Make Money not War

Capitalism (free enterprise for those who like that phrase better) and war are polar opposites. The former relies on voluntary exchanges made by free people without duress. The latter relies on the use of force to coerce unwilling people to conform to the will of the most forceful. It is therefore a bit confusing to have the Republican Party in the US be the party that, on the margin, prefers free enterprise (over governmental force) for most public exchanges while simultaneously being the party of war hawks. Having just two major political parties for a country of 300 million plus people is bound to force alliances of differing ideologies. Politics often does create strange bedfellows.

Perhaps the war hawks believe that free enterprise is great but that unless we have a strong national defense, other people around the world who are less enamored with voluntary exchanges will invade and enslave our citizens to their will. While not impossible, the odds that a foreign power would engage in a full scale invasion of the US are highly improbable. If nothing else, two large oceans and prevalent private gun ownership would make it a difficult country to conquer. The bigger threat comes from terrorists - which large, centralized militaries are not well equipped to defend against.

A brief review of American military involvement illustrates how war and free enterprise are juxtaposed. To finance the American Revolution, colonial governments stole large amounts of money and encouraged other theft. Property was confiscated from loyalists. Over 60,000 loyalists fled the 13 rebellious colonies. Washington’s army [stole food from farms](http://books.google.com/books?id=yGpGnBDxME4C&pg=PA135&lpg=PA135&dq=washington%27s+army+steal+food&source=bl&ots=xvRn8eOD2S&sig=DzH8jVulSfJK1g2__yjINmklmYA&hl=en&sa=X&ei=B4dwT-rjK6Lz0gGllv2_Bg&ved=0CEgQ6AEwBQ#v=onepage&q&f=false) in their path. Patriot soldiers who voluntarily joined the Continental Army in exchange for pay were stolen from when they weren’t paid as promised. Hyperinflation caused by the Continental Congress’s printing of money stole from those who trusted in the value of the Continental dollar. Privateers (Congressionally legalize pirates) stole over $16 million worth of goods from private British citizens during the war.

The US Civil War resulted in over 600,000 American deaths, along with massive property loss in the South. Both the Union and Confederate armies relied on military drafts forcing people to fight for wages they did now voluntarily agree to. The military draft continued into the 1970’s. The Union paid for the war through new income taxes, a doubling of the currency, higher tariffs, new excise taxes, and an exploding national debt which went from $65 million to $2.7 billion.

Twentieth century US wars proved no better for free enterprise. WWI saw the nationalization of industries, price controls, higher taxes, and an exploding national debt. So did WWII. As bad as war has been on the US economy, it was worse in 20th century Europe. This is why after WWII they decided to make money, not war. Europeans learned that it was better to lower trade barriers and free up the movement of goods, services, and labor across borders. People who make money by trading with each other are less likely to want to kill each other. War is bad for business.

Rather than seeing people outside the US as our enemies, we should look at them as our potential trading partners. Our voluminous trade with China virtually guarantees a peaceful relationship between the countries. All China would have to do is declare war on the US and the US would immediately cancel payment on the trillion dollars of debt China has leant it. Rather than use an us vs. them attitude towards foreigners, we should develop an us and them attitude. How can we enter mutually beneficial relationships with others that create more wealth for everyone?

Wars are costly both monetarily and in the loss of liberty. The use of force begets the use of force. True wealth creation comes through voluntary transactions. The US should immediately eliminate all trade restrictions we have on every country in the world. Let’s make money, not war. We can still have a well-equipped military just in case, but by turning our enemies into friends, we won’t need it.

Note: Catallaxy - A term made popular by Friedrich Von Hayek which describes how voluntary exchange turns enemies into friends.