours that enables the rich and powerful to slow the mobility between classes.

Economic freedom is the friend of abundance and justice. The forced organization of labor and the doctrine of egalitarianism require the use of the coercive apparatus, the state, because they are unnatural. They would not exist in a voluntary society. They require the oppression of freedom. But they can achieve neither abundance nor justice. They are both anti-progressive doctrines on those terms. They empower the state, which never works in the interests of the poor, but always or mainly in the interests of the already rich and powerful.

While there was perhaps more economic freedom in the 19th and 20th centuries than the world had ever before seen, the tide is ebbing today. The healthcare system was virtually free before the American Medical Association began its program of limiting new doctors into the field, which it did on the pretense of protecting consumers, but which had the neat effect of raising the incomes of the existing doctors since it meant less competition in the subsequent years. Gradually since then the healthcare system has become less and less free in the economic sense until today it is on the verge of becoming completely socialized. And while the socialists point to the rising cost of healthcare in the current US system as evidence to indict free market capitalism, we can only point out the facts: that when government enters an industry to subsidize demand, raise incomes artificially (by coercion), restrict supply, and generally regulate affairs—it is not free market capitalism, but rather, it is economic fascism, or state capitalism. Naturally these are the conditions under which costs will inflate.

Free market competition axiomatically means that prices will be lower and quality higher than otherwise; to not understand this simple economic law is one of the weaknesses of the socialist utopian. But to claim that what we live in is in any way a free market system is building a stick man that is easy to then take down. It is a lie that benefits the rich and powerful at the expense of the poor and weak.

The same goes for the financial industry, which has over the course of more than a century in the US become almost completely centralized. The fact that the big firms like Goldman and JP Morgan chase profits and self-interest does not prove that it is a free market system if by doing this they lean on the state to protect them from competition, to subsidize their enterprise, socialize their losses, bail them out, and regulate the small guy out of

existence. That the Federal Reserve is “privately” chartered is moot because it operates under the explicit aim of public policy; the welfare statist, the warfare statist, as well as the rich and powerful banksters share its power equally. Its independence is a smokescreen.

Without the Federal Reserve, the inflations could never be so big and last so long; savers and wealth creators could not be robbed of their wealth through the hidden tax of inflation; laborers would not be out of work every few years because the business cycle, if not completely vanquished, would be hardly noticeable and the government could never grow its scope and public debt to such an extent that it obliges the whole of our future generations to pay tribute to the warmongers of today. And this goes not just for the Federal Reserve of the United States, but for every central bank everywhere, whether it claims to be private or public. The socialists, once again, are deluded to think that the state and its central bank can be used to cure poverty.

But my main point is that although the US appears in many ways to be freer (in economic terms) than the rest of the world, this too is a delusion. At one time it was true, and as a result of that truth, it has accumulated a rich abundance of capital goods (and a large empire building parasitic state on top of it). However, the formation of new capital has likely been arrested now after decades of government growth, inflation, and the redistributive efforts of the welfare statist. If new wealth is being created, it is by the magic of whatever free market still exists in the US. But it is likely not net growth –the redistribution of that wealth and the destruction of older wealth is probably larger still. There is no way to really measure this because most of the metrics (GDP, industrial activity, wages, employment, etc.) can be swayed by the manipulation of money, credit, and the brute force expenditures of a ballooning government. Even in the relativist indexes of economic freedom constructed by the Fraser Institute and the Heritage Foundation, the US continues to fall in rank year in and year out. To say Canada is now freer than the US is to all but admit the US has become a socialist state.

The former institutions of property and economic freedom may slow the demise of the US, but it can no longer be called a free market system. The socialists can no longer point to it as an example of what happens when free market capitalism is allowed to flourish. If they do it is only by sheer dishonesty or naivety about what free market capitalism actually means. It is time for them to wake up. The point of Molinari’s article above was that it is not liberty that continues to repress labor; it is the efforts of the socialists, in trying to achieve the same goals as we are, that has progressively, over the last 100 years, brought about the misery and ills they blame on liberty.

That is, it is the effort to restrict liberty that is responsible for every single problem that they complain about short of perfect equality. It is, as Milton Friedman put it quite succinctly: *“The society which puts equality before freedom ends up with neither; the*

society which puts freedom before equality ends up with more of both."

To the socialists and welfare statisticians who think they alone have a monopoly on "compassion", I say: stop fighting freedom because it is the only way out of poverty for the masses of poor. It may not be to your liking that some have more than others, but the choice between your method and ours simply comes down to this old cliché: we prefer to have an unequal share of a growing pie to an equal share of misery. In this cliché you will find that the poor – those with the smallest pieces of a *growing pie* – will not only have more than under your attempt to make everything equal, but they will also not be the same people over time. They will advance between classes, and those people that constitute the *relatively* poor, will for the most part be newcomers, immigrants, and the young.

Give up on your utopian ideal of equality. It is a cry for power, and nothing more. It benefits not the poor, but the rich. It doesn't even benefit the uninitiated as much as you think. It encourages them to remain as slaves.

Contrary to your propaganda, your doctrines are not new. They are thousands of years old. We can trace the attempts to regulate every aspect of human life as far back as the history of the world has been recorded.

What is truly new is economic freedom. As Molinari pointed out in the 19th century, this can really only be traced back two hundred years. Governments have always existed in one form or another. Let's get rid of "the political means" once and for all if you want to achieve something new. Why can't there be one place on the whole earth that free people can live without a ruling class trying to exploit the fruits of their labor? Surely it is not because of the inability of economic freedom to achieve abundance and justice. If anything it is simply fear and myth that is behind it. But, to be sure, if you aim for abundance and justice it is time to embrace freedom in all its totality; and to liquidate the state. For all your criticisms of this anarchist ideal, that in fact would be something new.

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