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# Reflections on Ludwig von Mises liberalism

Reflexiones sobre el liberalismo de Ludwig von Mises

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#### RESUMEN

El liberalismo económico fue el principio organizador de una sociedad dedicada a la creación de un sistema de mercado. Nacido como una mera preferencia por los métodos no burocráticos, se convirtió en una verdadera fe en la salvación secular del hombre a través de un mercado regulado, dijo Karl Polanyi. Este documento de reflexión, pretende mostrar la concepción del liberalismo presentada por Ludwig von Mises, y luego proponer algunos elementos de debate, no con la pretensión de agotar la discusión o proponer ideas concluyentes sobre su pensamiento, sino más bien con la intención de aportar ideas a estos actuales temas espinosos.

#### ABSTRACT:

The economic liberalism was the organizing principle of a society engaged in the creation of a market system. Born as a mere preference for non-bureaucratic methods, it evolved into a true faith in the secular salvation of man through a regulated market, said Karl Polanyi. This reflection paper, according to the reading of Ludwig von Mises, intends to show the conception of liberalism presented by Ludwig von Mises, and then to propose some elements of debate, not with the pretension of exhausting the discussion or proposing conclusive ideas on the subject, but rather with the intention of contributing ideas to These current thorny issues.

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### 1. Introduction

According to Ludwig von Mises, although in no part of the planet were all the principles of liberal philosophy applied, the places where liberalism had the greatest development, important advances were made in society, since the general welfare was raised in a significant way and the workers of low economic entrance enjoyed a higher standard of living, this is the case in countries such as England and the United States.

However, although its predominance was brief and incomplete, the liberalism managed to transform the forehead of the earth. It produced an economic development without precedent in the history of the man. By liberating the productive forces, the livelihoods multiplied as if by charm. When the First World War began (a result of long and harsh opposition to liberal principles and which in turn was to initiate a period of even more bitter resistance to liberalism), our planet had a population incomparably greater than Never before and the vast majority enjoyed an incomparably higher standard of living. The prosperity engendered by liberalism drastically reduced the scourge of infant mortality and substantially lifted the average life."

With this vision of the goodness of the liberal project, Mises defends his ideology, which has its bases on classical liberalism, but according to him, no one has taken the trouble to show the characteristics of liberalism today, reason of why is proposed in the liberalism text to draw the lines of it. It is clear that Mises writes this text, "Liberalism" published in 1927, at a time when the economy, after the great disruption caused by the First World War, suffered mainly in Europe and the economic crisis of 1921 which brought down the production of the major nations with the exception of the USSR (which escapes the trend thanks to the revolution), and there is only recovery until 1925 achieving a significant growth that goes bankrupt in 1929.

"Indeed, from 1925 the Europeans began to forget the nightmare of the war and to contemplate the future with greater optimism. The industry grew generating a period of boom-like prosperity. Between 1925 and 1929 the production of the world industry increased in 20.7%, whereas the American one did in 23%. The European industry, for its part, increased its output by 23.1% ... "These data makes evident that at the time that Mises wrote the text, the capitalist world was on a

moment of prosperity, allowing it Way to flood the capitalist system with promising figures, showing insurmountable benefits for other systems, for the whole society.

In the political arena, Nazism was on the rise in Germany, Fascism was in Italy, and Stalinism was consolidated in the USSR, the first two antagonists of the third, but shared some of their characteristics, for example these countries were considered the weakest links of The imperialist chain, not forgetting that the capitalist economic model, was in a crisis of hegemony which allows the rise of these regimes.

With the rise of the Fascism (using the characterization of Nicos Poulantzas), there is an increase of anticommunism, nationalism, xenophobia, militarism, in other words, come into force states of exception not only in Italy and Germany, which Were only a few typologies, but also in Spain, through the Soviet Union, it means that the intervention of the State was the order of the day in Europe and Asia and that for this case of States of exception was one of the most atrocious and oppressive, far from the Keynesian proposal.

But this scenario is only the conjuncture in which Mises produces his work, however, knowledge is cumulative and the work gathers the contributions of the liberal authors of previous centuries (XVIII, XIX), because part of the argumentation becomes of Historical analyzes that allow to clearly show the benefits of liberalism according to Mises.

