

## Thoughts on Liberty

By Richard W. Rahn

### **BEWARE THAT NECESSARY COMPROMISES OF FREEDOM OFTEN LEAD TO REPRESSION**

ISTANBUL, Turkey

How free is Turkey? Turkey is almost entirely Muslim but lacks most of the repressive characteristics of many of the Arab Muslim countries. It has a largely free market with a high rate of economic growth. But it ranks in the middle among other countries in terms of economic freedom and per capita income. It also has less religious freedom and freedom of speech than is common in most of Europe and the United States and, thus, less liberty.

The Mont Pelerin Society, most of whose members are economists and other scholars who were inspired by the great economist and philosopher F.A. Hayek, is holding a meeting here in Istanbul to discuss the nation, the state and liberty. The discussants are drawn from many countries and cultures, resulting in a very stimulating debate, some of which is summarized here, along with my own observations and thoughts.

Many English speakers use the terms freedom and liberty interchangeably, but these terms have different meanings. You would not hear someone say, "I have liberty from cancer." He would say, "I am free from cancer." Most other languages have only one word for both liberty and freedom, and some languages have no word to explain these English-language concepts.

When Robinson Crusoe found himself stranded on an island, he had liberty but was not free to leave because there was no way out. When Friday showed up, they had to decide if they would both have liberty or if one of them would try to dominate or repress the other.

In his famous "Essay on Liberty," John Stuart Mill wrote: "If it were only that people have diversities of taste, that is reason enough for not attempting to shape them all after one model. ... Such are the differences among human beings in their sources of pleasure, their susceptibilities of pain, and the operation on them of different physical and moral agencies, that unless there is a corresponding diversity in their modes of life, they neither obtain their fair share of happiness, nor grow up to the mental, moral and aesthetic stature of which their nature is capable."



Do we need restrictions on our liberties to ensure liberty? If we view the primary function of the state as that of preserving liberty and also protecting person and property, then we implicitly are recognizing the need for some police powers, including defense. Police officers and soldiers cost money, which requires taxes, and the more of each, the more taxes required; hence, less economic liberty. Too many police and laws endanger liberty, and too few mean liberty may not be protected. Living free requires living dangerously.

The United States calls itself "the land of the free," but part of freedom is the freedom to opt out, or exit. Taxes in most European countries are higher than those in the United States, but most

Europeans can opt out by moving to a lower tax jurisdiction because they have a territorial system of taxation whereby only those earnings produced within a territory are taxed. In contrast, the United States is one of the few countries with a worldwide tax system, whereby people are taxed on their income regardless of where it is earned, which does not allow a citizen to opt out. Taxes take away the freedom for people to spend the results of their labors as they see fit. The higher the tax rate, the less freedom, but the ability to opt out affords more freedom.

Many on the left argue that people should have free medical care, housing, food, etc. if needed. But for those freedoms to be given, other people's freedom to keep the product of their own labors is diminished as they are forced to work more to cover the cost of supporting others.

One cannot have liberty without the ability to consent to even necessary restraints on one's liberties. In a direct democracy like Switzerland, the majority must consent to have its liberties restricted. In representative democratic systems, liberties are often taken away without consent.

Liberty can only be preserved if most people both understand the concept and appreciate its importance. Too little time in schools and political discussions is spent on liberty. What is not understood will not be protected.

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