

THE MYTH OF NATIONAL DEFENSE:  
ESSAYS ON THE  
THEORY AND HISTORY  
OF SECURITY PRODUCTION

EDITED BY HANS-HERMANN HOPPE



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# Is Democracy More Peaceful than Other Forms of Government?

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## DIFFERENTIAL ADVANTAGE OF GROUP ACTION

### STATE, NATION, AND NATION-STATE

There are situations ("games") of interaction where the best response to the expected best actions of others is a group response.<sup>1</sup> In exchanges where competition is less than near-perfect, the gain each makes is influenced by strategy. In bargained exchanges, individuals decide, and their action is voluntary. In "*takings*," the exchange is governed by force, intimidation, or fraud. Private takings we call "robbery," "blackmail," etc.; state takings we label "taxes," "inflation," etc. (permanent), or "war," "conquest," etc. (intermittent). Conventional wisdom assumes that group action is of superior efficiency to the action of individuals acting separately. And sometimes, group action is necessary to realize the aim. Sometimes the outcome is a mix of bargained exchange and taking.<sup>2</sup>

My thanks go to my friends Professors Antony Flew; Wolfgang Kasper, Canberra, Australia; Ralph Raico, Buffalo, N.Y.; and Dr. Josef Schüßburner, Brussels, for valuable suggestions.

<sup>1</sup>Anthony de Jasay, *Social Contract, Free Ride* (London: Oxford University Press, 1989).

<sup>2</sup>An example is the so-called labor market in Germany, which is totally cartelized. A deal is made between the representatives of two big collectives—the labor union and the association of employers; since intimidation and display of power are important factors in the negotiations, the deal has elements of a taking.

A group must be formed and maintained at a certain cost. A group excludes some and includes others. The primary form of a larger group is the *linguistic* community; the communities range from clans (extended family) to tribes and, eventually, to nations. A nation is originally a linguistic community. In the wake of the French Revolution and the ensuing *democratization of war* (with the introduction of general conscription in 1793—one of the evils bequeathed to us by the French Revolution), "*nation*" got its *political connotation*. And with it, the ideologization of war followed, which culminated in the twentieth century, when "*democracy*" became the new state religion, and the enemy was *eo ipso* declared to be "undemocratic," i.e., an unbeliever. Wars became holy missions, crusades. Think of Wilson's slogan: "To make the world safe for democracy." In the totalitarian state, whether Soviet socialist, national-socialist, or a totalitarian democracy, war becomes total.

While in some situations group action is collectively rational, it is individually rational to take the free-rider option, if available. This is explained as the "prisoners' dilemma" that characterizes all "public"-goods situations. The choice example of a "public" good is external security, or national defense. *This makes the theory of public goods of great relevance to the problem of security production.*<sup>3</sup> To suppress the free-rider option, an agent is required that possesses the necessary enforcing capacity. Hence, it is rational for the nation to transform itself into a *nation-state*—a territorial monopolist in violence employing violence specialists, who are paid by taxpayers' money for the production of internal and external security (police and military). The standard assumption is that the military is too powerful to exist without state control. Nationalism—from patriotism to chauvinism—functions as a

<sup>3</sup>On the public-good theory, see Jasay, *Social Contract, Free Ride*; for a summary, see Gerard Radnitzky, "A Cure for the Insatiable Appetite for Public Goods," *Cato Journal* 9, no. 1 (Spring/Summer 1989): 263–70.

means to overcome the dilemma of *the collectively rational being individually irrational*.

Mercenaries were paid, and hence there was no problem of motivation; and prisoners of war had a shadow price (ransom). In democratized war, both soldiers and prisoners of war lost their shadow prices, became worthless.<sup>4</sup> In wartime, conscripted soldiers have to be *motivated*. This is done with the help of nationalism and the ideologization of the war at hand. War became more cruel, and the civil population became not only involved but even the target. Thus, in World War II, Western terror bombardments of open cities of the enemy aimed at breaking the morale of the civil population by murdering as many of them as possible; in this way, soldiers could be spared—the Douhet theory, adopted by the RAF as early as 1918 and particularly favored by Churchill.<sup>5</sup> By the way, Churchill himself spoke of "terror bombing"—e.g., in his memo to Air Marshall Harris dated March 13, 1945. The twentieth century turned out to be the bloodiest and most cruel century in human history.<sup>6</sup>

Nationalism makes it a duty (a moral concept) to submit to the collective choices made by the political leaders for all members of the nation-state, a duty to submit to them for the sake

<sup>4</sup>B. Frey and H. Buhofer, "Prisoners and Property Rights," *Journal of Law and Economics* 31 (April 1988): 19–46; and B. Frey, "Property Rights in Prisoners of War," in *The New Palgrave Dictionary of Economics and the Law*, P. Newman, ed. (London: MacMillan, 1998), pp. 165–67. In antiquity the introduction of the institution of slavery was a humanitarian progress. Instead of massacres of the vanquished—think of the Old Testament—the defeated became slaves. The Latin word for slaves "servus" alludes to "servatus" (the saved, the spared one). Economic incentives produced the humanization.

<sup>5</sup>Ralph Raico, "Rethinking Churchill," in *The Costs of War*, John V. Denson, ed. 2nd ed. (New Brunswick, N.J.: Transaction Publishers, 1997), pp. 321–60.

<sup>6</sup>R.J. Rummel, *Death by Government* (New Brunswick, N.J.: Transaction Publishers, 1994).

of some putative "common good,"<sup>7</sup> and even to send people to die in war, often for the vanity of a few. Examples are Roosevelt's "almost childish vanity,"<sup>8</sup> or the vanity of persons immodestly believing themselves to be the instrument of Providence (e.g., Hitler, Stalin). In these cases, the link between benefits enjoyed and costs borne by any given individual is severed. Crimes are committed with a good conscience, since one feels to be the instrument of Providence—the mythological worldview (e.g., both Hegel and Ferguson used such a mythological theory on a theistic basis to explain certain historical developments). Collective choice inspired by nationalism gets entrapped in irrationality—not to speak of the morality of collective choice, as such, imposing the choice of some claiming to represent the collectivity on everybody, thereby establishing a coercive order. Here too it turns out that collective choice—which must be nonunanimous since otherwise it would be pointless—is always morally tinged, a sort of fall from grace. Edmund Burke said it best in 1756: *Politics*. "The thing, the thing itself is the abuse!"—*hence, resorting to politics should be avoided whenever possible.*

#### THE PROBLEM OF THE "UNIT OF AGENCY"

Action in the full sense presupposes the ability to choose. Only individuals can decide their course of action—i.e., decide in the commonsense meaning of "decide." Man is a chooser and cannot but choose. A collective entity—a group, a nation, etc.—chooses a course of action only in a metaphorical sense. This difference is the root problem that bedevils holism. In order to act, a collective entity requires a recognizable "unit of agency."<sup>9</sup> That agency needs sufficient power and legitimacy

<sup>7</sup>Jasay, *Social Contract, Free Ride*.

<sup>8</sup>W.H. Chamberlin, *America's Second Crusade* (Chicago: Regnery, 1950), p. 384.

<sup>9</sup>Anthony de Jasay, *Against Politics: On Government, Anarchy, and Order* (London: Routledge, 1998).

(for the group in question) to "represent" the collective entity. Even under inherited authority, a monarchy, and, strikingly so, in a majoritarian democracy, the "unit of agency" is problematic, since the group is nonunanimous. (That individuals cannot have identical sets of interests follows from the concept of individuality.) Thus the *problem of group identity* arises. In states as we know them, people are born into a state, and as adults they are forced to risk their lives in war. Groups are not allowed to choose some other "unit of agency" than the state in which they live and the citizenship which they have, unless they leave the territory of the state.

To illustrate the point, we can start from "exchanges." They are by definition voluntary. Exchanges, even nonsimultaneous, function most of the time, because the parties to the exchange have a reputation at stake. Failing this, there are alternative ways of enforcing compliance: from self-help and group conventions to bought help and recourse to the state as an ultimate enforcer. To the parties in an exchange, the state offers to enforce the contract in case of need. However, a rational agent will shop around for the possible providers of enforcement. Some may be more powerful, some more costly, and so on.

The same holds, *mutatis mutandis*, for the production of security. A rational agent will shop around for possible providers of security. With respect to internal security, it is generally recognized that this is so. Most often, the violence agency that supplies internal security is the state, *though it need not be the state*. For instance, a private police is often more effective and less costly; hence, it is a growth industry. This is generally acknowledged. By contrast, it is generally asserted—except in libertarian circles—that the production of *external* security can only be delivered by the state. This claim is supported by pointing out that states are the most powerful of the potential providers. That this is so, however, is a contingent fact of history. In principle, there is no decisive difference between internal and external security.

## SOME ANTHROPOLOGICAL CONSIDERATIONS ON WAR

Social life also involves conflict. The interests of individuals living in a group cannot be identical. Conflicts occur between individuals, between subgroups of the group, and between groups, often organized in nation-states. The type of conflict solution varies with the social order in which individuals, groups, etc., participate. On the level of individuals and face-to-face groups, there are in principle three types of possible tactics: (a) rational discussion leading to a compromise based on the cost-benefit analysis made by each of the parties; and if that fails, (b) persuasion—a precursor to propaganda in conflict between states; and if that fails, too, (c) one of two options—"flight or fight." This model or pattern can be easily transposed to the level of collectives. Conflict is a case of prisoners' dilemma in which, almost by definition, the cooperative strategy is not followed.

In the history of mankind, population pressure—overpopulation relative to the resources of the territory at a certain period of time—normally found two outlets: emigration and war. We speak of gang wars, tribal wars, etc. However, *the prototype of war is war between nations or groups of nations. Such a war presupposes a sufficient degree of organization and centralization.*

*Enter the state.* States are roughly defined as the last (highest) instance of power, against which there is no appeal to another instance. The state is a territorial monopolist in violence, and it declares its violence to be "legitimate." Coerciveness or its absence is not a defining characteristic. The state would be a state even if, *per impossibile*, the social contract were a tenable theory. (Jasay<sup>10</sup> demonstrates that this is not the case, that it leads to an infinite regress.) Clausewitz's dictum—"War is the continuation of politics by other means"—is generally accepted; but the converse—"Politics is the continuation of war by other means"—also holds.

<sup>10</sup>*Ibid.*, chap. 1.

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The market is based on individual choice, whereas politics (excepting extreme autocrats) is based on collective decision. "Collective decision" is short for nonunanimous decision. The expression "politics" signifies such decisions. Jasay puts forth the thesis: "All nonunanimous politics—and unanimous politics would of course be redundant, and an oxymoron—is redistributive."<sup>11</sup> Only a minor part of redistribution is explicit transfers. Subsidies and other protective measures, such as regulations and various privileges, have redistributive consequences: besides material and financial resources, positions, privileges, prestige, etc., are redistributed. That politics is redistributive is particularly clear when the democratic method of decision making is being used. The situation in media-soaked mass democracy is epitomized by Jasay's dictum:

If much of this [contractarian] reasoning is baseless, and the state is simply an enforcing mechanism to enable a winning coalition to exploit the residual losing coalition without recourse to violence, the delusions of necessity and convenience are of course an aid to the efficiency of the process.<sup>12</sup>

The course of history can be summarized thus: Politics emancipated war and democratized it. That development started in the aftermath of the French Revolution when, in 1793, general conscription was introduced. France was the forerunner. Prussia reluctantly followed in 1812, considering conscription the only viable answer to the French innovation. As mentioned earlier, conscripted soldiers had to be motivated. Nationalism anchored in ideology served that purpose.

For the politicians, the tacit motivation was imperialism. Examples are the British Empire and the Russian imperial aspirations. Later, democracy (as a value) served as a substitute for

<sup>11</sup>Ibid., pp. 3, 154.

<sup>12</sup>Ibid., pp. 2, 164.

and as a successor of imperialism. Woodrow Wilson's famous slogan legitimizing America's intervention in World War I—"To make the world safe for democracy"—illustrates the mood: democracy becomes the new, secular salvation doctrine—from President Wilson, to George W. Bush, Sr.'s "New World Order," and to Clinton's declaration of commitment to it. Present U.S. foreign policy initiatives are based on the democratic-peace doctrine. We will return to this topic in the section Democracy as State Religion and War.

In Jasay's memorable wording: "States are an imposition, sometimes useful, sometimes a millstone, always costly, never legitimate, and never a necessity for binding agreements."<sup>13</sup> So far, the problem of collective action has not been solved. Hence, we should examine alternatives: the *guiding maxim* is (if a state and politics cannot be avoided) to make the domain of politics as small as possible, and also examine alternative, self-enforcing voluntary social orders.

## DEMOCRACY

### NATURAL VERSUS ARTIFICIAL METHOD OF SOCIAL CHOICE

*What methods are available for cooperative solutions to problems of nonunanimous "social choice"?* Following Jasay,<sup>14</sup> I divide the set of possible methods into two subsets: *natural versus artificial method of social choice*.

#### *The natural method*

When using this method, the parties in the collective-decision problem assess the strength of either side and declare the question resolved in favor of the stronger-looking force.

<sup>13</sup>Ibid., p. 36.

<sup>14</sup>Anthony de Jasay, "Values and the Social Order," in *Values and the Social Order*, Gerard Radnitzky and Hardy Bouillon, eds. (Aldershot, U.K.: Avebury, 1995), vol. 1, chap. 1.

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Examples are chess, analyses of unfinished games, and above all, well-run committees reaching unanimity without voting (the debate having revealed the relative strength of the opposing positions). Military strength, economic influence, access to the media as means of mass persuasion, etc., are used to assess the relative strengths. Often, the solution is published and adorned with the claim that the debate was made to find out "what 'the Community' really wants."

The "natural" method has certain advantages: (1) It is obvious to the parties that the discounted value of cost of social choice (to find a solution that reflects the balance of forces and interests) is infinitely greater than by procedural method; hence, on balance, fewer social choices are imposed; you legislate less. (2) The "natural" method is a rigorous screen, a filter; it lets through only those social outcomes that are said to be Pareto-superior. "Pareto-superior" is the received wisdom, but, if strictly applied, it will hamper innovations, impede progress.

*The artificial method*

The "artificial" method rests on the assumption that the method can be legitimized by recourse to consent in advance to accept the outcome of a *mechanical* procedure. This method has the advantage of being very simple to handle, much like the input into a sort of sausage machine. It has also certain disadvantages, however: (1) It makes the process appear very inexpensive; hence, it implies a temptation to use the method often, to legislate more. (2) The outcome—any outcome, or the mechanical product of applying the procedural rules—is evaluated as "good," no matter how crazy it may be. Thus, instead of providing a rigorous filter, the procedural approach proceeds by a categorical value judgment declaring any outcome of the method as "good," because it was reached by the "right" method.