This text intends to show the conception of liberalism presented by Ludwig von Mises, and then to propose some elements of debate, not with the pretension of exhausting the discussion or proposing conclusive ideas on the subject, but rather with the intention of contributing ideas to These thorny issues.

## 2. Liberalism according to ludwig von mises

For Mises, "Liberalism is a theory that is exclusively concerned in the earthly performance of man. It seeks, ultimately, external progress, the material welfare of humans; Directly does not deal with their metaphysical, spiritual or Internal controls. He does not promise man happiness and contentment; Simply, the satisfaction of those desires that can be satisfied through the external world", supported by the fact that economic politics, the only thing they deal with are economic problems, they can help a man to become rich or impoverish him, but do

not guarantee human happiness at any time, that is, material things do not guarantee their happiness or eradicate the pain and hardship of people, which does not indicate that wealth cannot help solve problems that would bring man to achievement of happiness.

Liberalism, then do not pretend to guarantee happiness to men, rather seeks to ensure an economic policy that benefits all human beings, the maximum benefit to society, without privileging anyone, neither individual, sector of class or social class, Making it clear that some of the decisions, at the moment, cause discomfort to some people, but always in the end, according to Mises, we see a greater benefit that could not have been achieved without the implementation of liberal politics. As mentioned above, for Mises, "Liberalism has always striven for the good of all. Such is the goal that the English utilitarians are trying to describe with their not very successful phrase "the greatest happiness for the greatest number possible." From the historical point of view, liberalism was the first political movement that wanted to promote not the welfare of the groups, but the general. Liberalism differs from socialism - which also proclaims its desire to benefit all - not in the aim pursued, but in The means employed."

The liberalism of Mises, at least in theory, advocates equality and proposes to fight against poverty, this on the budget that private property is respected and protected, that is to say from the capitalist logic, mode of production in which The humanity has achieved its greater well-being, compared to the previous modes of production, for it this author takes as reference the growth of the world population, the increases in the production, the decrease in the deaths, among others, in last, solution of the problems more senses of humanity are in the liberal project.

However, in the system advocated by Mises, which does not reward or favor anyone, social ascent is possible, that is, classes are dynamic and there are flows of individuals from the bottom up, but the most suggestive is that There is flow from top to bottom, which indicates that the home is not decisive where is born, that is the least, what really matters is its main ability to work and dedication. "The apex of the social pyramid, in those nations where liberal philosophy predominated, was generally occupied not by those whose mere birth had

conferred richness and distinction, but by people who, knowing how to take advantage of circumstances, managed to ascend to the most envied posts thanks to his personal dedication."

This leads us to believe that there is equality in terms of the opportunities that the liberal model promises, in that sense every citizen would be able to forge a life of prosperity, thanks to the fruit of his work, the serious source of wealth, and if at any moment of life an individual is dismissed, he may deprive his employer of his good offices and get a better job, even better paid and with better chances of promotion, in this scenario the problem of unemployment is a lesser evil, since according to this theory there will always be a job waiting around the corner for the unemployed workers. "The businessman who capriciously dismisses a good worker who earns his pay suffers in his own flesh the consequences, while the clerk will soon find a similar position. The employer can therefore, without danger, empower his directors to hire or fire workers, since those who are always subject to the compulsion of the profit and loss account must take care that their respective sector produces the greatest possible benefit and, Therefore, their own interest induces them to ensure that good employees do not abandon them ... "In that sense, the model is designed to reward effort and dedication. For them, the road to success is made.

As for the wage of the labour is determined by their performance, the worker who strives and works well receives greater rewards, in that order of ideas "The worker strives because he knows that his salary depends on what actually produces; The entrepreneur, on the other hand, has to produce cheaper than its competitors, which means investing in the corresponding process the least possible amount of capital and labor. "But from there the industry needs to develop new technologies that make More effective the productive process, in addition, to require labour capable of adapting to them.

The most serious problem facing the wage system is the one promoted by the labor union, which is dedicated to stopping production by generating losses for employers, in search of salary increases and claims that it does not deserve, a stone in the shoe for The system, not only because it manages to raise wages to the point of generating bankruptcy of industries, but because it

produces losses through deliberate unemployment, in that sense unions promote practices in favor of minority groups that harm the vast majority.

