

Something to Think About



OAKWORTH
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COMMON CENTS

When was the last time Syria made so many headlines? The 6-Day War? Shoot, how many Americans do you think could find Syria on a map, without peeking? Or know the name of the capital? Or even the name of the family who has run it since 1970?

Clearly, what you don't know can sometimes hurt, or even kill, you. This might be one of those times. Then, again, it might not be. So, how much should we care about Syria? How much should Joe Sickspace know? Should he know anything? Or should he just go to sleep at night knowing his country can kill people from outer space or from the comfort of a secure room using a joystick, like a video game?

It reminds me of the following scene from one of my favorite movies, "Patton":

Correspondent: General, we're told of wonder weapons the Germans were working on: Long-range rockets, push-button bombing weapons that don't need soldiers. What's your take on that?

Patton: Wonder weapons? My God, I don't see the wonder in them. Killing without heroics. Nothing is glorified, nothing is reaffirmed. No heroes, no cowards, no troops. No generals. Only those that are left alive and those that are left... dead.

I think it safe to say the US has a number of wonder weapons.

This past week, the world has been on pins & needles in anticipation, or should I say apprehension, of how the US would respond, militarily, to a purported chemical attack outside Damascus. Our State Department insists the al-Assad government conducted it. The Russians say otherwise. The UK has wiped its hands of the mess, and the French are half-heartedly in. Since Russia has veto power on the Security Council of the UN, nothing the US does will have the backing of that organization.

So, are we really prepared to escalate the turmoil in Syria? Potentially alone? For what end aim? And who, again, is the bad guy over there? The more layers you peel back, the more you want to avoid the situation entirely.

I go through all of this because there will be an economic consequence to any military intervention the US undertakes. After all, for every action there is a reaction. While this might seem incredibly cold, thus far, what has been the action to all of our reaction(s) regarding this supposed attack?

As of yesterday, the market capitalization of the Russell 3000 Index, an cap-weighted index of the largest 3000 publicly traded US companies, was approximately \$19.45 trillion. Since Monday, the principal value of this benchmark has fallen 1.4152% (through yesterday). As you might now, the situation in Syria has been the primary reason, or explanation, behind

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Every gun that is made, every warship launched, every rocket fired, signifies in the final sense a theft from those who hunger and are not fed, those who are cold and are not clothed.
Dwight D. Eisenhower

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this market swoon. That equates into \$279,207,748,050. That it is a lot of money. Now, the State Department estimates some 1,400 people died in the alleged attack, which I don't believe anyone can confirm or deny, or at least can't publically.

If you divide \$279.2 billion by 1,400, you come up with a number of \$199,434,105.75. You read that right. Again, this is a cold way of looking at the situation, but that is how much this event has cost the United States per Syrian chemical attack death already, before we lob the first missile into Damascus....killing even more people in the process. Then, how much does **that** cost per life?

Frankly, if our "reaction" to whatever it is al-Assad is supposed to have done in Damascus is military in nature, the end result will be lives lost and money ill-spent. After all, war is expensive, as Frederic Bastiat postulated in his 1850 work That Which is Seen and That Which is Unseen in the chapter "*The Disbanding of Troops*":

It is the same with a people as it is with a man. If it wishes to give itself some gratification, it naturally considers whether it is worth what it costs. To a nation, security is the greatest of advantages. If, in order to obtain it, it is necessary to have an army of a hundred thousand men, I have nothing to say against it. It is an enjoyment bought by a sacrifice. Let me not be misunderstood upon the extent of my position. A member of the assembly proposes to disband a hundred thousand men, for the sake of relieving the tax-payers of a hundred millions.

If we confine ourselves to this answer – "The hundred thousand men, and these hundred millions of money, are indispensable to the national security: it is a sacrifice; but without this sacrifice, France would be torn by factions, or invaded by some foreign power," – I have nothing to object to this argument, which may be true or false in fact, but which theoretically contains nothing which militates against economy. The error begins when the sacrifice itself is said to be an advantage because it profits somebody.

Now I am very much mistaken if, the moment the author of the proposal has taken his seat, some orator will not rise and say – "Disband a hundred thousand men! Do you know what you are saying? What will become of them? Where will they get a living? Don't you know that work is scarce everywhere? That every field is overstocked? Would you turn them out of doors to increase competition, and weigh upon the rate of wages? Just now, when it is a hard matter to live at all, it would be a pretty thing if the State must find bread for a hundred thousand individuals? Consider, besides, that the army consumes wine, clothing, arms – that it promotes the activity of manufactures in garrison towns – that it is, in short, the god-send of innumerable purveyors. Why, any one must tremble at the bare idea of doing away with this immense industrial movement."

This discourse, it is evident, concludes by voting the maintenance of a hundred thousand soldiers, for reasons drawn from the necessity of the service, and from economical considerations. It is these considerations only that I have to refute.

A hundred thousand men, costing the tax-payers a hundred millions of money, live and bring to the purveyors as much as a hundred millions can supply. This is that which is seen.

But, a hundred millions taken from the pockets of the tax-payers, cease to maintain these taxpayers and the purveyors, as far as a hundred millions reach. This is that which is not seen. Now make your calculations. Cast up, and tell me what profit there is for the masses?

Now, what of the lives lost do to military intervention? What of the world's lost capacity? What of the world's opportunity cost? What of our loss of that person's output for the remainder of their lives? What of all that? I understand we are discussing Syria, as opposed to the United States, so a lost Syrian doesn't have the same

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impact on the US economy as a lost American. In fact, you could argue killing Syrians is a good thing for the US economy, as we build munitions and train troops to do such a thing. In fact, killing people is such good business for the US, we should engage in it non-stop. So, why don't we do it? You know, come to think about it...well...um...we...um...er....uh...

Apart from the very obvious theological and ethical reasons why we don't eliminate the remainder of the planet for our short-term economic gain, we also understand killing everyone else destroys foreign markets and manufacturers. In short, we will be worse off, long-term, in so doing, never mind the going to Hell in the afterlife and all of that.

When all is said and done, death, ultimately, is bad for economic growth. So, why would you want to engage in something that will ultimately hinder economic growth, and, thereby, ultimately hinder your personal well-being....unless there is clear objective and probable outcome? Do you need the toenail on your pinky toe? Okay; why don't you rip it off? No? Well, how about if I give you, I don't know, \$10,000 to do it? How about then? Oh, you'll think about it? How about for \$199 million and change? How about then? Well...we can do it right now if you would like.

Historically, I have not been a dove. In fact, I have been something of a hawk. But years of warfare with no satisfactory results, endless deaths, and bottomless pits of money have altered my perceptions. Perhaps I have just matured. Perhaps I get it now. Perhaps I am a better person. Perhaps...

Still, a military response which will only result in more deaths, almost by definition, is economically foolish from a global perspective. It costs a ton of money to kill people, a ton. A lot of wealth is wasted, and the opportunity costs are enormous. What else could we have done with that dinero? What else could that corpse have done with their life? How many Cokes could they have had? Aspirins? Shirts? Plane tickets? Music downloads? How many children would they have had? How many scientists would have branched off from this family tree that now won't? The list goes on and on and on.

War is expensive, as Bastiat implied over 160 years ago. The opportunity costs are massive, and we, as a society, should know that better than anyone. It ain't a question of being weak. It is a question of being smart with our money...and our life. Therefore, let's make sure our reason to use military force is air-tight, iron-clad, and fool-proof before spending a single dollar to rid the world of another human being and customer.

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