In spite of its great popularity, constitutionalism is untenable. Constitutional rules, the rules for rule making, cannot be above collective decision. Agreeing to procedures irrespective of the outcomes that might emerge from them is unreasonable

(Norman Barry). It misses the point: that *it is substantive rules* that make a liberal constitution ("liberal" in the classical sense), something that James Buchanan also concedes. Agreement to a mechanical procedure, a constitution, is like a "contract" with oneself, i.e., not enforceable.<sup>15</sup> The constitution is like a chastity belt of which the lady herself has the key (Jasay). It is but a vow: "society" vows to respect it, but most respect it only so long as they believe that it is respected by most. *How could one think that the rules constraining politics are somehow above politics?* As the mentality of "society" changes, the social forces associated with that mentality change and, with them, the constitution. (The U.S. Constitution is a striking example; the Supreme Court has changed it beyond recognition.)

The paradigmatic example of the artificial method is the *democratic* method of collective decision making. General elections allegedly serve as the best procedure to identify the "general will"—what the principal, "the people" or "society," wants. The government is the agent of the principal. As with any procedural method, the democratic method founders on the general impossibility of solving substantive problems by means of procedural method. Hence, so far as logical analysis is concerned, the theme can be closed; but let us look how it is dealt with in real life, exposing the tricks used.

How is the input—how are votes—made commensurable? By abstracting from all the naturally occurring elements of a decision problem bar two: the alternative put up for question, and the numbers of votes cast for each. You abstract from who cast them, the intensity of preference or the weight of concern, differential in contribution or in risk taking, relevant knowledge, etc. *Vote aggregation* is legitimized by the argument that votes and voters are homogeneous. How can they be made homogeneous? *By going up to a more general level of classification* when describing them: plums and walnuts become commensurable units of counting if considered as fruits; morons

<sup>15</sup>Jasay, *Against Politics*, p. 134.

and intelligent people are equal in the relevant sense, if considered as members of the same *biological* species.

Once the principle of simply adding votes has been agreed upon, majority rule alone is possible. Because of the dynamics of the democratic process, any collective-decision rule requiring some qualified majority is vulnerable to erosion. (By maximizing the losing minority, the winning majority can maximize its redistributive gains.) The marginal blocking voter can always be overcompensated from the loss to be imposed on the extra-marginal ones. The poorer 50-percent-plus-one voter whose exploitation of the richer half appears to be an equilibrium. Rational players operating under the incentives of a democratic constitution will maximize payoffs in two ways: (1) redistributive *direct* payoffs, when shaping legislation in the political process (within the metarules); and (2) redistributive *indirect* payoffs that become available by changing the master rules (constitution). They learn to choose a constitution that maximizes the scope for redistributive legislation. The inherent dynamics of democracy (presupposing unqualified franchise and rational players) lead to *unrestricted domain and bare-majority rule*. That means it leads to unlimited democracy; it imposes dominated choices (coercion). Democratic metarules are no guarantee against totalitarianism (*pace* Jim Buchanan). No constitution can provide such a guarantee.

*Disadvantages:* (1) The method can only express ordinally ranked preferences. It cannot express cardinal preferences; it suppresses them. (2) The arithmetic operation of *vote aggregation is meaningless* (in the same way as interpersonal utility-aggregation). As a method of finding out what the holistic actor, "the society," wants, it is meaningless; it is meaningful only as a method of head counting.<sup>16</sup> Vote aggregating is misleading. Under the pretense that the result is only the "sum of its parts,"

<sup>16</sup>Arithmetic's applicability to physical objects is relative to the domain—for instance, addition as putting together functions with respect to a set of walnuts, but not to a set of mercury drops.

it smuggles in a holistic value: "society's choice." There cannot be such a thing because of the underlying conflicting interests of the various group members (different individuals cannot have identical interests). If you abstract from the real individuals, the fictitious entity of "the society's" choice remains like the smile of the Cheshire cat—it has no ontological status, is not even a conceptual entity, since it is an inconsistent construction.

Democratic-choice rule is immunized against criticism by introducing a persuasive definition. "Democratic" is now used in a *second sense*, viz., mainly evaluatively—to lift the outcome (any outcome) on the *moral* high ground, by moralizing. It is declared to be good since it expresses "the will of the people." Apart from the fact that this is ontological nonsense, it commits the so-called "naturalistic fallacy"—of the "ethics of consensus." Often a spurious relationship between prosperity and democracy is invoked. This claim may function like a cargo cult: Journalists often suggested that, if only "democracy" would be introduced in one of the ex-communist East-bloc states, shops would suddenly be well stocked with various merchandise.

This can illustrate the claim made by Jasay,<sup>17</sup> namely that socio-political evolution appears to have come full circle. Holistic values—i.e., values attributed to a holistic actor ("the people"), such as "social justice,"<sup>18</sup> "equality of outcome," etc.—are appealed to in order to erode and override the very property rights that a social order is intended to protect. We have indeed come full circle—from the protective state (the *Privatrechtsstaat*) to the redistributive-productive state. Hence, the phenomenon of "Our Enemy the State."<sup>19</sup>

*What are the arguments in favor of unqualified franchise?* Suppression of relevant characteristics of voters is claimed to

<sup>17</sup>Jasay, "Values and the Social Order."

<sup>18</sup>See the classic Antony Flew, *Equality in Liberty and Justice* (London: Routledge, 1989).

<sup>19</sup>Albert J. Nock, *Our Enemy, The State* (San Francisco: Fox and Wilkes, [1935] 1992).

be a virtue, in the name of a peculiar moral principle of equality—i.e., one possible version of it, based on membership in the same biological species. One can formulate *more plausibly other equality axioms* that would require giving some people more votes than others, depending on the person and on the question to be decided, or both. Unqualified franchise is nothing more than a sacred cow—one of the myths of our age (see *The Political Use of the Democratic Peace Thesis*, below). Presumably, the myth originated in the military context: since every citizen has to risk his life, everybody should have the same vote. The mendicant order provided a model system.

#### PRACTICAL EVALUATION OF THE DEMOCRATIC METHOD

*The democratic method tempts you to expand collective choice*, because it appears to be so simple to use and almost costless (a facile mechanical process). *It invites you to sin—galloping interventionism*. The consequences: Because of the redistributive bias of democratic constitutional rule, it transforms the state into a vast redistributive machinery and the society into the "churning society"—interventionism, welfarism, collectivism—with consequences that go far beyond anything known under predemocratic social choice.<sup>20</sup> That the direction is egalitarian, however, does not entail that the end result will be so.

*Democracy is not a satisfactory normative political theory*. From the viewpoint of the free society (as regulative principle), the *same holds for any procedural method*. Nonunanimous social choice is morally tainted *per se*, since it imposes dominated choices on some part of the community. The democratic method proposed as a solution to the problem of social choice hides the problem. There cannot be a procedural solution, since

<sup>20</sup>For instance, Sweden's high-tax society; in Germany since 1993 the average taxpayer has to work until about July for the state, i.e., only after that date may he dispose of his income individually.

the problem is not procedural. *The problem of social choice is substantive.* Which choices, if any, may legitimately be imposed on a dissenting part of the community? *The practical problem* is how to avoid making recourse to social choice too easily attainable—*how to forestall the tendency to turn economic or legal problems into political problems.*

In summary, there are no neutral metarules: Every rule (whatever its level) favors identifiable interests. The majority rule, for instance, leads to a redistributive order. If it is taken as sufficient condition for social choice, it transforms politics into a *three-person "distribution game."* A majority of two can, by agreeing, dispossess the third. A pure (ideal-typical) majoritarian democracy will end up taking all of everyone's income under one set of distributive measures and returning the same income to everyone under a different set of measures, whether in money or in kind (*de facto* public goods). The end state will be roughly the same as in ideal-typical fundamentalist socialism—as Ludwig von Mises predicted in the '20s.

While the above-mentioned three-person "distribution game" is unstable, going round in circles (a circular shift in the role of the dispossessed), the "*golden egg*" version can be stable for decades. Sweden is again a good example. The geese laying the golden eggs have been the multinational companies—and the finance minister, Gunnar Sträng, often declared to the social-democratic comrades who wanted more of socialism that the "golden-egg goose" had to be treated with caution, that it must not be starved to death or forced to emigrate. The general idea remains, however, that some part of society uses the procedural social-choice rule to gain income, wealth, or opportunities at the expense of another part. A popular label for this system is "social market." The private market should produce the national income; then the state redistributes it according to its ideology. Ludwig von Mises called it the latest version of interventionism.<sup>21</sup> It jibes perfectly with social-democratic values. At

<sup>21</sup>Ludwig von Mises, *Human Action: A Treatise on Economics*, 3rd rev. ed. (Chicago: Henry Regnery, 1966), p. 723.

best, the social-market version of democracy slows down society's motion toward the aforesaid stage of a pure "churning society," and nothing more.

The development toward a pure "churning society" can also be slowed down from "below." If the winning coalition abuses the potential offered by the majority rule too much, the taxpayers no longer feel bound by decisions that owe their legitimacy merely to the fact that they were reached in a procedurally correct manner. Their reaction will be fight, flight, or fraud. They will transfer their capital abroad, move their production to other countries, emigrate, or, if remaining in the country, either go into the unofficial economy, the parallel economy, or simply work less.<sup>22</sup> *Tax revolt, emigration, etc., demonstrate the ultimate contestability of procedurally correct decisions that defy the underlying power relations.* This phenomenon can be interpreted as a surfacing of what Jasay labeled "the natural method" of collective choice. Existing power relations make themselves felt, even if officially the majority-rule democracy reigns supreme. It shows that there are limits to "popular sovereignty."

Meltzer and Richard<sup>23</sup> and others have claimed that there is an *endogenous barrier to redistribution*—given rational agents. The winning coalition—a *holistic* actor—finds that restraint is in its interest: the slice of the large pie (its share of a large national income) is larger than the larger slice of the smaller pie (its larger slice of a national income that has been reduced due to increased redistribution). However—as Jasay has pointed out—this cannot be translated into the behavior of the *individual*

<sup>22</sup>Again, Sweden is the choice example. At the end of the 1960s and beginning of the '70s, it experienced an enormous outflow of capital and human capital, emigration of firms and professionals, a substantial growth of the unofficial economy, and a record of absenteeism (forcing enterprises to overstaff by 10 to 25 percent).

<sup>23</sup>Allan Meltzer and Scott Richard, "A Rational Theory of the Size of Government," *Journal of Political Economy* 89, no. 5 (1981): 914–27.

voter: he would have to correctly balance, at the point of marginal equivalence, his expected redistributive gain against his *personal* share in the loss of national income due to redistribution. It is so implausible that the voter can do this that the claim has to be rejected. It is based on a sort of "fallacy of composition."

Instead of hoping for an endogenous barrier to redistribution, it is plausible to predict that we will in the future witness a sort of *historical wave pattern* similar to that which we have seen in recent years. Creeping socialism (e.g., under the heading of "social market") leads to ever more-complex, ever less-transparent redistribution. At some point in time, a large mass of voters will blame the redistribution for the palpable deterioration of the economy, of material wealth, and of the moral underpinnings of the market order. There are recent examples: England in 1979, the U.S. in 1980, and even Sweden in 1991. Then attempts follow to roll back the welfare habit and to reduce the share of public expenditures and taxes. After a while, creeping socialism again gathers momentum. It is a plausible conjecture *that this historical wave pattern will continue to show so long as we practice the democratic social choice rule based on unqualified franchise*. And there certainly are no signs that a remolding of the manner of franchise might become "politically possible." It certainly could not be overcome with the help of the democratic method. The political parties will hinder a structural change that diminishes their income.

*The dilemma of the democracy-induced "Churning Society"*

Sweden is probably the best illustration of the predicament of the advanced churning society: bare-majority rule (and unqualified franchise) in combination with an absolute majority of the franchised voters deriving their livelihood from public funds. Thirty-six percent of adults are productively employed (7 percent self-employed and 29 percent privately employed); 27 percent are employed in the public sector, in the tax-financed welfare complex of state education, health, social services, public transport, etc.; 34 percent are clients of the state (students, pensioners, the unemployed, etc.); and 3

percent are clients of the civil society, i.e., they cover most of their outlays with the help of husband or wife or other relatives (once a large group, they get fewer and fewer). That means that only just over two-fifths of the adult population over 17 and under 65 is gainfully employed.<sup>24</sup> Never have so many had so few to thank for so much. *A change of the system would presuppose a change of lifestyles*—and also the slaying of a few of the sacred cows, among them the principle of unqualified franchise.

## COMPARING DEMOCRACY AND MONARCHY

It may be instructive to have a look at these typical institutional frameworks before attending to our title question. In a seminal paper, Hans-Hermann Hoppe<sup>25</sup> made a comparison between democracy and monarchy.<sup>26</sup> I prefer to interpret the descriptive concepts Hoppe uses as *ideal-typical* concepts. Interpreted in this way, his theoretical analysis of the incentives structures of each is highly illuminating. Whether the concepts can also be interpreted as statistical concepts is a question that must be put to the historians. To interpret them as classificatory concepts invites criticism from the historians, who easily can find some counterexamples. Let us have a look at democracy in some typical scenarios.

<sup>24</sup>Hans L. Zetterberg, *Before and Beyond the Welfare State* (Stockholm: City University Press, 1995), pp. 53 ff.

<sup>25</sup>Hans-Hermann Hoppe, "The Political Economy of Monarchy and Democracy and the Idea of a Natural Order," in *Values and the Social Order*, Gerard Radnitzky and Hardy Bouillon, eds. (Aldershot, U.K.: Ashgate/Avebury, 1997), pp. 351–76.

<sup>26</sup>See also Gordon Tullock, "Autocracy," in *Economic Imperialism*, Gerard Radnitzky and Peter Bernholz, eds. (New York: Paragon House, 1987), pp. 365–81.

AS A PROTECTOR

*The Korean War*

The Korean War<sup>27</sup> provides an example. First, a solemn guarantee by the president and Congress that, in case of an act of aggression by North Korea, the U.S. would immediately respond with nuclear weapons. When the blatant aggression occurred, the U.S. did nothing (only later did it send ground forces). Gordon Tullock convincingly argues that the U.S. threat was not taken seriously by the North Koreans. Only when Eisenhower made the threat of nuclear retaliation credible was a peace treaty signed. Had a credible threat been expressed earlier, it would have saved the lives of a couple of million South Koreans.