But these stated problems are not the only ones promoted by the syndicate, since the latter, "poses a new situation is the coercive element that comes into play the protection of strikes and compulsory syndication that now prevails in most industrialized countries In Europe, since unionized workers prohibit access to work for workers who are not members of the respective labor union by resorting, in case of a strike, to violent action to prevent anyone from occupying the position of the striker, it results that their demands have the same effective force as if it were government decrees. The employer has no choice, except to close his company for ever, but to satisfy the demands of labor, to pay higher wages and he must seek to reduce production, because the things that costs more to manufacture cannot be sold with the same breadth as what costs less. The higher salaries earned coercively by unionized workers cause unemployment ....."

However, from the above it can be assumed that wages must be regulated by the market, since if employers pay more than they owe, they do not win and would have to give up that productive process, but if they pay less, the workers would be forced to look for other better paid jobs and leave the factories, then the labor market allows wages to be established in their right proportion.

The proposals of Mises, are not structured everywhere, this requires a set of conditions in order to be able to develop to fullness and not as until now that liberalism has been implemented in a partial way. A first requirement is the one that comes from the fact that liberalism stands as a synonym for capitalism, which implies a defense of private property, without it the system does not work, due to several reasons: first, it is the foundation of Activities of independent men, autonomous, free of the bonds of the State, with this it is thought to be an imperative for freedom, but in addition to this, private property is the fundamental basis of liberalism, because it is where the progress of society is originated, is the one that has allowed to elevate the level of life of the humanity and the most important thing is that the society can be organized around her in a rational and civilized way. That is to say,

"only the economic system based on the private ownership of the means of production is viable, we must necessarily conclude that it is inescapable to defend the Sunday institution, vigorously combating any attempt to undermine it. That is why liberalism always sponsors property, protecting it against any attack, whence it comes "... now," ... Private property does not need defense, justification, support or explanation. Private property is consubstantial to the survival of society; making the man need society, he has no choice but to firmly uphold that institution so as not to harm himself and to harm all others. Only on the basis of private property could society survive. Those who defend it, consequently, are advocating social ties, culture and civilization.

"It is the private property synonymous of capitalism in Mises, for that reason it constitutes in "the base of all independent individual activity; Is the fecund ground where the seeds of freedom germinate, where personal autonomy takes root and where all progress, both spiritual and material, is born. "But it is not lacking according to Mises who contradicts this principle, not only in theory, but in the Practice, in the moments in which the individuals who direct the State, ally with the "people" against the rich, the owners of the means of production, abusing their power against this free group of the state empire, becoming a refuge for detractors of private property, from the development and the civilization, but more importantly, these dictatorial principles will always find groups of individuals who defend the liberal principles and who will bring in reason and put in the right place these rulers and their Followers.

With the above, it is established that the State must take an irrelevant attitude in relation to its intervention in economic matters, since for example in salary matters, the only thing it does is to the interests of groups of workers, which generate detriment in the production, by establishing by law salaries that are too high, which in turn raise the price of the products and in this way cause them to be consumed less and therefore, lower production produces redundancies and bankruptcy of companies.

But it is not only in this scenario, the state also protects the interests of groups when it establishes protectionist policies, always at the expense of others, by abusing the rest of the population, by subsidizing or imposing fees and charges on its competitors. "The rate it advocates in favor of a certain minority sector is subtly careful to present it as a favorer of much larger groups. By asking for customs protection for the industry, be sure to mention that the interests of the different manufacturing groups are not at all coincident, not even of the factories themselves, one by one. The fabric manufacturer, of course, harms the tariff that prohibits the acquisition of foreign machinery; It will, however, support the protectionist movement if it assumes that the protection of national fabrics will largely compensate it for the previous injury. The agriculture who produces grain, when he asks for protection, damages the livestock ... But protectionists form a united front, which is achieved by masking reality through an intellectual veil that prevents people from warning what is really happening."

