

INFLATION AS ARMED ROBBER



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At least verbally, everybody is opposed to inflation. Publicly no one will be found who will say a good word about it; no one claims it's a good thing, although some Liberal and Leftist economists claim we can "live with it" and claim that a lot of other things (unemployment being the main one) are worse. But in the way of actual pro-inflation comments, the searcher of the newspapers and broadcasting output comes up empty every time.

GOVERNMENTAL CRIMINALS

So inflation is correctly seen as an evil, but I'm afraid it's not seen as evil *enough*. There's a universal acknowledgement that it does terrible things to people, but because Americans are optimistic people who don't ever want to admit that anything could be terribly wrong with their system, there's no clear vision of just how bad inflation's crimes are. And because Americans are, by and large, a polite people, there exists a disinclination to call things by their proper names, when those names are harsh. What it means in this case is that few people are willing to speak accurately about the nature of inflation - to say without qualification that it's an armed robber which comes and takes from you by force your resources, in the same way that some street-criminal would do it. In the case of the

predator on the street, his weapon is a handgun or knife; in the case of inflation the weapon is the Government's ability (and eagerness) to print worthless paper money just as fast as the presses will run, with the obvious and inevitable effect of debauching the value of all the previously-existing dollars in the country. If the citizen is beset by one of the "people" who control our big-city streets after dark, the inevitable result will be that "X" amount of dollars will be transferred from the person who earned them to someone who had no right to them, but who simply had enough raw power to *take* what he wanted. If the citizen is beset by government charlatans and their printing presses, the result is precisely the same: dollars for which one has worked long and hard are taken away, as the amount that a given amount of dollars will buy (which is all that matters) is diminished. The street criminal steals your resources for the benefit of himself (I should add, "or herself", in the light of current crime statistics trends). The Governmental criminals steal your resources for the benefit of themselves (in the form of financing for the Government itself) and the coalition of parasitic special interest groups which controls the state-apparatus at any moment in time.

It may be of minor interest to the victim whether the predator who's stealing his wealth is the Government-

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FOR LIFE, LIBERTY AND PROPERTY

criminal or the street-criminal, but the question has no *real* significance. All that matters is that, in either case, *you have been robbed*. In both cases, a criminal act of major importance has taken place. It's a point of great sadness that we recognize what's happened as theft in one case, but not in the other. Can a logical or moral distinction be made between, on the one hand, a hoodlum stealing a thousand dollars from you in one way, and the Government stealing the same amount from you in another? Of course not.

NOT A WOLF BUT A TERMITE

Aside from the tendency of Americans not to believe that anything could be wrong with the "system" (which is really several sub-systems, of which the monetary component is a key one), and their unwillingness to call things by their correct names ("robbery" in this case), there are other reasons for the failure to recognize inflation as pure theft.

One is the matter of time-frame. When your friendly local mugger takes one thousand dollars from you, he does it all at once. BANG, you're out a thousand dollars, at one clip. When the Government-Gang irresponsibly inflates the money supply for its political purposes, it's also going to take a thousand dollars in purchasing power from you, but it's going to do it gradually. If you have ten thousand dollars in cash at the beginning of a year, and the Government is creating inflation at the rate of ten percent per annum, it will steal from you one thousand dollars in purchasing power just as surely and just as irrevocably as the hoodlum did, and the only reason you won't think of the two events as being identical is that one took place all at once, while the other was a gradual-theft. The Government's gradualism has obscured what we must not allow to be hidden: the fact that theft is theft, irrespective of how quickly accomplished, or how slowly (and of course in recent years most people would agree that the pace of slow theft - inflation - has gotten awfully quick; eventually, as hyper-inflation of the German or Brazilian varieties is reached, inflation-theft matches street-theft in quickness - at that point, it too can take a major chunk of your resources in a single day).

A related problem which victimizes the public and shields the Government from the wrath which would be directed towards it if the people saw things clearly is that of drama. An isolated act of robbery carried out by a single criminal occurs suddenly and unexpectedly, in a setting of tension and fear, and it's the kind of experience one remembers forever. An armed robbery on the street is so dramatic that one cannot miss the full import of what has happened: someone who had absolutely no right to it has used force against you and had stolen resources which represent your labor of a certain number of days or years. But inflation-robbery has a different personality (although its character is the same). Inflation works away without ostentation, as

you work and as you sleep, never confronting you physically, never giving you a dramatic few moments full of fear and tension, never creating a shocking incident which brings home to you the way in which it's victimizing you. If the street-robber is comparable to a rabid wolf who attacks you in the open, the government-inflation-robbers are the kings of animals who work more quietly but equally destructively - the termites who destroy your home (and much of your life's work and accumulated wealth) or the disease-bearing mosquitos who bring their plagues. In either case you have been victimized, but the drama of one variety of victimization allows you to see it clearly, while the lack of drama in the other blinds you to *its* evil. (Here again, when inflation reaches a certain point, its character is such that it changes from concealed-crime to an open one; when hyper-inflation comes and your employer has to pay you twice a day so you can go out and spend your money before prices rise any further, *that's* about as dramatic as any street-robbery).

IT IS IN THE INTERESTS OF GOVERNMENTS EVERYWHERE TO INFLATE

Another key reason for our failure of vision on the subject of inflation is that people (or at least the steadily-shrinking uninformed portion of the people) tend to think that inflation is something which "just happens", like hurricanes or earthquakes - something we just have to resign ourselves to, because there's nothing we can do about it. No greater joy comes to a Governmental charlatan than when he realizes how widely held this view is, for of course that's exactly what he *wants* people to think, even though it's quite wrong (and no economist of any persuasion doubts that it *is* quite wrong). What's *right* is this: inflation is not something which just happens. It represents a conscious act on the part of Government, an act which consists of increasing the money supply faster than production, which results in a rise (and an ever-increasing rise) in the general price level, which in turn results in ever-increasing amounts of the citizenry's assets being seized, as they lose their purchasing power. If one could learn only one fact of economic life, it should be that it is in the interests of Governments everywhere to inflate, because they want to spend a lot and tax as little as possible, and inflation gives them the key way to make up the difference - taxes can only be pushed to a certain point before rebellion results, and even the most obtuse hack in Washington understands *that* fact of life; when that point is reached (as it long since has been in the U.S.), inflation is resorted to, in order to get more private resources for the Government. Chance occurrences can't really constitute robbery, so it's essential to see inflation *as* a conscious act of Government, in order to see it as a crime, as robbery. If we do that, and if we also bear in mind the drama-problem and the time-problem, we'll be more likely to label inflation as the criminal act which it is, and react to it accordingly.