*Vietnam*

America got involved by unnecessarily acting as a guarantor of the peace treaty concluded between the French and Vietnam. The U.S. then sent advisers, followed by arms, and eventually soldiers. In January 1973, President Nixon gave the president of South Vietnam, Nguyen Van Thieu, the assurance that the U.S. would immediately come to his assistance if and when North Vietnam violated the treaty.<sup>28</sup> Congress refused to honor the guarantee.<sup>29</sup> After the U.S. Congress, in an act of

<sup>27</sup>Gordon Tullock, "The Economics of Conflict," in *Universal Economics*, Gerard Radnitzky and Peter Bernholz, eds. (New York: Paragon House, 1992), pp. 301–13.

<sup>28</sup>That letter is to be found in Nguyen Tien Hung and Jerrold Schecter, *The Palace File* (New York: Harper and Row, 1988), pp. 113–15.

<sup>29</sup>Leslie Gelb, *The Irony of Vietnam* (Washington, D.C.: Brookings Institute, 1979); H.R. McMaster, *Dereliction of Duty: Lyndon B. Johnson, Robert McNamara, the Joint Chiefs of Staff, and the Lies that Led to Vietnam* (New York: Harper Collins, 1977); F. Charles Parker, *Vietnam: A Strategy for a Stalemate* (New York: Paragon House, 1989).

shocking dishonor, simply cut off aid to the Republic of Vietnam, South Vietnam collapsed. The "irony" was that it was declared a victory for democracy: In order to win the elections, the political parties were prepared to do anything, including stage a treacherous "peace."

#### AS AN ALLY

During the Vietnam War, the American military fought only under crippling restrictions. The mass media and the political parties requested that the war be conducted "democratically." It was indeed conducted in a ridiculous way: no sea blockade, no destruction of enemy supply lines, and so on. The U.S. had forgotten the lesson from World War II—namely, that the terror bombardment of large cities was militarily worthless, a waste of resources, whereas the destruction of railroads in 1943 crippled the German logistics and proved decisive. The leftist media succeeded in provoking a veritable anti-Vietnam hysteria. In addition, Robert McNamara's memoirs<sup>30</sup> confirm the view that his mismanagement of the Vietnam War played a crucial role in the U.S. "defeat."<sup>31</sup> Senator Wayne Morse significantly labeled the Vietnam debacle "McNamara's war"—the cost wrongly calculated and the military actions sabotaged.

#### IN PEACE TREATIES

The U.S. decided both world wars. Wilson's gravest error, even crime, was that he destroyed the European monarchies. World War I destroyed the "natural enemies" of Russia: the German monarchy and the Habsburg monarchy. Wilson's inconsistent conjunction of "democracy" and self-determination proved destructive. After that, it was no longer possible to conclude a peace treaty in the way it had been earlier. First, the

<sup>30</sup>Deborah Shapley, *Promise and Power: The Life and Times of Robert McNamara* (Boston: Little, Brown, 1993).

<sup>31</sup>Incidentally, McNamara is a good example of how misleading game theory and statistical analysis can be, if conclusions are arrived at without taking the political environment into consideration.

monarchies were often related to each other by family relationships and by their common interest in retaining that form of government. Second, but even more important, a monarchy is more likely to respect agreements. Why? Any political party that has come into government position after a lost war will be weak. The opposition can use the unpopular peace treaty as a powerful weapon against the government. (Versailles was one of the necessary conditions for the rise of Hitler.) Moreover, the opposition can break the treaty without scruples, since it has not signed it. The situation of a dynasty is drastically different. By breaking the treaty, it would lose face, disavow itself. Remember that, according to Montesquieu "honor is the key principle of a monarchy."

PARAMETERS OF A SOCIAL ORDER THAT  
GOVERN ITS PROPENSITY FOR BEING  
PEACEFUL OR BELLIGERENT

A. *The more individualistic (and market-oriented) a social order is, the less prone it will be to be belligerent.* Conversely, the more collectivist the mood in a society, the greater its propensity for bellicosity.

B. *Every social order has some (one or more) totalitarian aspects.*<sup>32</sup> The more decisive such aspects are for the general mindset of the social order in question, the more belligerent that order will be. A maximum will be reached in societies that have supreme values, that have absolutized their central values.<sup>33</sup> The mindset of such a society is dominated by doctrines declared sacrosanct; consistently, official deniers of the central

<sup>32</sup>Gerard Radnitzky, Introduction to *Values and the Social Order*, vol. 3: *Voluntary Versus Coercive Orders* (Aldershot, U.K.: Avebury, 1997).

<sup>33</sup>Peter Bernholz, "Supreme Values, Tolerance, and the Constitution of Liberty," in *Values and the Social Order*, Gerard Radnitzky and Hardy Bouillon, eds. (Aldershot, U.K.: Avebury, 1995), vol. 1, pp. 235–50.

doctrines declared "state truths" are persecuted as heretics.<sup>34</sup> Examples are societies governed either by religion (the Crusades of the Middle Ages, the various "Holy Wars") or by the successors of transcendental religion, the secularized religions (Raymond Aron's *religions séculières*). The choice example is, of course, the wars in the wake of the French Revolution. When conscription was introduced in 1793, the soldiers had to be motivated. This was achieved by invoking nationalism, chauvinism—by teaching soldiers and population to hate the enemy, which was demonized by atrocity propaganda characterizing them as "nonhuman."<sup>35</sup>

In the West, "democracy" (vague and undefined; roughly, "one man, one vote") has become the state religion. Dewey recognized this development as early as 1920 ("If you commit to democracy, it takes on religious value"). Democracy goes with redistribution. Remember Anthony de Jasay's memorable words: "The state is simply an enforcing mechanism to enable a winning coalition to exploit the residual losing coalition without recourse to violence."<sup>36</sup> Democracy and socialism (egalitarianism) are two sides of the same coin. *Thus, "social-democratism" has become the new state religion in the West.* One consequence of this development is the great popularity of the thesis that democracy is more peaceful than other forms of

<sup>34</sup>The Federal Republic of Germany (FRG)—a model democracy—may serve as an example—chilling or amusing, as you please. Thus, "the *New York Times* of 27 March 1998 expressed shock at the destruction of German liberty. More German intellectuals are now incarcerated by the German state than under East German communist rule in the 1980s," quoted in Paul Gottfried "Under Western Eyes," *Chronicles* (August 1999): 29. The gap between constitution and reality has become wide. An independent German source provides documentation on cases: the German quarterly journal *Das Freie Forum* of the Gesellschaft für freie Publizistik (Society for Free Journalism).

<sup>35</sup>The choice example from modern history is the pronouncements of Soviet propagandist Ilya Ehrenburg.

<sup>36</sup>Jasay, *Against Politics*, p. 2.

government. I will examine that thesis later in the section "The Thesis: Democracy Is More Peaceful Than Other Forms of Government." For the moment, let's just note that totalitarian democracy (Jacob Talmon)—a special case of a totalitarian social order—will be highly belligerent. Only after Pericles had the unreserved support of the Athenian People's Assembly, which possessed absolute power, did he become a warmonger.

C. *Owners of larger property will recognize that, in case of war, much is at stake for them, and hence they will rationally be risk-averse. Mutatis mutandis, the same holds for the top military men.*<sup>37</sup> Hence, the more influential these forces are in a social order, the more peaceful that order will be.

D. *The more visible the costs of war are in financial terms—and, above all, the more promptly they are felt by influential forces (in a democracy, especially the vote-providing interest groups)—the greater will be the pressure on the government to withdraw from the war.* A good recent example is the harmless prime minister of Australia, John Howard, who embarked on the war game in East Timor—which met with the clamoring of various interest groups like the churches, the Greens, and the foreign-aid lobby—and reacted by imposing a "Timor tax levy." As soon as the public became aware of the costs of the intervention, they immediately became peace-loving, and Australia could quickly hand over the costly business to the U.N. In summary, cash payments for the financial costs of war are peace-promoting; war loans (temporal and even intergenerational redistribution) facilitate bellicose behavior of politicians; and the transparency of politics is peace-promoting (see "Describing Social Orders" below, the historian Joll's analysis of British politics).

Since parameters A through D apply to all social orders, they set the background for an examination of the thesis: "Democracy is more peaceful than other forms of government."

<sup>37</sup>There are exceptions. For instance, before the outbreak of World War II, a top-ranking Polish military delegation visited the French general staff and shocked it by declaring that in case of war, the Polish army would be in Berlin in three weeks.

THE THESIS: "DEMOCRACY IS MORE PEACEFUL  
THAN OTHER FORMS OF GOVERNMENT"

ON THE FORMULATION OF THE DEMOCRATIC  
PEACE DOCTRINE

If the thesis "Democracy is more peaceful than other forms of government" is universally quantified ("All democracies . . ."), it is falsified by a single counterexample. If it is formulated as a tendency statement, testing it requires statistical investigations. And if taken as asserting that democracies do not often initiate wars against others, it is immediately falsified, since this has happened innumerable times. Therefore, its scope is restricted, while its specificity is increased: "Democracies do not make war against other democracies." That thesis has become the received wisdom and has been influential in guiding U.S. policymakers as well as scholars of international relations.

Therefore, as we would expect, the first gambit in a conflict will be that each side of a conflict will declare that its opponent ("partner in a potential conflict") is not "really" a democracy and will use the popular-populist definition (explication of the concept): "one-man-one-vote" rule, and elections at regular intervals. Hence, the first bone of contention will be the definition of the concept of democracy.<sup>38</sup> For a bellicose democratic

<sup>38</sup>It is instructive to see how top politicians in model democracies use the concept of democracy. A good example is the long-term minister of foreign affairs in postwar Sweden, the Jura-professor Östen Undén. He insisted that the Soviet Union was a "rule-of-law state" and that the "Swedish model" should demonstrate to "countries under the 'dictatorship of the proletariat' that the transformation of the economic structure of society aimed at in these countries (i.e., total state control of the economy) could take place while keeping a *genuine political democracy*." (Jacob Sundberg, *High-Tax Imperialism*, 2nd ed., Position Paper no. 51 [Stockholm: Institute for Public and International Law, 2000], p. 368.)

president, this gambit is naturally the opening move. The concept of democracy becomes a jellyfish; you define it in such a way that the other party to the conflict automatically becomes a "nondemocracy." In this way, the statement "Democracies do not make war with each other" becomes a truism, an analytic sentence without content of empirical information.

In his latest book, John Rawls, the justice expert, introduces a classification of states into "decent" ones and "outlaw states."<sup>39</sup> The criterion of evaluation is whether or not a state has "just" political institutions. The idea underlying Rawls's "vision" of a world of "decent"—i.e., democratic—states (or, more accurately, social-democratic states) is the Kantian *foedus pacificum*. It is a world in which Kant's vision of his 1795 essay "Toward Perpetual Peace" has been realized: the ideal of a universal community of all peoples—or, better still, of the "family of nations," where all wars are, by definition, family quarrels licensed by the U.N. in the same way in which the medieval pope licensed wars. The idea of a social contract (which with logical necessity leads to an infinite regress)<sup>40</sup> is extended to the "Community of Peoples," and the terms under which "decent" societies may wage war against an "outlaw society" are explored. Economic institutions are not even mentioned; from Rawls's moral high ground, they become negligible. As in Rawls's 1972 *The Theory of Justice*,<sup>41</sup> the whole argument is based on circular reasoning. Rawls uses again the fiction of the "veil of ignorance," whereby his zombies (who do not know their temperament and nonetheless play minimax strategy) are invested with exactly those properties that are needed to reach the outcome desired by Rawls.<sup>42</sup>

<sup>39</sup>John Rawls, "The Idea of Public Reason Revisited," in idem, *The Law of Peoples* (Cambridge, Mass.: Harvard University Press, 1999).

<sup>40</sup>Jasay, *Against Politics*, chap. 1.

<sup>41</sup>John Rawls, *The Theory of Justice* (Cambridge, Mass.: Harvard University Press, 1972).

<sup>42</sup>Antony Flew, "Who Are the Equals?" *Philosophia* (Israel) 9, no. 2 (1980): 131–54; Gerard Radnitzky, "John Rawls' 'Theorie der

The idea that a world government would be an ideal situation has appealed to philosophers. In reality, such a situation would be a nightmare. If violence were an industry that operated under increasing returns to scale, there would indeed be a tendency toward one World State. Fortunately, the tendency is exactly the opposite: the number of states waxes and wanes unpredictably, with some large states breaking up, and some small ones trying to unite.<sup>43</sup>

When we see that Rawls—"the most important political philosopher of the twentieth century" (Thomas Nagel in *New Republic*)—is totally confused philosophically, we are not astounded when top politicians advance confused and paradoxical arguments. For example, Chancellor Kohl of the Federated Republic of Germany argued that the European Union with a single currency is indispensable as a precaution against future wars between European democracies, while at the same time he endorsed the thesis that democracies do not wage war against other democracies. Chancellor Kohl's inane argument is already falsified by the American Civil War (more correctly: "War of Secession"), a war between states with a single currency. (Kohl also announced the end of the nation-state, ignoring the fact that the U.N. started with about 50 members 50 years ago and had about 100 when Kohl made his announcement.)

Philosophers often ascribe the thesis "Democracies do not make war against other democracies" to Kant. This is a misinterpretation of Kant. (1) When, in 1795, Kant conjectured that democracies will tend to be more reluctant than dictatorships to fight anyone at all, he cautiously declared that this applied only to democracies that were also republics. For Kant, "republic" meant the separation of powers. (2) The U.S. Constitution

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Gerechtigkeit': Egalitarismus im Philosophischen Gewand," in *Die Enkel des Perikles: Liberale Positionen zu Sozialstaat und Gesellschaft*, R. Baader, ed. (Gräfelfing: Resch, 1995), pp. 33–49.