The fact that the State intervening in sectors that are the responsibility of the private sector, for example, Industry, education or any work that is not of its belongings. This causes unnecessary expenses that the only thing that leads to it is the demand of greater amount of taxes or to indebtedness. One can cite the example of Mises, which refers to the fixing of house rental prices, the population of Austria being smaller than that of the first world war, housing was scarce because tenants had no gain, although the municipality had built some houses. All thanks to the state intervention favoring some sectors of the population, in this case to the tenants, always to the detriment of others (the homeowners) and bringing inequities in the long term.

The intervention of the State, it is certain that can some degree of mitigation of unemployment, through public works, but whenever it does this in some sector, there is another that is unbalanced, without discounting the fact that public debt is acquired and generated the need for taxes that actually generate instability in government. But these are not the only problems, another fundamental disadvantage facing the State is about the bureaucracy, the public administration always ends up employing more people than it really needs, recharging unnecessary expenses, without taking into account that the State does not have the possibility of controlling

them, or knowing their results, the State does not have precise tools to measure the performance of its employees and even less of their departments, besides not being able to calculate their losses and gains, which is not the case with the private companies, it has the theoretical and practical tools to control all its production and what it implies, this leads to when senior officials give orders can not follow up and the objectives of an organization like the state is reduced to mere Intentions.

This is coupled with the fact that when the State tries to choose its officials, a series of irregularities are presented, since "Their employees and superior officers are no longer chosen according to their personnel, but only according to formal criteria, such as the antiquity or the purely academic formation, and not by pure favoritism of the boss. "This implies that in this scenario it is common to find relations crossed by the demand of favors and mercedes, that is to say, elements of corruption are embedded in the interior of the State, which Does not occur with private enterprise, whose logic is given from the market, whose relations are given as mere commercial transactions, where the worker not to be dismissed has to fulfill his duties and the employer gives a fair remuneration for their work.

Another point to emphasize in the theory of liberalism is that the free market is one of its pillars, because if the state is not called to establish the rules of social organization, it is the market that has to do it, according to Mises, the market is a vitalizer, "All the progress in production has been achieved thanks to the fact that the market is inexorably aiming to save money everywhere. The methods of production are constantly improving and renewed, because entrepreneurs are in a perpetual state of competition, being mercilessly separated from the business function as soon as they cease to produce in the most economical way possible. Production, in the absence of such incentives, would not only fail to progress, but the economizing drive would disappear even in the simplest manufacturing processes."

Free competition, then, not only promotes free enterprise and development, but also the constant and continuous reinvestment in companies, in all sectors, from advertising to raw materials and labor, there is no room for saving, since any expenditure that is skimmed and needed is important in the profitability of the industry. As can be seen, according to Mises, "There is, unfortunately, no perfection in this our world. It is possible that this or that of the capitalist system displeases us. But the bad thing is that there is no other social order viable. We can correct some detail, but without disturbing at any time the essence and foundation of the system, namely, private property. In short, we have no choice but to admit the market, simply because there is no other known mechanism that works.

Leaving the logic of the market, meaning the development because it eliminates competition and on the passage causes bankruptcy of industries, the market facing the specialization of labor, technical division of labor, access to natural resources, which in our case would be raw materials, access to cheap labor, everything that should be during economic development in this course, is how capitalist development promotes that companies always intend to control the global market.

The model developed by Mises also claims as an ideal condition, peace, since part of the thesis is that in the absence of peace the liberal program is not possible, for it does the relationship between conflict and protectionism, in the context of The first world war, removing any responsibility from the producers of arms, because all they do is take advantage of the situation.

Peace is the basis of the liberal project, in that sense to maintain it must create conditions, eliminating any element that incites violence, it means that war can never be more beneficial than peace, for this people must be satisfied with the conditions that refuse to go to war. Under the conditions, respect for private property and self-determination should be favored, the last being understood as the ability to decide and pronounce freely, without worrying about personal gains, in favor of the majority.

"Private property, in this sense, is the first requirement. If private property, even at war, must be respected, and the victor is forbidden to appropriate the property of the vanquished individuals, one of the primary reasons for aggression is suppressed, especially since public property that could serve as a booty would be too

meager in a society where private ownership of the means of production prevailed. "

An important point is that war affects the division of labor and traumatizes production, when the war is presented there is a confrontation of interests, which lead to some sectors of production facing each other, thus leaving their opponents without The presence of the other, namely in a war may be the case that on one side there are no cobblers and in the other there are no carpenters and so on, which leads to unbalance the division of labor.

