

Economics by Force

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In any economy, the population over all is best served with a free market system. However, any given individual in an economy is better off being personally exempt from the laws of the free market system while everyone else is subject to them. Suppose in the NBA a certain team had a few players who were exempt to the rules of the game. So these players were free to foul with impunity while everyone else got penalized.

Rather than the referees telling them what to do, they told the referees what to do. That team would win every game it played in. The anointed basket players would be engaging in basketball by force. The success of the NBA depends on the game being fair so cheating is not allowed.

A free market economy, as far as rules are concerned, works in the same way as a basketball league. Except that in a basketball league players are not allowed to break the rules. With respect to an economy, it is possible to break the rules. Countless dollars are spent lobbying all of government, just to get permission to break the rules and it works.

The most positive attribute of a free market system is the absence of force. Before the advent of free markets, force was the main system used for rationing goods and services. Wars were fought for this reason. Even after the free market concept evolved wars continued to be fought either for economic gain or to avoid loss. Free markets actually are the only reason peace has been experienced anywhere in the world.

So what is a trade war? A trade war is economics by force and one can escalate into a shooting war almost in a heartbeat. What is a government fiscal stimulus package? It is economics by force. The fiscal package rewards those who have successfully lobbied government to gain an advantage over all others who still must abide by the riggers of a free market system. Stimulus is only a word that is used to fool general population and it does with regularity. The gap between the rich and the poor has widened constantly since the late 1970s. Why would that be? The Full Employment Act of 1978, also known as the Humphrey-Hawkins act mandated central economic planning on the part of government. Since that act was passed, there has been constant use of stimulus packages and other government interventions. The result has been a lopsided income distribution and it is still getting worse.

On an international level all countries together would be better off with zero restrictions on legal goods and services going in and out of every country. Trade restrictions such as the ones the United States is now imposing serve the purpose of creating an advantage on the world market for U.S. goods and services. Such restrictions will help a handful of U.S. corporations but will hurt every individual person

in the country. How can the United States raise tariffs without other countries retaliating? It can only keep the responses of other countries subdued. That is because the United States has such a powerful military and has demonstrated a willingness to use it. Don't think other countries are statues. They are working in frenzies to catch up to the U.S. militarily.

Any country in the world with no trade restrictions at all has a huge competitive advantage over all countries with tariffs. Why doesn't China announce zero tariffs on legal goods coming or going? China suffers from the same malady as the United States. They have protected industries also. What would happen if the United States dropped all trade restrictions? Living standards at the bottom of the food chain would begin improving immediately. Corporations which had been allowed to cheat would not do as well. Suppose the country as a whole re-adopted the free market system that has been replaced by top down socialism? The living standards of the bottom 90% would skyrocket? The need for welfare and other public assistance would almost disappear.