<sup>43</sup>Jasay, *Against Politics*, p. 211, n. 11.

of 1787, Article IV, Section 4, "guarantees to every state in this Union a Republican Form of Government." The word "democracy" is mentioned only *en passant* in the Constitution. At the time, however, the concept of "republic" was used in such a way that, e.g., the Polish monarchy was always described as a "republic." (3) In the interpretation that is popular today, Kant's hypothesis is easily falsified; for instance, Britain conducted two world wars (and innumerable others) without changing its constitution. (4) Most important of all, Kant's conjecture as it is interpreted today is not only falsified by history, but is also conceptually mistaken: *democracy as a form of government legitimizes a concentration of power, something which, per se, facilitates warmongering.*<sup>44</sup>

The idea of an intrinsic link between democraticness and peacefulness appeared relatively late in history. Thucydides ascribed the worst atrocities in the Peloponnesian War to the cruelty of the democratic masses of Athens. The French Revolution's cult of the ancient world admired, not peaceful democracies or republics, but bellicose states, and it spoke of "just" wars of aggression. Linking peacefulness with democracy or republic is an idea that originated in the classical liberal–economistic insight that an increase in trade between states reduces the probability that those states will begin a war with each other. Thus, *peacefulness is indeed a characteristic of free, individualistic, market-oriented political structures, where*

<sup>44</sup>An example of the concentration of powers is the model democracy Sweden (with a symbolic king). It is governed by an almighty parliament; the *maître à penser* of Swedish social democracy (the philosopher of law Hägerström, the Jura-professor Östen Undén, and others—the so-called School of Swedish Realism) declares that the citizens should possess exactly that property which the parliamentary majority of the day thinks they should possess, since "property" is but a "functional concept." (Cf. Sundberg, *High-Tax Imperialism*; Jacob Sundberg, "Human Rights in Sweden," *Ohio State Law Journal* 47 [1987]: 951–83; and idem, "International Aspects," *Scandinavian Studies in Law* 39 [2000].)

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individuals and small groups have full responsibility for their actions and can reap the benefits of competing and performing without state interference—a situation with a very “minimal” government or, still better, without a state.<sup>45</sup>

REMARK ON MOTIVATION OF DECISION MAKERS  
IN GENERAL

Going to war is easy for a dictator, since he controls the media and commands the armed forces. By contrast, a president has to follow the rules of the game of a parliamentary democracy. For a dictator, the “good reasons” for bellicose behavior depend on historical coincidences. This applies also to politicians operating in a democratic system. The role of chance in history is well known; the personality of the ruler(s)—a decisive chance element—plays an important role. Possible “good reasons” for bellicose behavior range from the acquisition of new resources to personal “aggrandizement.” A monarch’s interest is often to preserve the estate of the dynasty,<sup>46</sup> which makes for peaceful behavior; wars not necessary for the preservation of the *status quo* will be avoided. For a president in media-soaked mass democracy, the incentive for belligerent behavior is more or less permanent.

First, it brings *an increase of power*. In wartime, this can easily be achieved by the centralization and control of the economy and of all the substructure of society. Hence, in modern times, a war between nation-states of the first order automatically becomes a total war.

Second, a vote-catching politician (used to working with redistributive measures, such as handouts to important pressure groups, protectionist regulations, etc.) *may be tempted to make use of the phenomenon of war-sprung socialism* (Robert

<sup>45</sup>Jasay, *Against Politics*, chap. 9.

<sup>46</sup>Hans-Hermann Hoppe, “Time Preference, Government, and the Process of De-civilization—From Monarchy to Democracy,” *Journal des Economistes et des Etudes Humaines* 5, nos. 2/3 (1994): 319–52.

Nisbet). In connection with the intervention in World War I, this can be very clearly seen. As America prepared to enter the war, the magazine *New Republic* looked forward to imminent collectivization and urged that the war be used as "an aggressive tool of democracy."<sup>47, 48</sup>

*From such theoretical consideration it appears plausible that, statistically, democratic presidents will tend more often to behave belligerently than dictators.* Socialist leanings may tempt a democratic president to be bellicose. Robert Nisbet writes: "To this day, the American welfare state is intrinsically no more than the New Deal enlarged."<sup>49</sup> FDR's lasting legacy: the escalating *warfare-welfare-national-security state*.

## DESCRIBING SOCIAL ORDERS

Social orders and states can be described in innumerable ways, since you can always invent a new descriptive system.<sup>50</sup> The thesis under scrutiny uses a peculiar taxonomy with only

<sup>47</sup>Murray N. Rothbard, "World War I as Fulfillment: Power and the Intellectuals," *Journal of Libertarian Studies* 9, no. 1 (1984): 81–125; reprinted in Denson, ed., *Costs of War*, p. 273.

<sup>48</sup>Walter Lippman, on the way to becoming America's foremost journalistic pundit, proclaimed his conviction that America would attain socialism through war. FDR's Brain Trust shared that hope. Thus, in 1927 (in *The Nation*), Rexford G. Tugwell, looking back on "America's wartime socialism," lamented that, "if only the war had lasted longer, that great 'experiment' could have been completed," and he mourned that "Only the Armistice prevented a great experiment in control of production, control of prices, and control of consumption" (quoted in Rothbard, "World War I as Fulfillment," p. 276). The same Tugwell also saw Roosevelt as the likely completer of this process.

<sup>49</sup>Robert Nisbet, *Roosevelt and Stalin: The Failed Courtship* (Washington, D.C.: Regnery Gateway, 1988) p. 109.

<sup>50</sup>Gerard Radnitzky, "Sorting Social Systems—Voluntary vs. Coercive Orders," in *Values and the Social Order*, Gerard Radnitzky and Hardy Bouillon, eds. (Aldershot, U.K.: Ashgate/Avebury, 1997), pp. 17–75, esp. p. 24.

two classes: "democracy" and a huge *residual class*, "other forms of government." As rational agents, politicians react to the incentives of the system in which they have to operate. Therefore, in a democracy, a change of personnel will usually only alter the surface. What matters is the institutional setup. Thus our question should be formulated: "What institutional arrangements in a democracy might induce political decision makers to behave—independently of their personality—more peacefully than they would behave in other forms of institutional arrangements?" If we assume that there are such institutional arrangements, we will ask what they are and how they work. If a convincing theoretical argument were shown that demonstrated that such institutional arrangements exist and that they do work, historical studies would be dispensable. So far, however, no such argument has been forthcoming.

What we learn from a study of the institutional arrangements of a democratic system is that, in such a system, the politicians have to follow the rules of the game, the rules that follow from its institutions. *Democratic leaders require tricks and deception to bring their countries into war.*

*Why do democratic leaders deceive the people into war?*

The work of the well-respected British historian James Joll on the origins of the First World War illuminates that need.<sup>51</sup> Joll explains that the British system of government "forces ministers to be devious and disingenuous." Thus, if a leading democratic politician "is himself convinced that circumstances demand entry into a war, he often has to conceal what he is doing from those who have elected him." Joll analyzes the case of former British Prime Minister Earl Grey.

Grey had never had any doubts in his own mind that, if it came to a conflict between France and Germany, Britain would have to support France. His reasons were based not on internal political

<sup>51</sup>I am indebted to American historian Ralph Raico for drawing my attention to James Joll.

pressures but on conventional thinking about foreign policy and Britain's place as a world power.

If we look for the responsibility for the First World War in the political and constitutional arrangement of the belligerent states, when the structure of the British government can be held responsible for Grey's reluctance openly to commit Britain to support France and Russia before he was absolutely convinced he could carry his party with him.<sup>52</sup>

In 1914, the German violation of Belgian neutrality gave the British government the moral ground it needed for calling on its Liberal followers to support the war. Joll also asserts that many of the supporters of the Liberal members of the government "would not stand for it if they knew the whole truth." (Kant's naïveté assuming that the people in a democracy are informed about what is going on may be excusable in 1795.) Besides Grey, Joll mentions as examples of democratic leaders who systematically deceived those who had elected them—and of course, the national leaders—Asquith, Franklin D. Roosevelt in 1939–41, and Lyndon Baines Johnson in the Vietnam War.

FDR outdid his paragons in the "first shot" gambit. His objective was war with Germany. By the end of 1940, it was clear to him that the Germans were not going to shoot first, but he knew that he could maneuver the Japanese into the position of firing the first shot. The Navy at Pearl Harbor was FDR's bait. If thereby, a few thousand American soldiers were sacrificed, the media echo would be great. Japan's attack had to be a big success; Japan must appear to be stronger than the U.S., otherwise, Hitler would not declare war. The Japanese diplomatic code and the Marine code (JN-25) having been decoded, the U.S. and Britain monitored the Japanese attack fleet all the way to Pearl Harbor.

<sup>52</sup>James Joll, *The Origins of the First World War*, 2nd ed. (London: Longman, 1992), p. 115.

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That intelligence was withheld from the Pearl Harbor commanders (Admiral Kimmel and General Short), and they were impeded in their efforts to gather it themselves. They had to serve as scapegoats. Robert B. Stinnett provides incontrovertible proof in facsimile from those former "Top Secret" documents that have since been released.<sup>53</sup> However, not all the documents relevant to the conspiracy have been released. Even today, there is a coverup. The same holds of the Deputy Führer Hess's flight to Britain on 10 May 1941. In 1992 the Foreign Office declared that the "Hess-Files" are to be kept secret until 2018.<sup>54</sup>

*Why do democratic leaders need to feign unanimity when the cabinet is deeply divided?*

Several historians have dealt with the period from May 24 through May 28, 1940, when the British War Council was deeply split about what course of action to take. John Lukacs, with his book of 1999, *Five Days in London*, gives the latest account.

On May 10, 1940, Chamberlain had resigned, and Churchill became prime minister. At that time, France was collapsing, and the British Expeditionary Force (BEF) stood at Dunkirk. The most probable development was that the BEF would be killed or captured in the channel ports of northern France. *Britain had only the police to defend it*, and a successful invasion by the Germans was the most likely scenario. Foreign Minister Lord Halifax, Neville Chamberlain, Harold Nicholson (the "king" in the background), and leading figures within Churchill's own Conservative Party regarded testing the prospect of negotiations (via the then-neutral Italy) as the sensible reaction to the crisis and as the only chance to save the British Empire. Churchill most strongly opposed it. (On the next day, May 11,

<sup>53</sup>Robert B. Stinnett, Introduction, in *Day of Deceit: The Truth about FDR and Pearl Harbor* (New York: Simon and Schuster, 2000).

<sup>54</sup>Schmidt, R., "Der Hess-Flug und das Kabinett Churchill," *Vierteljahrshefte für Zeitgeschichte* 42, no. 1 (1994): 1–38.

Churchill gave for the first time the order to attack German cities.) On May 12, 1940, Halifax noted in his diary that he was "worried about Winston's methods," and shortly thereafter he labeled Churchill's new team a group of "gangsters." We learn that on May 27, when the situation was totally confused, Churchill and Halifax took a "walk in the garden," and that Churchill apparently succeeded in dissuading Halifax from resigning. The resignation of the foreign minister would have laid open the split in the Cabinet. It would have made it practically impossible for Churchill to persuade the War Cabinet, the Cabinet at large, and the Commons that his course was the right one. Even Churchill could not reveal Roosevelt's clandestinely given pledge to draw America into the war, since that would have outraged the American public, the majority of which did not wish to sacrifice American lives. Lukacs admits that "we have no account" about what was said during the walk in the garden.

Churchill was a gambler (like Hitler). What saved him and Britain was what Lukacs deigns to call the "miracle of Dunkirk." The Germans allowed about 350,000 men to escape across the channel from France. There are no miracles in history. What happened was that Hitler heard the advice of two men: Field Marshal Erich von Manstein and Hermann Göring. Manstein advised him to smash the pocket, whereas Göring claimed that the Luftwaffe would be capable of preventing an evacuation across the channel. Hitler was not intelligent enough to grasp the "kairós," the decisive, propitious moment, the only moment where he could have won the war by invading the British Isles, which were defended only by police. He followed Göring, whose limited fantasy could not imagine an evacuation by thousands of small boats, against which the Luftwaffe was powerless. Thus, in May 1940, Hitler lost the war.

Joll explains that the British system of government—and very likely any democratic government—"forces ministers to be devious and disingenuous." Lukacs's account reminds us how superficial it is to deal with governments or cabinets and so forth, as if they were holistic agents, and that the public at decisive moments usually is uninformed or misinformed.

CENTRAL ITEMS IN A BELLICOSE DEMOCRATIC  
PRESIDENT'S BOX OF TRICKS AND DECEIT

Rule #1. First, get control over the media; they are indispensable as means of propaganda.

A democratic president has to sell a "war," embarking on the mass marketing of the war that he has in mind. Good historical examples are Presidents Woodrow Wilson and Franklin D. Roosevelt. Neither of them could have embarked on war without the masterful preparations by Churchill, who succeeded in establishing a highly efficient propaganda machinery in the U.S.: faked atrocity reports in World War I<sup>55</sup> and, in World War II, faked movies,<sup>56</sup> faked documents, tapped telephones, bribed editors, getting hold of the film industry, etc.<sup>57</sup> Impressive is Mahl's report of how British Security Coordination helped to outmaneuver the Republican Party's old standard-bearer, Herbert Hoover, by fixing the 1940 Republican presidential nomination for Wendell Willkie, who as late as 1939 had been a registered Democrat. "Roosevelt could never have won the public opinion battle . . . so quickly without British intelligence activity in North America."<sup>58</sup>

Of course, if a war goes on, the television reporting must be kept under control. The Vietnam War, which was lost on TV screens on the "home front," was the first "TV war." It was also the last. The lesson was learned. Since then, war reporting has

<sup>55</sup>Thomas Pappas, "Wartime Tricks," *Salisbury Review* (Autumn 1996): 52–54.

<sup>56</sup>J. Scrodes, "Seducing America," *The Spectator* (August 1, 1998): 12–14.

<sup>57</sup>See the contributions in Denson, ed., *Costs of War, especially* Ralph Raico's chapter on Churchill; see also Thomas Mahl, *Desperate Deception* (McLean, Va. and London: Brassey's, 1998); N.J. Cull, *Sell War: The British Propaganda Campaign Against American "Neutrality" in World War II* (Oxford: Oxford University Press, 1995); Pappas, "Wartime Tricks"; Scrodes, "Seducing America."

<sup>58</sup>Scrodes, "Seducing America."

been censored and controlled by the Pentagon. This could be clearly seen in the Persian Gulf war and the war in Kosovo, and television audiences appeared to have been quite satisfied with the info-tainment they got. Reality becomes unimportant; deceit reigns supreme.<sup>59</sup>

As mentioned above, the generally accepted "peaceful democracy" axiom in modern time obliges a democratic president, as a first step before going to war with another country, to declare the other country to be nondemocratic. If so, it is his noble obligation to convert the unbelievers to the true religion. The missionary mindset of the sects who immigrated to the New World—some authors claim that the New England states could be characterized "fairly as theocracies," a mindset that is still virulent in the U.S.—provides a fertile ground for the idea of a New World Order based on worldwide democracy.