Well now there are scenarios where war is propitious, this is the case of the public school, because they live in conflicts such as language, race, religion, among others, it is here, through an education imposed, Where it is an attempt for homogenizing these differences in an arbitrary manner, which are coordinated by the states that intervene through their financing, that is why the proposal is to let this be a place of private initiatives and that parents choose the best space Educational for their children.

The State, taking into account the above, should be limited in its functions, since its intervention in some sectors is dangerous, which does not indicate that this should disappear, "The school is, of course, one of the ways of oppression of Nationalities, and perhaps the most serious, but not the only one. Any economic intervention can be used to the detriment of those who belong to a racial group different than the one in power. For that reason, in order to preserve peace, the action of the public administration should be limited to that sphere where its intervention is essential, in the strictest sense of the word.

Certainly, we cannot reject the state apparatus as regards the protection of life, liberty, property and health of individuals. However, we must always be vigilant, because even judicial and police action to serve the above purposes can be harmful when officials have the possibility of discriminating against certain groups in the exercise of their services."

Thanks to these conditions the liberal project, according to Mises, has allowed societies where

scientific, technological and technical development has been implemented and has been able to give people a higher standard of living, "of course, demagogues, with their usual Rhetoric, present things in a diametrically opposed way. The advances in productive methods —they say— only serve to enrich more and more the favored minorities by the fortune, while the masses are sinking in a progressively increasing poverty. But the slightest reflection shows that all technical and industrial progress is directed towards the enrichment and progress of humble people. For her, the large industries of consumer goods work directly, and indirectly, those that manufacture machinery and semifinished products. The enormous industrial progress of the last decades, as well as those of the eighteenth century and those of the -uncertain expression- called the industrial revolution invariably gave rise to a better satisfaction of popular needs. The development of the textile industry, the mechanization of footwear, improvements in the conservation and transport of food benefit an increasingly broader clientele. That's the reason people see and eat better today than ever before. "

#### 3. Some elements to contribute to the debate

So far the proposal on liberalism by Ludwig von Mises has been presented in a synthetic way, let us now examine the strength of some of its proposals, with the aim of contributing to the debate that is being held today at a theoretical level with regard to the proposals of This author, is to clarify that at no time is intended to exhaust the discussion or propose definitive elements, simply the pretension is to question and contribute critically to the academic community.

According to Ludwig von Mises, the development of society is a product of the establishment of liberal principles, these have led societies to achieve marvelous advances, benefits that are reflected in the fact that individuals enjoy freedom, democracy, autonomy, among others, thanks to its defense of private property and the free market.

But those it means that these significant developments in these societies (mainly England and the United States) are a product of the establishment of the free market and the non-intervention of the State in economic matters, it is important to review some history and verify facts that can attest That Mises stalls, otherwise he would be faced with positions that must continue to be worked to achieve greater argumentative vigor, which does not indicate that the author's theory does not enjoy great academic strength.

In the first place, it must be taken into account that part of Mises's argument is based on the facts that occurred in England, an emblematic country in industrial development, because is there where the facts have been given, misnamed according to Mises, Industrial revolution, but that historians like Eric Hobsbawn and Manuel Cazadero is the correct denomination.

Karl Marx, in Chapter XXIV of Capital, discusses a period between the fourteenth and nineteenth century, which I call "the so-called original accumulation," a period also discussed by Karl Polanyi and Eric Hobsbawn, among others, these coincide in That the history of the original accumulation of capital is full of violent facts and it can be inferred that the developments are not products of the proposals endorsed in the liberal ideology, which forces to review some arguments and to see what it is.

