

## THE CONCEPT OF LIBERTY

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Liberty, like servitude, poverty, corruption, beauty, &c., is one of those ideal concepts which men have made and applied as a name in order to facilitate lingual expression. I do not believe that it is capable of definition. Like those simple chemical elements which are not compounded of other elements, the concept of liberty is not from other more simple concepts. Like all abstract conceptions it signifies a condition—the condition under which a man exercises his faculties without the intervention or hindrance of others.

Liberty in its widest meaning includes all the powers or conditions of a man which may be effected by the activity or the life of other men. Life, liberty and property considered as the possession of man and the laws which aim at directing and governing the actions of men in respect of life, liberty and property should be determined by political science.

The current theory would have us believe—almost as an axiom—that we have attained to the maximum of liberty, or rather that we are free men and citizens. The American revolution and the French revolution proclaimed the equal rights of man. Italy attained unity and is now completing it. Latin America freed itself from Spain and Portugal. An English maxim asserts that there can be no slaves on British soil. All dream this dream of liberty. An American and a Swiss said to me once: What more can be wished for than republics as free as those of Washington and William Tell? The French sing their Marseillaise in the ingenuous confidence of having abolished tyrants and tyranny. The patriotic songs of the South American Republic boasts of broken chains and expelled tyrants.

A strange creature is man. The desire and aspirations of humanity are said to be ever directed impatiently towards liberty; its struggles and martyrdoms are directed to the conquest of liberty; and yet among the vast majority of men and nations these aspirations have hardly been realised even in part, they remain fixed and crystalised for generations and centuries. This is the problem, given one step towards liberty all aspirations for it are extinguished; the ideal appears to have been attained. The thinker who states and proves that this is merely a halting-place for a fresh advance dies a martyr and despised. It will be said, on the contrary, that man was born to be a slave.

Liberty, we affirm, is respect for natural law; and of this natural law we have made nothing but an abstraction deduced from our civil and criminal codes, from our treatises on public and private law, and from our moral and political aspirations. Every condition of society, every epoch, has its own aspirations, from the privileged castes of Egypt and India, from Plato and Aristotle, who admitted slavery as a natural law, down to the levelling Utopias of the French revolution which sacrificed true liberty to an impossible equality, down to the anarchic Utopias of our own time; from one period of history to another all have gone astray, and man has not known how to attain to exact respect of natural law.

The social contract and the proclamation of the rights of man have cost rivers of blood and tears; but in the name of liberty we have not ceased to commit crimes. Government is conducted in the name of the people, but not for the people; all is directed by an active and intriguing bureaucracy.

For years we have had freedom of thought, of speech, and of the Press; but another revolution is needed to attain to liberty of action. What have our legislatures done? There are acts which in their nature are crimes, such as theft and murder. There are acts which are criminal anterior to all legislation and independently of any human law. There are acts which the laws of a country ought to forbid and punish.

But there is no act more innocent than to buy what is produced in one country and transport it to another, for the merchant rightfully acquires its utility, and the citizens find in this exchange their mutual advantage. Yet the laws lay down that such transport shall not be permitted, and that the man who persists in it shall be called a criminal and treated as a criminal. This legislation thus creates new crimes and sets up an artificial standard of morality which subverts true morality; compels and stimulates smuggling; and the man who lives in continued violation of the law is transformed in character, perverted in morality and violates other laws which are truly just. Is this respect of natural law? Can this be called an achievement of Liberty?

One form of liberty of action is labour. Labour is essentially private property. It has a value, just as land has a value. One man has as much right to the land as another. Land and labour are both susceptible of taxation. A tax on land is not a tax on labour, for the land produces by natural law more than the value of the labour expended on it and on that account men are able to pay a rent for land. When land is monopolised the owner becomes master of it and of the labour of man—labour which is supposed to be the property of the labourer.

When the State has need of revenue, it is not drawn from the land. Only a small part of what the State requires to defray the expense of public functions and services is drawn from it. The rest is paid by labour. This method, in use to-day among all the so-called civilised countries, involves a chain of circumstances which in the ultimate analysis rob labour, rob those to whom it belongs, rob those whose property it rightfully is. And they violate the liberty of labour, not only because a violation of property is a violation of labour, but also because this robbery of labour involves a series of barriers to production. Worst of all we are so accustomed to this form of tyranny that no one protests. Concealment is the balm which sweetens this form of slavery. If each citizen was required to make payment of a small tax every time he consumes or produces anything, the inertia of mankind would have been shaken up long ago. The system of indirect taxes takes quietly from us the last crust and the last rag without inducing us even to think of rebellion.

This sweet tyranny drugs conscience and honour, except in monarchical communities, in England and other democratic communities, where by habit and law liberty of thought and liberty of the Press seem to be consecrated. For personal slavery has been substituted industrial slavery in a most insidious form which does not permit us to feel the weight of the chains.

We are not the defenders of the proletariat, of the manual labourer, alone. We are striving for the economic liberty of man. Liberty of production involves as a consequence justice in distribution. There are always stupid ones who believe that it is not good form to study and seek means whereby the immense majority shall have freedom of access to the natural elements which are the basis of all production. These will go down to the grave without understanding that the whole organisation of modern society is constructed out of a series of changes of commodities in which labour is incorporated; and that if this exchange is free society is industrially free and equal; if this exchange is forced, partial and unequal, the society is based on injustice and slavery.

Social reforms which do not facilitate this exchange do not deal with the causes of slavery; they deal with results and effects. Social reforms which make some men richer and more efficient slaves will not make them free. Thus laws which make servitude more sweet for a few simply perpetuate it. Charity mollifies here and there the hardships of poverty, but it undermines man's independence. Pensions for the old and the infirm, provision of meals, free medical attention, regulation of the hours of labour, the

fixing of a minimum wage, do not break the chains of industrial slavery.