The reasonable idea underlying Kant's essay on "Eternal Peace" was that if the consent of "the People" (a fictitious holistic entity) is required for going to war, "the People" will think twice before committing itself to so risky a game. This is a reasonable assumption only if you also assume that the voters are well informed about the situation and about the risk. That assumption is not justified in the real world. The voters are only allowed to choose their guardians; this is the only choice for which they are regarded as competent, whereas, with respect to all other choices, they are regarded as incompetent. Hence, the voters are rationally uninformed and most of the time are systematically deceived by the state-owned media. For instance, in the Federated Republic of Germany (FRG), the parties would never allow a plebiscite on the Swiss model. The state has become the loot of the political parties.<sup>60</sup> How could

<sup>59</sup>Paul Virilio, *Information und Apokalypse: Die Strategie der Täuschung* (München: Hanser-Verlag, 2000).

<sup>60</sup>What "democracy" means, e.g., in the FRG, can best be seen by the decision to adopt the single currency. More than 80 percent of the population was against it, and everybody who had a name in

Kant have imagined the government propaganda mass-marketing a war by means of television?<sup>61</sup> The "People's" behavior drastically differs from Kant's ideal. Already before the age of television, "the People" manifested "its Will," when the country rallied around the flag—think of the mobs in Paris and London in 1914 clamoring for the war that destroyed Europe. Warmongering gave the government an upward blip in the opinion polls. The political leaders have learned the lesson from mass psychology, mob psychology. (Hitler was a master of it, having studied Le Bon's *Psychologie de la foule*.) Moreover, how could Kant have imagined the development of democracy? He was thinking of an ideal-typical concept. Today, when "the People" has chosen its guardians, it has become the subject of their persuasion and deceit. In summary, Kant's argument refers to an ideal-typical republic; in this realm it is correct but it is of no practical value.

Rule #2. Provoke the intended enemy; if that fails, create clandestinely a *de facto* state of war, a *fait accompli*.

A good historical example of successfully planned provocation is Pearl Harbor;<sup>62</sup> an early example of a successful "first shot" story is the case of Fort Sumter in Charleston Harbor

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economics warned against its introduction. Chancellor Kohl wanted to please the French. The most shameful behavior came from the federal president at the time, Roman Herzog, who in the 1998 election campaign admonished all parties, media, etc., not to discuss the issue of the euro publicly—the issue being so important that its discussion should be taboo. (See, e.g., Prof. Koenigs in the *Frankfurter Allgemeine Zeitung*, the leading German daily, of 19 March 1997). On how the single currency came about see Gerard Radnitzky, "The EU: The 'European Miracle' in reverse," *The European Journal* 9, no. 6 (2002): 30–35.

<sup>61</sup>Virilio, *Information und Apokalypse*.

<sup>62</sup>George Morgenstern, *Pearl Harbor: The Story of the Secret War* (Old Greenwich, Conn.: Devin-Adair, 1947), p. 116; Denson, ed., *Costs of War*, p. xiv.

inaugurating the American Civil War. In World War II, the *fait accompli* was the U.S. submarine warfare in early 1940; at least in the summer of 1941, the U.S. was *de facto* in war with Germany.<sup>63</sup>

If he has to circumvent or violate the constitution, a democratic president has to do it in a clandestine way. He has to conceal the fact that he regards foreign affairs as his own policy fiefdom, immune from parliamentary control. The consent of the parliament can be gotten later, when the *fait accompli* has been established. That rule was followed in the two world wars. After that, dissimulation apparently was no longer considered imperative. Thus, for instance, in 1950, President Truman sent U.S. troops to wage the Korean War without even making the pretense of seeking congressional authorization. Recently, it became popular to use the U.N. as chaperon for an intervention and to rely on moralizing rhetoric, which uses "human rights" as apologia for bombardments.

It is strange that proponents of the "peaceful democracies" doctrine appear to believe that "the People," if given enough influence, would dissuade politicians from bellicose behavior. At least they believe it sometimes, and they also believe that parliamentary control would be a panacea.<sup>64</sup> Sometimes they are more realistic; thus, even the champion of the doctrine, R.J. Rummel, writes: "democratic peoples have become jingoistic on occasions and enthusiastically favored war. . . . They can also be aggressive today, pacific tomorrow."<sup>65</sup> As mentioned already, Thucydides ascribed war atrocities to the democratic masses; the Romans understood the phenomenon of mass psychology well and coined the expression "mobile vulgus."

<sup>63</sup>John Lukacs, *The Hitler of History* (New York: A. Knopf, 1997), pp. 153 f.

<sup>64</sup>Rudolph J. Rummel, "Democracy and War: Reply (to Carpenter)," *Independent Review* 3, no. 1 (1998): 105 f.

<sup>65</sup>Rudolph J. Rummel, *Power Kills: Democracy as a Method of Nonviolence* (New Brunswick, N.J.: Transaction, 1997), p. 132.

Rule #3. Create the public impression that the intended enemy fired the first shot.

In the American Civil War, the Fort Sumter case<sup>66</sup> served Lincoln's propaganda. In World War I, it was the *Lusitania* case of 1915 engineered by Churchill.<sup>67</sup> The *Lusitania* was an armed munitions ship, i.e., it was a war ship (as documented by divers in 1998 and 1999). In World War II, Pearl Harbor, mentioned above, is the choice example. Likewise, the German declaration of war in World War II illustrates the rule. The American historian John Lukacs describes it: Hitler, who so far had prohibited his naval commanders from getting involved with U.S. naval units, permitted them to defend themselves and hence made a corresponding official gesture.<sup>68</sup>

In summary, to begin a war is considerably more difficult for a democratic president than for a dictator, since he has to circumvent the various laws in a complicated way or violate them clandestinely, which requires great shrewdness. When a democracy has entered a war, interfered with an ongoing war, its wars are more ideological—more total, and, hence, more cruel—than most of the wars of dictators or autocrats. And democracy makes alliances with any dictator (e.g., the friendship of Roosevelt and Stalin). Eventually, it is more difficult for a democracy to end a war than it is for a monarchy or for a dictator.

Perhaps the most interesting phenomenon is the many *totalitarian* trends in a democracy at war. Robert Nisbet writes:

Though we are loath to admit it, the first twentieth-century previews of the totalitarian state was provided by the United States in 1917–18 after we joined the Allies in the war against Germany. Not even the Kaiser's military-political order . . . reached the totality of the war-state that America

<sup>66</sup>Denson, ed., *Costs of War*, pp. 15, 20, 139.

<sup>67</sup>See Raico, "Rethinking Churchill," p. 266.

<sup>68</sup>Lukacs, *Hitler of History*, p. 154.

did in extraordinary short order once war on Germany was declared. The relentless forces of centralization of political power reached literally every significant area of American life: the economy and the government in the first instance, but hardly less . . . even and especially religion.<sup>69</sup>

Then Nisbet gives an overview of those developments. Much the same hold for America's Second Crusade. Comparing Albert Speer's industrial policy during World War II with that of the U.S., we find that during the war, German industries had considerably more freedom than American industries had. This made it possible for Germany's war industry to reach the peak of its productivity as late as 1943, despite the intensive strategic bombardments. America's output would have been even larger if industries had not been so rigorously regulated (Hans-Hermann Hoppe).

Wilson turned the European war into a much wider conflict (called "World War I," although it took place in the European theater and was not really a world war) and prolonged it for about two years in order to "make the world safe for democracy" and to wage "the war to end all wars." It would be ridiculous to claim that the Wilhelmine Germany was less of a democracy than the British kingdom. Yet, this is claimed by the champion of the "peaceful democracies" doctrine, R.J. Rummel. When asked about a definition of "democracy" Rummel referred to his writings and said: "But, there should be little argument as to which nations are the central liberal democracies." Then he proposed an alliance of democracies. With the help of a "committee of experts" that alliance assesses the democraticness of applicants who want to join—i.e., to join the cartel.<sup>70</sup> (By the way, Rummel thereby shows that the definition

<sup>69</sup>Robert Nisbet, *The Making of Modern Society* (Brighton, Sussex: Wheatsheaf, 1986), p. 19.

<sup>70</sup>R.J. Rummel, "Eliminating Democide and War Through an Alliance of Democracies," *International Journal of World Peace* 18, no. 3 (2001): 55–68, quotes from p. 59.

of "democracy" is indeed the first bone of contention in a conflict between two "democratic" states. Since the concept was left vague and undefined, Western European politicians could pretend not to see Wilhelmine Germany as a democracy.) In fact, World War I alone suffices to falsify the "peaceful democracies" doctrine. Rummel writes that

the Kaiser had considerable power over foreign affairs, and the army was effectively independent from control by the democratically elected Reichstag . . . and thus World War I hardly contradicts the proposition that democracies don't war on each other.<sup>71</sup>

He thereby concedes that domestic policy in Germany was democratic. Ralph Raico shows in detail how Bismarck used social policy to split the social-democratic vote and thereby laid the ground for the welfare state, which spread from Germany all over the Western world.<sup>72</sup> However, Rummel ignores (or disregards) the fact that in Britain and France, foreign affairs was a policy fiefdom immune from parliamentary control—a situation that "elicited a complaint voiced frequently and loudly by members of parliament in both countries."<sup>73</sup>

One result of World War I was Versailles,<sup>74</sup> one of the necessary conditions for the rise of Hitler. (A second one was unemployment, to a large extent also a consequence of Versailles.) In America's Second Crusade—like the first, prompted and made possible by Churchill's propaganda apparatus in the U.S.—the

<sup>71</sup>Rummel, "Democracy and War," p. 105.

<sup>72</sup>Ralph Raico, *Die Partei der Freiheit: Studien zur Geschichte des deutschen Liberalismus*, Guido Hülsmann, trans. (Stuttgart: Lucius and Lucius, 1999).

<sup>73</sup>Ted Carpenter, "Democracy and War: Rejoinder (to Rummel)," *Independent Review* 3, no. 1 (1998): 110.

<sup>74</sup>It should be mentioned that the Senate and Congress did not ratify the Versailles Peace Treaty (more accurately, the French Hate Treaty or dictate).

ideological motivation was the same. Therefore, *the question also arises whether perhaps democracy promotes genocide*. For instance, during World War II, the aerial bombardment killed about 600,000 German civilians, and after the war, about 11 million were killed. The attitude toward the Japanese was dominated by racism. Thus Elliott Roosevelt (FDR's son) requested that the aerial bombardment of Japan should continue "until we have destroyed about half of the Japanese population."<sup>75</sup>

#### THE POPULARITY OF THE THESIS "DEMOCRACIES DO NOT GO TO WAR WITH ONE ANOTHER"

In the Western world, this thesis is immensely popular; it belongs to the core of political correctness. Tocqueville, in his study of America, introduced the thesis and explained that this relationship was due to the prevailing egalitarian ideals. After all, America was and is the country of sects (see section "Central Items in a Bellicose Democratic President's Box of Tricks and Deceit," above), and in that intellectual environment, a political dogma can easily become a piece of a religious belief system. Wars for the spread of democracy become holy wars, of sorts. President Wilson claimed that his interference in World War I was justified because he conducted the war in order to make the world safe for democracy. Roosevelt and Eisenhower argued on similar lines. After World War II, America's policy toward the defeated Germans was confused. Eventually, the immigrants of the Frankfurt School fed the administration the idea to re-educate the Germans, instead of simply starving them to death. The kernel of the re-education was educating them to be good democrats.<sup>76</sup>

<sup>75</sup>Michael Sherry, *The Rise of American Air Power: The Creation of Armageddon* (New Haven, Conn.: Yale University Press, 1987), p. 245.

<sup>76</sup>Also, the re-education policy was erratic: In 1948 the slogan was, "Never again soldiers." As early as 1950 (in connection with the cold war), it was replaced by the slogan, "Soldiers immediately."

*Is Democracy More Peaceful than Other Forms of Government?*

On closer look, *the democratic peace turns out to be an artifact of the cold war. It is a phenomenon due to shared strategic interests rather than to common domestic characteristics.* Given nuclear deterrence, big wars were avoided, and war was delegated to third- or fourth-rate states acting as proxy.<sup>77</sup> Up to 1914, there were many counterexamples to the democratic-peace thesis.<sup>78</sup>

Since the end of the cold war, the pairing of democracy and peace has been a salient feature in the proclamations of Western political leaders. Margaret Thatcher said on a visit to Czechoslovakia in 1990:

*If we can create a great area of democracy stretching from the west coast of the United States . . . to the Far East, that would give us the best guarantee of all for security—because democracies don't go to war with one another.*

She was echoed by President Clinton, for whom the thesis became one of the very rare consistent elements in his worldview. He advanced it in 1992 in a campaign debate with Bush and Perot and in 1994, in his State of the Union address: "*Ultimately, the best strategy to ensure our security . . . is to support the advance of democracy elsewhere. Democracies don't attack each other.*" The thesis has become an axiom of American policymaking indispensable for ennobling an otherwise disorganized set of foreign policies.

Lady Thatcher's dictum was naïve: Democracy exists within a thin band of social and economic conditions. (Clinton was merely echoing her.) As for examples of the problems, China may be successful in part because it is not a democracy. It may be doubted that if Tiananmen Square had led to democracy, the

<sup>77</sup>Martin van Creveld, *The Rise and Decline of the State* (Cambridge, U.K.: Cambridge University Press, 1999), pp. 337, 334.

<sup>78</sup>Joanne Gowa, *Ballots and Bullets: The Elusive Democratic Peace* (Princeton, N.J.: Princeton University Press, 1999).

high growth rates of the 1990s still would have been obtained. By the way, when speaking in Prague in 1990, the year in which she lost the premiership due to the palace revolt by Mr. Heseltine, Mrs. Thatcher was herself skating on the thin ice of party politics. Her main addressee, Václav Klaus, later had to cope with all the problems of shaky coalitions. The expression "democracy" itself should attract attention. As an alternative to oligarchy one would have expected "demoarchy." "Kratos" means enforcement power. Thus the word "democracy" alludes to the latent coercive traits of that social order. Democracy, if left alone, will inevitably destroy the market—which is one of the necessary conditions of its existence—and thus in the long run will be a self-destructive system.

## DEMOCRACY AS STATE RELIGION AND WAR

### THE NEW POLITICAL RELIGIONS

Believing something is a state of mind that is independent of, and irrelevant for, the epistemological status of the content of the mental act of believing, of what is being believed. Believing—being convinced that something is true or morally valid—is a psychological phenomenon. It is a personal matter, but it may have pernicious externalities: It is not so much what people don't know that causes troubles; it is what they do know and know wrong.