For Marx, the period between the fourteenth and nineteenth centuries, are characterized by violence, is a history of looting, robbery, abuse, violations, etc., "In the history of the original accumulation make all the transformations that serve as a point of support for the nascent capitalist class, and especially the moments when large masses of men are suddenly and violently stripped of their means of subsistence and thrown into the labor market as free and disinherited proletarians. The expropriation that deprives the rural producer, the peasant, of his land is the basis of this whole process. Its history presents a different modality in each country, and in each one of them it crosses the different phases in different gradation and in diverse historical epochs. Its classical form is only found in England, a country that here we take, therefore, as a model "

Karl Polanyi, is no stranger to this analysis, with the difference that for this author, not everything is negative, because the changes are positive and favorable, the problem is who they favor, "It has rightly been said that the enclosures were a revolution of the rich against the poor. The lords and nobles were disturbing the

social order, repealing old laws and customs, sometimes by violent means, often by pressure and intimidation. They were literally robbing the poor of their participation in communal lands, overthrowing the houses which, by the unsurpassed strength of custom, the poor had long regarded as their own and their heirs. The warp of society was being perpetuated; The desolate villages and the ruins of human dwellings testified to the fierceness with which the revolution swept through, endangering the defenses of the country, emptying its villages, decimating its population, turning the overcrowded ground into dust, harassing its inhabitants and turning them into a Mobs of beggars and thieves when formerly were tenant farmers."

In any case, for Polanyi, not everything was bad, the surrounding lands increased their value, in addition when it was not changed of activity and continued cultivating, the same number of workers was maintained, the agricultural production increased, that is to say, that The field began to fulfill the functions that capitalist development needed, adapted to the advances of rising capitalist society, according to Hobsbawn, "agriculture was prepared, therefore, to fulfill its three fundamental functions in an era of industrialization: Production and productivity to feed a non-agricultural population in rapid and increasing growth; Provide a vast and growing pool of potential recruits for cities and industries, and provide a mechanism for the accumulation of capital usable by the most modern sectors of the economy.(Two other functions were probably less important in Britain: creating a sufficiently large market among the agrarian population-usually the great mass of the people-and providing a surplus for export that aided capital imports.).

What these authors show is that the accumulation of capital is a violent process, in favor of one group and against another, that is to say that it describes in detail how the rich became rich, the sad thing is that it was not fruit of work or of market dynamics, was the result of robbery and looting, an element that at the outset raises a very strong discussion and is that if this is the work of the free market, this does not benefit the vast majority, but an anxious minority to seize economic and political power.

Now, if wealth and accumulation is the result of a series of violent acts where the private property of small owners and the poor is expropriated, how does a project that bases one of its pillars in the defense of it can to permit such a thing, history would condemn this argument and would in the end put the liberal theory in trouble, since labor and dedication would serve no purpose at all if at any moment a group of the powerful having a monopoly of force gives them expropriation to the bad ones to that group of good and hard-working workers, where the laws of the market are left that are impotent to control the facts of the so-called original accumulation of capital.

One question that arises is who took refuge of the people who allowed this kind of atrocities, it was a natural reaction and disorganized the one who invented stories, product son of anarchy and irrationality that dominates the men of this period, which causes them to attack others, the answer is not easy, but it can be intuit that the man was in some type of organization since at the time the facts were trying to be protect in the rule of the law.

In legislation, are found the laws that help to establish who was behind the interests of these warring and expropriating minorities, Marx enunciates several of them, "Henry VIII, 1530: Old beggars and incapacitated for work should be provided with a license to beg . For the young and strong vagabonds, spanking and imprisonment. "And this is just an example, as Marx also brings up the law against theft of firewood, law against high wages, worker anticoalitions laws, among others, with punishments such as jail, marks with hot irons, cuts of ears, etc.

Karl Polanyi also cites a list of laws, compiled by Herbert Spencer in 1884, which does this in order to accuse the liberals of deserters in favor of restrictive laws, "In 1860, authority was given to provide" food analysts that would be paid with local taxes "; then came a law that established "the inspection of gas facilities"; ...

What indicates the appearance of these laws and the consent of all these atrocious acts is the existence of a regulating entity and an organism layers of subjecting by force the groups of dispossessed individuals, this entity is the State, it was thanks to him that it was

possible to carry out this whole process, is a sine qua non condition.

But this process does not stop there, because the state is also responsible for protecting certain industries from their competitors, both inside and outside, either from a country with the same level or a colony in America, Africa or Asia, protectionism allowed the monopoly and was a tool of development and accumulation of wealth, united to a colonial system that provided of raw materials and of taxes so that the emerging bourgeoisie financed its wars and took possession in the power, system that made of the slavery a profitable industry, due to the exploitation of slaves in the mines that provided gold and silver mainly to the crown and the plantations.