And while all these republics (of South America) remain unpeopled, with a terrible percentage of illiteracy and ignorance in the provinces, accompanied by the evils of poverty and chronic hunger in the centres of population and pseudo-civilisation, we go on singing hymns to the French revolution and the anniversaries of the days on which our constitutions were written, constitutions well intentioned in themselves but never respected—like the populace of Venice which danced unheeding on its own grave.

### MONEY AND THE CAUSES OF INCREASED PRICES

SIR,—Mr. Madsen, in your issue of January, says: "There is no bias in contesting the conception that Government can create wealth and enrich the Nation by the legerdemain of printing the words 'one pound' on bits of paper, and ordering the citizens to accept the paper as that value." Of course not, the bias is in assuming that anyone has conceived such an idea. The bias is, that instead of meeting the argument on his own theory, "The quantity theory of money," that if paper be substituted for gold of the same quantity there cannot be any rise in price, he tilts at the "windmill" of unlimited paper money itself.

In reply to Miss Lindsay, in your November issue, he says:—"We do not attach any essential virtue to gold as either a medium of currency or a standard of value. Every community could get on perfectly well without costly metal to be used as money, and we do not therefore regard the insufficiency of gold to back pound notes or other paper acknowledgments as necessarily harbouring some kind of social danger. The outstanding fact is that *whatever* (italics mine) money may be in circulation, the Government have at a given moment printed *additional* money as a legal tender with the object (or the result) of securing for a small expenditure of labour that which in the form of commodities has cost a large expenditure of labour. It is purely incidental that among the commodities in the possession of individuals gold was one; and the Government have obtained it as a valuable thing well suited to send abroad in payment for goods supplied from other markets than the home market. It would be a remarkable and a miraculous event if either Government or individuals could thus obtain much wealth without any seeming cost or sacrifice, and that the miracle will not work is proved by the increase in prices."

In the October Notes he tells us that "Great numbers of producers have been withdrawn from industry; there is, instead of a diminution, an increase in all the commodities in the way of food, clothing, and equipment they require; with increased demand for goods there is a decreased supply; the shortage of shipping has sent up freights to unheard of levels; and new taxes have been imposed on many articles of consumption; these are primary contributing factors, but it is debatable whether they are the main causes."

This is the case of Madsen *versus* Madsen.

What is the distinction between primary contributing factors and main causes?

If increased demand for goods with decreased supply is a primary contributing factor with A. W. Madsen, why should it not be a main cause to William Cassels?

Some part of the rise in prices may be due to an over-issue of paper money, but surely the rise in prices itself does not prove it.

The quantity theory of money, the theory that (other things being equal), *i.e.*, eliminating volume of trade, rapidity or effectiveness of circulation, and other possible

factors, an increase in the quantity of money will raise prices, is true, but in the elimination of other factors, quantity of money itself can only be a factor.

The theory does not say the quantity of gold or silver, nor yet the quantity of paper, nor does it say the quantity supplied by banks, nor yet the quantity supplied by Government. It is the quantity and the quantity only.

Then Mr. Madsen's references to inconvertible paper, to the cost of gold and the lack of cost of paper, are absolutely irrelevant. The passages I quoted from Ricardo, as indeed the whole chapter of his political economy on "Currency and Banks," are quite in keeping with his whole outlook. For if quantity and quantity only is the thing, then the material does not matter and (other things being equal, *i.e.*, convenience and honesty), the cheapest, paper, is the best.

What is the history of currency but the progressive elimination of commodity-money by substitutes. Tokens, notes, and what we call credits, *i.e.*, certificates of indebtedness. If quantity is the only determinant of rise in prices as being due to over-issue of money, then the distinction made between Treasury and Bank notes are of no importance to the question. Gold standard is clearly only a question of relative stability.

The statement that "gold remarkably enough remains stationary" is another example of Mr. Madsen's freedom from bias. Willingness to redeem in gold is only one of many methods of limitation. Current coin in gold, certified as being a certain weight and fitness, must depend on the belief in the Government that stamps it.

There would be no sense in stamping a pound as a penny, as it possesses commodity value, but a penny equally with a pennyworth or less of paper might be stamped "a pound," and if it were limited in quantity would serve all the purposes.

A golden carriage will not carry me on a journey any safer than a wooden one, nor any quicker. Though both equally served the purpose of travel, each would have a different value for art purposes. Mr. Madsen has been rather unfortunate in his method of controversy. He has surrounded his main thesis with irrelevancies. It is a case of not being able to see the wood for fallen timber. Nevertheless, the main thesis can still be seen.

The Government have issued 138 millions in the form of Treasury notes and withdrawn 78 millions of gold, leaving a net increase of 60 millions of money for use in internal trade. If the total money now in use changes as rapidly or as effectively, or with the same velocity as the previous stock, and if the volume of transactions have not increased, a considerable rise in prices must be the result. Mr. Madsen has not eliminated these other factors in anything he has said or written. If we were dealing only with exchangeable products of land and labour (wealth), the question might be decided without much trouble, but as we are dealing with values derived from obligation, as well as values derived from production, it is not quite so easy. In addition we have to remember that money is paid for the services of men as well as for the goods they produce and must add to the stock of values and the forms necessary to transfer them.

The argument for an increase of credit in consequence of increased legal tender and Government loans has not been made out. The appeal to increased deposits is not sufficient. Increased forms of production for military and naval purposes, the increased use of land, increased employment of women, boys, and old men, the inflation of values through other causes, are all factors which would seem to tell in deposits.

The argument used to be, that an over-issue of money, put more money in the hands of bankers, who in consequence reduced over-draft and discount rates, and so created deposits. But in the face of rising bank rates, that is not admissible.