

CHAPTER VII

The Grounds of the Opposition

It is necessary to examine in some detail the grounds of the opposition to the policy of war thrift. The first objection and the one most frequently heard is that unless business is kept prosperous, there will be no means of financing the war; that is, no one will have the money with which to pay taxes or purchase government bonds.

To begin with, that proposition attributes a power to money which it does not possess. Money does no fighting and can not be used in beating an enemy. It is only a means by which the government hires the men and buys the goods which are effective in war. The fundamental and ultimate question is not, therefore, that of money, but of men and materials. If, by keeping business prosperous is meant keeping men and capital employed in the prewar industries, this argument would defeat its own ends, for however much money the government had, it could not get these men and materials without taking them away from some of the non-essential industries.

It is conceivable that a war might be carried on without any money whatsoever, though it would be exceedingly difficult. That is, if the government could sufficiently perfect its machinery, it could commandeer everything it needed and could conscript men for the mines, steel mills, the munition factories and so forth, and compel the whole business of supporting the nation and waging the war to proceed on the basis of a direct exchange of goods and services without the use of money. While this would be an exceedingly clumsy way to proceed, it might clarify our ideas a little if we could consider what would be involved. Instead of having a government Treasury to receive money and