As for the colonial system, fundamental in Marx's analysis, since it is essential in the strengthening of manufacturing, in the sense that "... In general, the discovery and colonial subjugation of America was an indispensable condition for the emergence of manufacturing industry. The scope of trade was broadened, navigation was boosted, capital accumulated, and - thanks to the importation of precious metals - the metropolis increased the means of exchange. In the interior of the mother country the colonial system helped the flourishing of the bourgeoisie and contributed to that social sector became the ruling class ... "

Slavery was a factor of development in the colonial era, since exploitation in the gold and silver mines, in the large plantations of sugarcane and cotton, among others, was done through slave labor, brought from Africa. Policy that is run by the metropolis, that is, States play a decisive role in the formulation and implementation of all the mandates in America.

This makes the hunting of men become a very profitable profession, with its natural consequence which is the marketing of them, it is good to clear that not only men were trapped in Africa, but in the East Indian also occurred this same practice, of which there is no more to say was considered a resource of God.

Likewise, trade with the colonies generated great wealth for the monopoly that comes with products such as tea, salt, opium, betel, among others, and because traders paid their suppliers at very low prices and sold at fairly high prices, united to this, besides that also practices are promoted like the contracts awarded to some individuals that allowed them to have astronomical gains, without investing nor a single currency.

As for the public credit system, it is set as another strategy for accumulating money, as state creditors came to found banks, sponsored by state officials, who not only had the privilege of minting coins and printing bills, but also they lent them again to the State, they charged the interest of the debt, growing every day more, becoming a center of national deposit.

"The public debt becomes one of the most powerful levers of the original accumulation. It is like a magic wand that infuses procreative virtue to unproductive money and turns it into capital without exposing it to the risks and the effort that industrial, and even usurious, investment always entails. In reality, the creditors of the State do not give anything, as the amount borrowed becomes public debt securities, easily negotiable, which continue to play in their hands the very role of money. But even without the kind of idle rentiers that are created and the impromptu wealth that goes to the lap of financiers who act as mediators between the government and the country - as well as the wealth given away to tax-payers, Merchants and private manufacturers, whose pockets flow a good part of the loans of the State, like a capital rained of the sky -, the public debt has come to give impulse to the corporations, to the traffic of negotiable effects of all sort, like to the agio; In a word, to the lottery of the stock market and the modern bancocracy."

This is how the banks originate and with this the credit systems, making the usury again a system of income and appropriation, accumulating large masses of banking capital that with the passage of time will begin its merger with capital industrial, resulting in financial capital, this last type of capital is what gives rise to imperialism.

But all credit must have an endorsement to be granted, so the State has to develop its tax system that is the one that can provide you with money to pay, that is, the principals acquire the debt and the taxpayers have to pay, not only with direct but also indirect taxes. The saddest part of the system is that the debt continues to rise as the need arises and thus taxes, making products expensive, generating a loss of purchasing power of the currency and lower wages.

Another great strategy to accumulate was the protectionist system, another great company sponsored from the state. "The protectionist system was an artificial means to manufacture manufacturers, to expropriate independent workers, to capitalize on the means of production and life of the nation and to abbreviate violently the transition from the old to the modern production regime. The European states disputed the patent of this invention and, once placed in the service of accumulators of surplus value, overwhelmed their own people and strangers, to achieve that end, with the indirect burden of protective tariffs, with the direct burden of export premiums, etc. In neighboring dependent secondary countries the whole industry was violently exterminated, as England, for example, did with wool manufactures in Ireland. "

Protectionism was then an aggressive policy to annihilate the competing industry of the colonies, to strengthen the national industry mainly the English and to generate a powerful industry capable of supplying the world market, allowing in this way to obtain more surplus value and increasing the Amount of concentrated wealth.

All these facts revolve around the existence of the State, they demonstrate again that the riches accumulated by the rich capitalists are not the result of the honest and honest work of which a liberal would be proud, but is a product of pillage and direct intervention of the State, without this would have been impossible for this political and economic social development, but here it is not being argued that the State is the only motor of development, but is an important factor in this process of capital accumulation.