In the twentieth century, religious faith has been declining, at least in the West, in the industrial states, i.e., in the power center of the world. Christianity and Judaism have steadily lost ground. Transcendental religion left a religious and metaphysical vacuum. The vacuum has been filled by various ideologies. Violent creeds like Marxism (fundamental or whole-scale socialism) and national socialism (the socialism that became more and more pronounced during World War II) ruled large parts of the world. Both ideologies are clearly political religions that became state religions. With respect to Marxism, Murray Rothbard argued convincingly that it is essentially a reabsorption theology (salvation applying to the species, not to individuals, as

in Christianity).<sup>79</sup> National socialism was based on a peculiar natural-law doctrine, the race doctrine of the "Aryans"<sup>80</sup> combined with legal positivism, whereas nationalism played only a subordinate role. The German nation was seen by Hitler as nothing more than a suitable instrument (hence, it was consistent when Hitler, at the end of the war, declared that the German nation should perish, since it had proved incapable of winning the war). Its pseudo religious character can be seen also by the multitude of references to Providence, as Hitler implicitly identified himself with Jesus.<sup>81. 82</sup>

In the West, particularly after the demise of those two totalitarian regimes, democracy functioning as a convention for the handling of power became the new political religion. The term was coined by Eric Voegelin as title for his book of 1938. One year later Raymond Aron wrote of "religion politique" and "religion séculière." Democracy's "credo" has all the earmarks of a religion—above all, supreme values, the main characteristic of a totalitarian system.<sup>83</sup> Thus, democracy treated as a state

<sup>79</sup>Murray N. Rothbard, "Karl Marx: Communist as Religious Eschatologist," in *Requiem for Marx*, Yuri Maltsev, ed. (Auburn, Ala.: Ludwig von Mises Institute, 1993), pp. 221–94.

<sup>80</sup>C. Mühlfeld, "Nationalsozialistische Familienpolitik: der Prozess der weltanschaulichen Selbstgleichschaltung in der Rechtsanwendung," in *Aufklärungsperspektiven*, K. Salamun, ed. (Tübingen: Mohr, 1989), pp. 40–55.

<sup>81</sup>Cl.-E. Bärsch, *Erlösung und Vernichtung* (Munich: Klaus Boer, 1987), pp. 400, 403.

<sup>82</sup>At the end of the war, Goebbels, originally a theologian, compared battle with holy mass; both Hitler and Goebbels claimed that in persecuting Jews, they were fulfilling the "Will of the Lord" (*ibid.*, pp. 402, 400). National socialism was not a neopaganism. In the 1920s, Hitler compared himself to Jesus (*ibid.*, p. 405, quoting from the *Völkischer Beobachter* [NSDAP party daily] of 1922!).

<sup>83</sup>Bernholz, "Supreme Values, Tolerance, and the Constitution of Liberty." See also Hardy Bouillon, ed., *Do Ideas Matter?* (Brussels: The Centre for the New Europe, 2001), esp. pp. 43–47.

religion becomes a totalitarianism *in potentia*. The results of an election (even if in practice they are often discounted) are officially treated as if they contain revealed knowledge, revealed by the new deity, "the People," king Demos, the Vox Populi. And the leftist deity of equality now occupies the moral high ground. According to Tocqueville, democracy has always had a metaphysical flavor.

The American pragmatist philosopher, John Dewey, pre-saged that development as early as 1920 with his famous dictum: "Once we commit to pursuing democracy, it will take on religious value."<sup>84</sup> <sup>85</sup> Creeping socialism now occupies the moral high ground. The most important factors for its success have been redistribution associated with democratization—never before has life been so politicized as in the twentieth century—and war: "war-sprung socialism" (Robert Nisbet), which is one of the consequences of the democratization of war. Democracy and creeping socialism are two sides of a coin, of social-democratism. *This made it possible for social-democratism to become the new state religion*. That it easily can take on a totalitarian flavor can be seen by historical examples such as, for instance, the so-called Swedish model.<sup>86</sup>

If democracy has become a political religion, wars are a crime for which nondemocracies must be responsible. In case

<sup>84</sup>John Dewey, *The Reconstruction in Philosophy* (New York: Holt, 1920), p. 210.

<sup>85</sup>John Dewey not only welcomed "democracy's" becoming the West's secular religion, but he was also the doyen of the pacifists-turned-intellectual drum-beaters for war. Thus, Murray Rothbard writes: "Thus, scarcely had Dewey ceased being a champion of one terrible world war than he began to pave the way for an even greater one" ("World War I as Fulfillment," p. 277. Rothbard refers to J. Israel, *Progressivism and the Open Door: America and China, 1905–1921* [Pittsburgh: University of Pittsburgh Press, 1971]).

<sup>86</sup>Roland Huntford, *The New Totalitarians* (London: Penguin Press, 1971); Sundberg, "Human Rights in Sweden," 951–83; idem, *High-Tax Imperialism*; idem, "International Aspects."

of doubt, the very existence of a state with another form of government makes that state an "aggressor" against democracies. When discussing Kant's thesis ("On the Formulation of the Democratic Peace Doctrine," above), we mentioned that *democracy as a form of government legitimizes a concentration of powers*. Abolishing the separation of powers *per se* (as, for instance, in the Swedish-model democracy with its almighty parliament) facilitates warmongering. Political parties are associations of interests, and hence they tend to form cartels, thereby destroying the competition between parties. The constitution becomes a pseudo-religious conception<sup>87</sup> by means of which all those who are declared to be "unbelievers" are *a limine* excluded from political competition, and thereby pluralism is abolished.<sup>88</sup> Since the transformation of democracy into a pseudo-religious system serves established interests, totalitarian tendencies begin to dominate. Thus, the totalitarian temptation ("la tentation totalitaire," J.F. Revel) is imminent in a democracy. *Therefore, a war becomes a secular-religious crusade* (zivilreligiös verstandener Kreuzzug). This helps to explain the enthusiasm with which democracies enter a war—witness 1914 (section 6.4, Rule #2, above). Today, we witness the crusade "against terrorism." Since an "-ism" is an abstract entity, the task of that crusade is open-ended. It will end only when crusading no longer produces "earnings" in some form (power, popularity, votes, etc.) for the top politicians.

## THE POLITICAL USE OF THE DEMOCRATIC PEACE THESIS

The notion that democracies do not make war with each other is a cornerstone of the New World Order crowd, the

<sup>87</sup>Thus the German philosopher Jürgen Habermas (well known also in the Anglo-Saxon world) squabbles about "patriotism of the constitution" (*Verfassungspatriotismus*).

<sup>88</sup>J. Schüßburner, "Plädoyer für ein Austrittsrecht aus Europa. Die Lehren des amerikanischen Bürgerkriegs," *Criticón* 151 (1996): 151–57.

ecumene of the variants of the political religion. The implication is that, if we force the whole world to democratize, then we will have eternal peace. The champion of the democratic peace theorists, R.J. Rummel, spelled out the implication: "*Indeed, with universal democratization, they (armies and secret services) would be eliminated altogether.*"<sup>89</sup> This naïve argumentation gives the hegemon (at the moment, the U.S.) a blank check for intervention—not only an excuse but a "mission"—so that it can always conduct an interventionist policy not only with successful rhetoric but with a good conscience (if politicians should ever need such a thing) as well. The country that does not behave in line with the intentions of U.S. foreign policy is denounced in the media as "undemocratic," hence there is an obligation (due to the new state religion) to send "missionaries" in order to convert the unbelievers. This way of reasoning eventually leads to a funny argument: "Going to war with nondemocratic countries solely to turn them into democratic countries makes it less likely that we have to go to war with them." (President Clinton came close to such an argument in the case of Haiti, and got away with it.)

There are, however, various problems with the thesis and hence with the intellectual integrity of this approach. On the theoretical level, we ask, "Why should democracies be more peaceful—apart from the appearances, which are due to the fact that, as just noted, democratic leaders require tricks and deception to bring their countries into war?" The historian will point out first that, until recently, there have not been many democracies, so there is not much historical material for testing the hypothesis. For another, many of the democracies have been linked by a common language (English) and common cultural ties, further narrowing the relevant body of evidence. Moreover, this approach does not address the question of how often democracies initiate wars against others (answer: *innumerable times*). Pericles, having grown old, provoked war with Athens's old ally, Sparta; both were democracies as the notion

<sup>89</sup>Rummel, *Power Kills*, p. 17 (emphasis in the original).

was understood then. (Incidentally, Pericles thereby ended Athens's dominating position—an unintended consequence.)

In 1994, President Bill Clinton declared that democracies do not make war with each other. Therefore, he proclaimed "democratization" as the third column of his foreign policy—a Wilson redivivus. Like his predecessor Wilson, Clinton left the word "democracy" undefined, vague, and ambiguous. The popular thesis that Clinton professed is falsified already by a look at American history: The "Civil War" (the War of Secession) was a war between democracies (with a single currency).<sup>90</sup> Even in that war the interpretation of "democracy" became one of the items contested in the war. The quotation from John Dewey about the religious character of democracy mentioned above illustrates America's missionary spirit—of the country of sects (see "Describing Social Orders," above).

In his analysis of America, Tocqueville claimed that, at least since its revival in the eighteenth century, democracy has been a metaphysical system, a belief system that typically emerges in a religious conversion, appears with the *advent of a new religion*. In the case of democracy, the credo is the following: "Nobody holds sway over me, because I dictate the laws myself"—thus speaks the sovereign, "the People." According to the credo of the new state religion, a genuine democrat taxes himself and places his body and life at the disposal of the state as cannon fodder. "The People" gets the feeling that it has a say, that it, too, governs. Sharing in the decision making and self-determination are confused. (*Mitbestimmung* is confused with *Selbstbestimmung*.)<sup>91</sup> The new state religion is immunized against critique simply by the claim that all decisions (even the most perverse ones) emanate

<sup>90</sup>Schüßlburner, "Plädoyer für ein Austrittsrecht aus Europa," see note 88.

<sup>91</sup>In Germany, the initiator of the blooming confusion was the philosopher Jürgen Habermas, the *maitre à penser* of the German Social Democrat party. Hoppe analyzed the general mechanism, e.g., *Values and the Social Order*, Radnitzky, ed., vol. 3, chap. 21.

from "the People"—a fictitious holistic entity. The dominance of a monopolistic doctrine, a monotheistic religion, or a political religion like democracy as a theoretical approach, is the precondition of totalitarianism.

Thus it is understandable that the concentration of power legitimized by democracy is *per se* bellicose in tendency. A war becomes a "holy crusade." The vanquished, the unbelievers, are to be converted to the true religion, if need be by force. The question was raised earlier whether perhaps democracy promotes genocide. It is at the same time chilling and—because of the naïveté—also amusing to read that, close to the end of World War II, the frank report of the British Embassy in Washington speaks of a "universal exterminationist anti-Japanese feeling here."<sup>92</sup> The report continues<sup>93</sup> that the Japanese are themselves to blame if it is necessary to exterminate them, *because they resist democracy* (emphasis provided). Apparently the unbelievers have the choice either of converting or of being exterminated because they are unbelievers. In the same vein goes Roosevelt's reply to Eisenhower, rejecting Eisenhower's plea to be allowed to make contact with the German resistance in order to shorten the war: "I have not yet made up my mind whether or not to destroy the German nation."<sup>94</sup> That means that Roosevelt explicitly wished to keep open the option of genocide.

At the beginning of this section, we suggested that the idea that the ideology of democracy ought to be imposed on the whole world entails a totalitarianism *in potentia*. The two so-called world wars provided examples of that spirit (see the quotes from Nisbet, 1986 in "Remark on Motivation of Decision Makers in General," above). No wonder that American democracy welcomed the Soviet Union as an ally, that the USSR was declared to be a special case of democracy, and that Roosevelt

<sup>92</sup>John Dower, *War Without Mercy: Race and Power in the Pacific War* (New York: Pantheon Books, 1986), p. 54.

<sup>93</sup>*Ibid.*, p. 56.

<sup>94</sup>William Casey, *The Secret War Against Hitler* (Washington, D.C.: Regnery Gateway, 1988), p. 66.

shocked Churchill by writing to him that the USSR was a model, whereas Britain was imperialistic.<sup>95</sup> Roosevelt could care less that Stalin, after his invasion of Poland, was murdering considerably more Poles than Hitler. Shortly before his death, he pronounced that the Poles would not mind being administered by Moscow. Churchill, alarmed by Stalin's mass murdering of the Polish elites, in vain tried to make FDR recognize Stalin's enormous war crimes.<sup>96</sup> The case of Poland is another illustration of the thesis that a democracy is not a reliable protector.

The claim that the enemy country (in modern parlance, the "conflict partner") lacks a "democratic" mindset has become a central part of the war propaganda. Indeed, the "one-man-one-vote" rule—the cornerstone of modern mass democracy as a convention—appears to be connected with the *military* perspective. *What legitimizing argument can be given for a particular selection criterion?* In the military perspective, unqualified franchise—the ideological doctrine that membership in a particular species ought to be taken as criterion of selection—appears justifiable. In other plausible perspectives, it is but a trivial *ad hoc* gambit designed to make votes appear homogeneous (as we have argued in the section "Natural Versus Artificial Method of Social Choice," above). Head-counting is simple, but the results do not have any deeper significance.

In an *economic* perspective, the state is conceived as analogous to a joint stock company. Hence, the criterion that suggests itself for the distribution of voting rights is how much somebody has invested, how much risk he takes, how much he contributes to the national income. Such a distribution is "just" according to the *suum cuique* rule. What a citizen has at stake is his property, and in this respect there are great differences among the citizens. Those who would risk much in case of war will exert pressure on the government not to take risks, to be peaceful (cf. section D of "Parameters of Social Order that Govern Its Propensity for Being Peaceful or Belligerent"). Votes weighted

<sup>95</sup>Nisbet, *Roosevelt and Stalin*, chap. 3.

<sup>96</sup>*Ibid.*, p. 78.

according to risk to material possessions and/or according to contribution to the national income, or to the contribution to the tax revenue, will lead to a plutocratic system. Market-oriented classical liberals will resist bellicose politicians (see quote by James Joll on pp. 173–74).