Now, in this process of capitalist development, we do not fight against poverty, we do not eliminate the motives of wars, it seems that capitalism is born of the profitability of war, the general welfare is nowhere to be found, there is no social ascent, rather there is a greater pauperization of some sectors of society, that is, that society of opportunity, which allows the welfare of the majorities, vanishes before the arrival of the capitalist

system.

The workers sent to the cities free to sell their work force and free of their fiefs all they do is increase the unemployment, it is false that the work waits for them, they are not unemployed by taste, the good salaries are nonexistent for the majority, there is so much supply of labor that must be sold for a miserable salary that has nothing to do with the performance of their work.

#### 4. Conclusions

According to the reading of Ludwig von Mises, it is clear that in formulating his theory he did not take into account the atrocious facts of this chapter in the history of mankind, which makes him unaware of the perverse origin of the wealth of the Large owners of social media production.

However, ignoring the brutal form of the original accumulation of capital brings with it that the laudable principles of liberalism are exposed to criticism that makes doubt the role that this juice in the development of humanity, since it is not true that development is product of the competition and of the free market only, since in it participated other agents like the State and the class struggle.

This is supported by the fact that "in England, at the end of the 17th century, the system of public debt, the modern tax system and the protectionist system are systematically summarized and synthesized in the colonial system. In part, these methods are based, as in the colonial system, on the most overwhelming of forces. But all of them make use of the power of the state, of the concentrated and organized force of society, to accelerate the process of transforming the feudal system of production into the capitalist regime and shortening intervals.

Another important aspect to emphasize is the freedom, this would not have been possible if it were not more profitable than the bonds of loyalty and servitude of the feudal system, the man to become a free individual has to sell his work force, he has to to fend for itself, in the process of transition from feudalism to capitalism slavery was maintained where it was profitable, in the mines and plantations, to ban the slave trade can be seen as an attack on free trade, at this time. Where equality

and liberty would then remain, where the laws of the market are favored by all, the historical processes deny part of Mises's theory.

In spite of all the benefits that are generated by freedom, in the capitalist system this brings with it new forms of submission, beginning with the same laws that are imposed from the state for the benefit of the free market, or the oppression that is generated from of private ownership of the means of production, or when the state always has the option of using force to defend interests of principles that are in favor of the majority, there are not many actions that are advanced to favor the majorities and are not more than ideological artifices to benefit a small group, violating the principles of equality and freedom, as demonstrated in the historical processes of the rise of capitalism.

As for the protectionist system, it is an element that, in addition to being state-run, protected the industries, favoring a few, as Mises says, but the discussion on the role of protectionism in the original accumulation remains in the air. Of capital and in the consolidation of monopolies, the latter according to Mises should not be a product of protectionism, but of the market, in that sense history seems to turn its back on it, in that sense what does protectionism, in addition to the above, Is to allow the consolidation of the bourgeoisie as a class and to allow the development and establishment of the great industry.

As for the defense of private property, which is one of the functions of the state, it is not a way of guaranteeing the domination of a class, which in this case is the bourgeoisie, on another, the proletariat, it is evident that in the capitalism prizes the gain, the accumulation, therefore the need to dominate every day more and more strongly to the one who produces the wealth, to which he has to sell his labor power, is the one that allows the capitalist to have access to the surplus value.

Now, when a system that defends the interests of a class, which always seeks to maximize economic gain, logically wage is also managed in such a way as to maximize profit, that is, capitalist logic allows one to think that the worker must be exploited to the maximum, this is achieved through a policy of low

wages, scientific, technological and technical advances, which finally make the bourgeois control the rhythms of work and make more effective the productive process.

According to what has been said so far, what is seen is that Mises gives too much confidence to the logic of the market and sows excessive hopes in private initiative, but in a system based on profit, it is always going to privilege above anything the policy to spend the right thing and achieve maximize the profit.

Mises's model is then proposed for an ideal society, without poverty problems and a very equitable distribution of income, so that individuals have the purchasing power, to have the freedom to choose from which school is the most suitable for the education of children, to where and when they consume the products to achieve a good standard of living, always bearing in mind that human action leads to a better situation, so that it is unpredictable.