In a *military* perspective, the risk-taking or sacrifice requested from the citizen goes far *beyond* property in the sense of material possessions and involves also life and body, the "self-ownership" (in a Lockean sense). Since everybody has only one life, and in this respect individuals are indeed alike, all ought to get the same voting right; this is "just" according to the "treating like cases alike" rule, which applies to all cases where a given cake has to be distributed, a given burden shared. It also has the advantage that the people get the feeling of participation mentioned above.

As soon as the military perspective has become irrelevant, that type of legitimizing argument loses its plausibility. Hence, "plutocratic" tendencies should appear and a revision of the "one-man-one-vote" rule suggest itself. Today, however, unqualified franchise has a ratchet effect—a special case of the "benefit-ratchet effect." Redistributive benefits, once given, are politically impossible to revoke. In democracy as we practice it today, it is impossible to replace the membership-in-the-human-species axiom by another equality axiom. A look at the incentive structure makes it obvious that those who would oppose it most vehemently are the political parties, since they are the main beneficiaries of the system, the system that makes the state the loot of political parties. The unqualified-franchise axiom has become a central item in the catechism of the new political religion. Unlimited democracy tends to lead to a totalitarian democracy. At any rate, the idea that the "one-man-one-vote" rule establishes a connection between war and democracy can contribute to explaining the phenomenon of the *warfare-welfare-national state* (Roosevelt's lasting endowment to future generations).

Since the problem of justifying selection criteria for voting rights would lead us outside our central topic, let's just make some remarks. In antiquity, qualified franchise (Solon) was

abandoned for unqualified in the Athenian democracy of Cleisthenes as a war preparation. The Prussian three-classes franchise was abandoned in 1917; unqualified franchise and worker participation were introduced in order to motivate the population for more war efforts. During the Weimar Republic, public finance experts suggested the introduction of qualified franchise. Hayek's two-chamber system is a mix of democracy and meritocracy. Each system has its problems. Designing a constitution of liberty is relatively easy. Finding the conditions under which it is plausible that such a constitution will be introduced and respected long enough to do any good, this is the problem—perhaps an unsolvable problem, since it is essentially the problem of making collective choice compatible with liberty.

Predemocratic thinkers like Pufendorf and Immanuel Kant evaluated democracy, immunized against critique by recourse to the "Will of People," as despotism. The majority of the Founding Fathers of America appear to have shared Kant's pre-democratic emphasis on the separation of power. Since, as mentioned, the concentration of power is war-promoting *per se*, the bellicosity of democracy is reinforced when it has become the state religion. In this view, wars must not occur. If nonetheless they do happen, then that is a crime for which nondemocrats are to be blamed. The very possibility that there might be nondemocracies in this world makes the opponent *in spe* automatically an "aggressor" against democracy.<sup>97</sup>

The original U.S. Constitution adopted the predemocratic concept of the separation of power, and thus it rejected parliamentarism, stressed genuine confederalism, and implicitly adopted secession rights—which at the time appeared so obvious that unfortunately that stipulation was not spelled out in the document.<sup>98</sup> In modern times, "constitutional reality" in the United States is a caricature of what the Founding Fathers wished to bring about; in continental Europe, political parties

<sup>97</sup>An example was the NATO propaganda against Milosevic.

<sup>98</sup>It would have made it more difficult for Lincoln to assault the South.

tend to form a cartel, something that can be clearly seen in the Federal Republic of Germany<sup>99</sup> and in the European Union, which is on the road to becoming a taxing cartel of states for maximally exploiting its citizens. Democracy as state religion influences both domestic and foreign policy. The way in which the competition among political parties is conducted strikingly demonstrates that the metamorphosis of democracy from a convention into a quasi-religious system serves the established interests. New parties can be excluded from the beginning simply by labeling them "undemocratic," unbelievers, whatever they may profess (Josef Schüßlburner). Competition in that area is abolished. In October 2002 the President of the EU's Commission Prodi declared the stability criterion of the EU of 3 percent to be "nonsense." Thus the last barrier of the Maastricht Treaty was abolished. This ushers in a competition between borrowing states in producing *nationally* debts and inflation, while *collectively* distributing the cost.

## COMPARISON OF PUBLIC AND PRIVATE SECURITY PRODUCTION: A MODEL AND THOUGHT EXPERIMENT

### VIOLENCE AGENCIES — PUBLIC OR PRIVATE

Security is defined as the probability to be able to cope with the maximum possible menace; the higher the probability, the higher the degree of security. What is to be protected is property

<sup>99</sup>In the FRG, the only power that the sovereign still retains is the power in parliamentary elections to reduce the number of backbenchers of one party while increasing that of another party; most of the time the sovereign cannot even choose a party program because the program will be determined only after the winning coalition has taken form. Under chancellor Kohl's 16-year-long regime, the state has become the booty of the political parties, which are lavishly financed in a way that is probably a record (H.-H. v. Arnim). Also, this party financing is the damaging legacy of Kohl. Today, the FRG is a partyocracy with totalitarian tendencies and a democratic façade.

in the Lockean sense—i.e., body, life, material possessions. The problem of appraising potential public and private providers of security is mainly a principal-agent problem. If a private security is powerful enough to cope with the problem of defense, will it not tend to become state-like? Exercising his freedom of contract (a liberty), the rational individual will check which agency makes the best offer: higher security at the same costs, or same security at lower costs. The state may be the provider, but it does not have to be the state. In a world where security production is privatized, a discussion of the "peaceful democracies" thesis would be pointless, since the state has disappeared.<sup>100</sup> Let us look at the conceptual background of the theme "security production: public or private?"

A power holder employs violence specialists in organized form: for internal security, the police, and, for external security, the military forces. We all live in states, but in part also outside of the state (from offshore banking to Internet contacts). A corollary of the definition of the state as the last instance of power, against which there is no appeal to another instance (see section "Some Anthropological Considerations on War," previously),<sup>101</sup> is that the state is a territorial monopolist in violence; its main *raison d'être* is extracting taxes from the people living in its territory.<sup>102</sup> What distinguishes the state from a band of robbers? It is the most powerful and hence the most dangerous of all bands of brigands; it originated in brigandage,

<sup>100</sup>Jasay, *Against Politics*, chap. 9, "Ordered Anarchy."

<sup>101</sup>In the European Union, the nation-states have lost a part of their sovereignty also because cases against the state in which an individual lives can be brought before the European Court of Justice. It is remarkable that the state that has lost the largest number of cases in Strasbourg is Sweden, the model democracy (see Sundberg's publications: *High-Tax Imperialism*; "Human Rights in Sweden"; and "International Aspects").

<sup>102</sup>As already mentioned, coerciveness is not a defining criterion of the state; the state would be a state even if, *per impossibile*, social contract were a tenable theory.

and it is a stationary bandit. This is the third *differentia specifica* of the state compared to a band of brigands.

It should be kept in mind that the state is an abstract organization; the government is its agent corporation. In some context, it is justifiable to treat government as a unit, as if it were an individual; however, in some other contexts, one has to attend to the various individuals embodying the government, since these individuals cannot have identical interests.

There is no principal difference between internal and external security. The production of external security is a necessary by-product of a state: the state has to protect its tax base against potential rivals, other governments; roads, too, are such a by-product, necessary to move the military forces and to get easy access to the taxpayers. Likewise, internal security is a by-product, but serious attention is paid to it only when a deteriorating security situation begins to threaten the tax income of the state. With respect to internal security, trust in the state as provider has largely disappeared. Private police has become a growth industry. In the U.S., for example, 1.6 million security personnel are privately financed and cost about \$52 billion per year. In Germany, the privately financed security personnel outnumber the taxpayer-financed. The most shining examples are the gated communities.<sup>103</sup> *That the public is willing to pay private providers so much shows that the government has already lost a part of its monopoly in violence* and that certain functions that the government has usurped are being reprivatized.<sup>104</sup> Other functions of government have been taken over by intergovernmental or nongovernmental corporations.

By contrast, with respect to external security today, the only violence agency we know is state-employed military forces—which hence are paid (coercively) by the taxpayer. Hence,

<sup>103</sup>Creveld, *Rise and Decline of the State*, p. 408.

<sup>104</sup>Arthur Seldon, *The State Is Rolling Back* (London: Institute of Economic Affairs, 1994); Creveld, *Rise and Decline of the State*, p. 401.

national defense is the *piece de résistance* of the statist, who claim that the state is indispensable.

*Every violence agency has protective and aggressive aspects.* According to classical contractarian theory, the state is a protective state and nothing else—protection of property (body, life, material resources, etc.). However, it is obvious that Leviathan—once the people have handed over their arms to it—can commit aggressive acts against those who have given him his limited and strictly defined mandate. It turns out that the state has more aggressive than protective aspects and that it is aggressive all the time by exploiting its taxpayers far beyond the resources it would need to fulfill its protective function: It has become a *stationary bandit*. By contrast, a private security agency cannot turn against its own clients, since they are paying customers, and the agency finds itself in a competitive market. Only a *monopolist* can do that. If a private security agency can afford to commit aggressive acts against its own clients, it has turned into a state or a state-like structure. It all depends on whether or not there is competition—the best means to tame power.

The state is Janus-faced in principle. With progressive democratization it has progressively overstepped its mandate and taken over more and more functions.<sup>105</sup> It has become primarily a provider state. Classical liberals did not even protest against this development toward a productive state as a principle.<sup>106</sup> In addition, the state squanders the resources it has extracted from its citizens. As mentioned above, in mass democracy, "The state is simply a mechanism to enable the winning coalition to exploit the rest, the losing coalition without

<sup>105</sup>Arthur Seldon, "The Evidence of History," and "The Verdict of History," *Economic Affairs* 14 (1984): 6–7 and 43–45, respectively.

<sup>106</sup>This holds also for Hayek. See Gerard Radnitzky, "Hayek's Political Philosophy—A Critical Assessment," *Journal des Economistes et des Etudes Humaines* 9, no. 2–3 (1999): 389–433, and "Hayek on the role of the state: A radical libertarian critique," *Policy* 16, no. 1 (2000): 16–20.

violence."<sup>107</sup> In this sense democracy is really peaceful. Instead of "government of the people, by the people, for the people," democracy has become, in the memorable words of Arthur Seldon, "Government of the busy, by the bossy, for the bully."<sup>108</sup> "Of" the politically inactive people, "by" the politically skilled people, "for" the politically organized people—the vote-providing interest groups who have the power to blackmail the vote-catching politicians and who always clamor for more redistribution.<sup>109</sup> The government clearly serves aggressive interests.

*Stocktaking of the present situation*

As mentioned (section 9.1, first para.), the internal security produced by the state is deficient; in practice only the elite of the political class and some VIPs are really protected. In external security, the European states have relied on the Pax Americana, since the end of the 1940s, when for a time Germany had become the glacis of the U.S.'s defense. The U.S. itself has engaged only in aggressive wars, and it has been highly interventionistic (Vietnam, Somalia, and Kosovo, just to name a few well-known cases). After World War II, there was a multitude of wars, but only wars between states of the fourth or third rank.<sup>110</sup>

As a monopolist, the state devotes little attention to the demand side, whereas a private security agency has to attend to it (Hardy Bouillon). In the context of mass democracy, vote-catching politicians know that an increase in social expenditures pays

<sup>107</sup>Jasay, *Against Politics*, p. 2.

<sup>108</sup>Arthur Seldon, "Politicians For or Against the People," in *Government: Servant or Master?* Gerard Radnitzky and Hardy Bouillon, eds. (Amsterdam: Rodopi, 1993), pp. 3–21.

<sup>109</sup>Gerard Radnitzky, "Il Ridistributore: Machiavelli for parliamentarians in welfare democracies," excerpted and translated by Wolfgang Kasper, *Policy* 15, no. 2 (1999): 40.

<sup>110</sup>Creveld, *Rise and Decline of the State*, p. 34.

off, whereas an increase in military expenditures does not. Hence it is likely that the quality of the state-provided product will be low and the costs will be high and that also in this area the state will not work as efficiently as private providers could.

THE DEFENSE AGENCY MODEL FOR COMPARING  
PUBLIC AND PRIVATE SECURITY PRODUCTION ON  
THEORETICAL LEVEL

First, a model is presented for individual agents, then the question is raised whether or not the model can be extended to collective entities.<sup>111</sup> The model does not have recourse to any value judgment nor to an image of man, and its assumptions, all descriptive sentences, appear realistic.

The type situation is a three-person game: an aggressor A, a defender D, and a bystander C.

*Assumptions*

1. Two together are stronger than one alone; two can prevent that one dispossessing them, and two can dispossess one.
2. D owns some property, and the property of D (the potential booty of the aggressor), as well as the property of A, if any, is divisible.
3. Both aggressor and defender are free to attract allies.
4. Minimal rationality, e.g., the appraisal that something is better than nothing.
5. D is willing to pay for security, and A is willing to pay for assistance in aggression.
6. The *pacta sunt servanda* principle is respected by both A and D.

*The incentive structure*

For an attack to be plausible, we should also assume (7) that D, the defender, is richer than the aggressor (which will apply

<sup>111</sup>René Goergens designed the model; it takes some inspiration from Jasay and also from Hardy Bouillon.

in most cases), and to simplify the model, we assume (8) that A is propertyless.

*Comments on the assumptions*

The assumptions are unproblematic. (1) is trivial; it is explicitly stated to stress a feature of the situation. (In the section "Practical Evaluation of the Democratic Method," a model of democracy as a three-person game was outlined, with reference to Jasay.<sup>112</sup> The democracy model assumes also that each vote has the same weight, the "one-man-one-vote" rule.) (3) is inspired by Jasay's critique of Hobbes;<sup>113</sup> it is fairly obvious, except in perverse framework conditions. (4) is a reasonable assumption about the psychology of A and D; everything else would be classified as psychopathic. (5), too, is an assumption about the psychology of A and D, which appears reasonable. Cases where it is not realized do not seriously reduce the model's realm of applicability. (6) presupposes a minimal morality, which may be safely assumed for "normal" (in the statistical sense) cases. If in a social order it is not respected in most cases, that order is likely to disintegrate, because in it nonsimultaneous exchanges are too insecure to take place, and in an order relying solely on spot exchanges, people would have to starve. Since we do not assume an efficient ultimate enforcer, assumption (6) is necessary. (The assumption of an enforcer would be problematic, and defending it would require a digression on the topics of state and "ordered anarchy," i.e., lead to a problem shift.)

In (3), we made the reasonable assumption that both A and D are free to attract allies. Hence, the key question is: *Which coalition is more probable?*—probable in the sense of both statistical frequency and propensity probability. Let us consider the two relevant (type) cases.

<sup>112</sup>Jasay, *Against Politics*, p. 200.

<sup>113</sup>*Ibid.*, p. 199.

*CASE 1: A coalition in favor of attack*

If C supports A, they together can dispossess D. In order to avoid quarrels over the booty, they will probably agree to a 50-50 deal. Hence, the realistic expectation of utility "payoff" (gain or avoided loss the side would get if it won the fight) is half of D's property.

*Extreme solutions*

The maximum payoff for C is almost all of D's property. According to assumption (4), A will prefer getting a tiny fraction over getting nothing at all. In extreme cases where A wants to attack D independently of any consideration of a possible material "payoff," he will be satisfied even with nothing; his "payoff" will be psychological, e.g., glee or reduction of the pain of envy.

*CASE 2: A coalition in favor of defense*

If C supports D, A gets nothing; C gets a reward, which may include A's property, if A has any. D may offer C up to half of his property (less the property of A, if any), because this is what C would maximally get if he chose to join the attacking coalition.

*Extreme solutions*

The maximum "payoff" for C is almost all of the property of D (less the property of A, if any); in the limiting case, a pessimistic D, in order to avoid an attack that would dispossess him entirely, may even prefer keeping a tiny fraction of his property to not paying C (according to assumption [4] above).

It is likely that a rational C would be interested in finding out the maximum of the expected "payoff" that he possibly can extort (e.g., if C is a mercenary). Thus, he will make repeated inquiries at A and D, and hence the price of security production will escalate up to the extreme solutions. In the end, an indifference point will be reached where A and D offer the same amount to C; in this case, the "payoff" in both extreme solutions is the same.

To make the model as simple as possible, it was assumed that A is propertyless (assumption 8). If so, C would get the same amount whether he joins the attacking coalition or the

defending coalition (as argued in the extreme solutions). In a market situation, both A and D would rationally pay any price—A for obtaining a tiny fraction of the booty, and D for keeping a tiny fraction of his property.

Hence, it turns out that *we need another criterion to assess the probability of C's choice*. It should enable us to assess the probability that C, as rational actor, will join the defense coalition. Externalities provide such a criterion. For C, a good reason for joining the defense coalition is that he recognizes that one day he may himself be in a situation where he has to defend his property; this is the case if he either is not propertyless or expects to have property later on. If he joins the aggressive coalition, he thereby makes property less secure in the social order in which he lives, including his own property, and in general he contributes to undermining the institution of property. His choosing to form a coalition with the aggressor would produce—as unintended consequences—negative externalities that he cannot avoid internalizing himself. Also the converse holds: by joining D, the defender, C creates positive externalities from which he himself will profit: he will lower the cost of security production in general. (Of course, in the short run, the profit C could make by joining A could be larger than the costs he incurs. However, this may turn out to have been a short-lived advantage for which he later may have to pay dearly.)

*For many, it may be tempting to explore the possibility of transposing the model from individual players to collectives: to conceptualize A, D, and C as groups, firms, or organizations. C may be, e.g., an organization of well-armed mercenaries or a privatized professional army.*<sup>114</sup>

*If you try that approach, you will ask what is likely to happen if further bystanders enter the scene. Since the incentive structure is the same for all bystanders, they will compete*

<sup>114</sup>J. Marguin, "La Privatisation des Forces Armées: Une Evolution Inéluctable?" *L'Armement* (March 2000); special issue *Horizon 2030*, pp. 144–50.

against each other as security providers. Competition will here, as everywhere, lower the costs—in this case, the costs of security production. Thanks to competition, the escalating process is reversed: the maximum expected payoff is deflated, because in a competitive market (free, private market—free from state interference), the minimal price will be found out. Thus, in the end, any defender D will have to give up only a tiny fraction of his property to a potential C, a security provider (powerful enough to ward off a possible aggression) in order to pay the price he charges for his assistance against a potential aggressor. The collectives that want to make provisions for their security needs will shop around in the market for security production.

The extended model too does not make recourse to any (subjective) value judgment and does not make any unrealistic assumptions. It seems to show that an effective and efficient private security production is not only feasible but plausible.

*Is the picture we have drawn too rosy to be true? Is there a hidden catch?*

Unfortunately, there are at least two.

First, the step from the individuals A, B, C to collectives is not justifiable in principle, since the members of the collectives have various interests. The approach turns out to be incompatible with methodological individualism. Not infrequently, the politicians at the top turn out to be aggressors who implicitly wage war against members of the societies they govern (Wolfgang Kasper). Witness the deceit and propaganda lies exemplified in the historical case study by Joll outlined earlier. Hence, the assumption of "minimal rationality" has to be interpreted differently for the political leaders (persons who do not bear the costs of the consequences of their decisions) and for the group governed. History shows that the *pacta-sunt-servanda* principle applies to powerful states only so long as there is a possibility that the transgressor of the principle be called to account for his action. Aggressor states will break it whenever they can do so without fearing costs, punishment. Think of the Hitler-Stalin Pact of 1939, where each of the parties to the contract prepared war against the other as early as

13 November 1940 (Molotov's visit to Berlin, where he submitted Stalin's requests). (Which party began the shooting war was largely a matter of historical accident; whether to call it an assault or a preventive strike is but a value judgment from a particular perspective.)

Second, there is a real, not merely potential, risk that a powerful defense agency may eventually become a near-monopolist, and hence become progressively more like a state. Mercenaries have sometimes taken over the state. After all, states originated in brigandage or in a mix of defense agency and brigandage.<sup>115</sup>

In summary, *à contre-cœur* we have to abandon an approach that looked promising—unless we assume that the incentive structure for the top people in a private defense agency will be drastically different from that in a state-like structure. Unless we are willing to add that risky assumption to our list of assumptions.

### SOME REMARKS ON THE POSSIBLE OR LIKELY DECLINE OF THE STATE

In the post-World War II period, the situation has been changing, slowly but steadily. Major wars have disappeared, mainly because of the nuclear deterrence. Nuclear weapons might become more and more irrelevant, because sooner or later, counterweapons may appear, like the National Missile Defense (NMD) and Theater Missile Defense (TMD) programs. Oceangoing navies are disappearing, the only exception being the U.S.<sup>116</sup>

<sup>115</sup>A historical example: A young man's favorite horses were stolen. He and his friends chased the robbers, killed them, and triumphantly returned with the horses. This gave him such a reputation that his gang became a prospering defense agency. The activity became a growth industry. The final result was the Mongol Empire, encompassing most of Asia and the territories reaching to the Dnieper River in Eastern Europe. The young man was Genghis Khan.

<sup>116</sup>Creveld, *Rise and Decline of the State*, p. 346.

Sometimes, the arms race appears to be self-stultifying—e.g., the U.S. B-2 bomber is so expensive that there are scarcely any targets justifying the risk of its deployment.

Conscription (a modern form of slavery) has almost disappeared: It was abolished in the United Kingdom in 1960, in the U.S. in 1973, in Belgium in 1994, and in France in 1996. They all put their trust in all-volunteer, professional forces. The FRG may soon be obliged to replace conscription by other forms of "national service"; politicians seem to take the *Arbeitsdienst* of the National-Socialist German Workers Party as their model. The states have become peaceful because they have run out of people willing to sacrifice themselves on its behalf if called upon.<sup>117</sup> The deployment of the NATO air force in the Kosovo war showed that the primary interest was to avoid casualties due to enemy action; the deployment of ground forces was ruled out from the beginning. States that have become partially impotent are not likely to engage each other in major hostilities.

With respect to internal security, the citizens' trust in the state has largely vanished. This is shown by the growth of the private security industry. We mentioned that the number of such firms tripled in Germany from 1984 to 1996 and that, in 1995, the industry's turnover in the U.S. totalled \$52 billion per year. Another sign is the emergence of gated communities, from South Africa to the U.S., where their number reached 30,000 in 1997. If that development gathers momentum, it may lead to "less politics." In summary, we witness a decline of the state's willingness and capability to perform its most elementary function of providing security. In view of the felt impotence, states give up part of their independence by forming unions like the European Union. By forming such taxing cartels of states, they make it more difficult for their citizens to find escapes.

The private security industry seems to extend its services from internal security to include also external security.<sup>118</sup> As

<sup>117</sup>Ibid., p. 408.

<sup>118</sup>Ibid., pp. 404 ff.

Creveld mentions, the range of services that firms of mercenaries offer is astonishing, and in some cases, security firms count governments among their clients.<sup>119</sup>

### SOME STANDARD QUESTIONS COMING FROM THE MILITARY

As proponents of the privatization of the army, libertarians must be prepared to answer some standard questions from the military. The people living in a state or region find themselves in a situation with certain insecurities or potential threats from powerful neighbor states. *The first task of a military planner is to identify from where an attack has to be feared and how to meet it, if need be.* Then he must make a description of the potential enemy and an inventory of his military potential. Using the present situation as a starting point, we notice that research and development of a first-rate military power is enormously costly. For instance, to reduce costs, the U.S. Air Force produced scarcely any hardware and focused on software—a decision that proved to be right. The aerodynamically superior MIG 29 was no match for the fighter planes with a more powerful radar. Unless a private defense agency could afford such costly adventures (which seems doubtful), it could not compete with big nation-states as we know them today.

At any rate, the potential customers for private security services enter the market for military services with certain concrete demands. They have observed that states (under the political pressure of the lobbies of the armament industry) act in such a way that a particular system is established: first, military advisers are sent to a foreign country; then follow arms sales to those countries; and eventually, a big-nation state gets itself entangled in the net of that system and finds itself in a war “at the other end” of the world (as with the Vietnam War mentioned previously). It has become doubtful that the state is the ideal security provider, and it is no longer plausible that it

<sup>119</sup>Ibid., p. 405.

should be the only possible provider. At any rate, *the potential customers of private security production will shop around for offers that would satisfy their often very particular security needs.*

*Different countries have different defense needs, often highly specialized needs.* Private suppliers of external security production must make it plausible that they can meet the highly specialized defense needs of different countries or regions. *The products offered must be tailored to the needs of the people living in a given territory with a given geography.* Just two examples: Swiss defense efforts have traditionally focused on the defense of mountains, e.g., building tunnels in the mountains to be used as starting strips for interceptor aircraft.<sup>120</sup> The interceptors would land on a landing strip and then be taken by an elevator to the starting tunnels. Hence, there is the need for a very specialized logistic.<sup>121</sup> All this will be very costly for a provider of defense. Natural monopolies will tend to develop. Will there be a real market for such highly specialized services? Or take Sweden as an example. With its long coastline, it cannot use ordinary submarines but needs highly specialized small submarines and land forces that can intervene quickly and successfully, if the enemy has established a foothold on the shore. (Great Britain bought Eurofighters instead of Tornados, because it focused on short-distance defense and low-level flying.)

Moreover, a private defense agency has to cover considerable costs for *permanent preparedness*. It must be able to match a surprise attack by a potential enemy. The preparedness

<sup>120</sup>Only the F-15 proved to have a sufficiently narrow wingspan to be usable for that purpose.

<sup>121</sup>If motorways are built in such a way that they can also be used for the starting and landing of military aircrafts, they have to be reinforced so that they can stand the pressure of very heavy supply aircraft.

has to take all possible scenarios into account.<sup>122</sup> Preparedness is costly and may cause a problem for a private security provider. A private defense agency must also be able to meet the strategic inventiveness of the potential attacker. (One historical example is the strategic genius of General Guderian, who in World War II invented mobile warfare: tanks in radio communication with a command center and operating with air support by tactical fighter aircrafts. On the French side, only de Gaulle grasped the situation, but his tank forces were incapacitated by the Stukas (Ju 87)—another innovation in military technology. A second example is the invention of special pioneer services which, combined with transport gliders, made the French Maginot Line a gigantic misinvestment.) The inventiveness in military technology (application of the results of research) depends on the progress in the corresponding basic sciences, and basic or "pure" science has so far been financed exclusively, or at any rate mainly, by the state, i.e., by the taxpayer (whether he likes it or not). Private research institutions have most often been subsidized by taxpayers' money.

Surely, the market can offer better and cheaper products, products tailored to the needs of the customer. This is scarcely contested any longer. However, national defense and privatizing the army is the *pièce de résistance* of the statist. At the moment, whether or not private security providers can meet the highly specialized needs of various customers is an open question. At present, private security providers are probably in a better position with respect to low-intensity wars (see "The Defense Agency Model for Comparing Public and Private Security Production on the Theoretical Level"). At any rate, *libertarians must be prepared to answer the questions of the professional militaries.*

<sup>122</sup>It was mentioned earlier that the USSR in 1941 had concentrated all efforts on a vast buildup of attack forces and stupidly disregarded the possibility that the intended enemy would strike first, even if only by days or hours. They had no defense preparedness at all—with catastrophic results.

## EPILOGUE

The question of the link between democraticness and peacefulness may have to be seen in a new light when the concept of war itself is changing and its boundaries become fuzzy. Conventional historians tend to ignore the economic significance of the use of force. In thought-provoking books J.D. Davidson and W. Rees-Mogg elaborate the thesis that history seems to be largely determined by military technology.<sup>123</sup> They identify eras of civilization: the modern era beginning with the use of the bronze cannon and lasting from about 1500 to about 2000. At that time we have entered the era of IT-technology. Whether this new technology will free the individual from the state's oppression or increase the state's control and be deployed in the "war against privacy" is an open question. I guess that in the competition between private individuals and agencies on the one hand and state-employed ones on the other, the privately-employed individuals will be better motivated. Technological innovations have—as a by-product—increased the vulnerability of societies. A current conflict changes its nature as it goes. Thus the targets of Bush II's "war against terrorism" gets more and more blurred while the alliance with other states gets more fragile. The concepts of conflict and strategy have to be analyzed.<sup>124</sup> According to Clausewitz "War is the continuation of politics by other means," but also the converse holds: Politics is the continuation of war by other means. More and more nongovernmental agents appear on the scene, and the phenomenon of "asymmetrical war" has become more prominent. A small state or even a group of individuals show capability and willingness to attack an established military power—sometimes even with

<sup>123</sup>J.D. Davidson and W. Rees-Mogg, *The Sovereign Individual. The Coming Economic Revolution: How to Survive and Prosper in It* (New York: Pan Books, 1994).

<sup>124</sup>Montbrial, Th. de. *L'action et le système du monde* (Paris: Presses Universitaires de France, 2002).

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success (11 September 2001). Wars by proxy and "low-intensity wars" have become more frequent. Most important of all, with the advent of new sorts of violence the perpetrators of violent acts are more difficult to identify and hence to combat.