

THE IMPOSSIBILITY OF THE STATE

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As with many titles, this one is misleading. I do not mean that a gang of individuals might not call themselves a State; they often do. Furthermore, the impossibility of the State entails neither the impossibility nor the undesirability of governance in some sense. In an anarchist community, people govern themselves, though there is no state, that is to say, no formal governing class with the associated tomfoolery of elections, parliaments, constitutions and so forth, or the worse folly of their absence.

And that's just the point. However successful Adam Smith might have been in persuading us that the division of labor in some of its applications vastly improves quality and efficiency, I shall argue that no specialized agency can replace self-governance. The State—understood as an institution which can bring order, or function for the good of the whole society, and is therefore of significant benefit to anyone outside the “governing class”—is an impossibility.

THE INTERESTS OF THE STATE

This is not to say that the State never acts in the general interest (whatever that might mean), or that its functionaries are always incompetents or villains (though it favors such). I mean that there cannot be anything calling itself the State which can perform in any perceived

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interest other than its own except as it sees its interests coincident with these others. Since, as I shall maintain, the very idea of the State is that it must perform in the perceived general interest, it follows that the State cannot exist. More surprising perhaps, those who masquerade as the State must, in order to nourish the illusion, create a steady supply of problems, the fiction that it is uniquely qualified to solve them, and the fantasy that it has done so.

It is not altogether surprising that the division of labor should fail at this point. There are some things we cannot escape doing for ourselves. Suppose we designated a group of people as exclusive food digesters. We might envision these rotund specialists munching their way through the huge dinners we furnished them while their waste products are elaborately piped to the rest of us. With the exception of the digesters, most would consider this an excessively complicated system of exploitation and eventual malnutrition. This is, in fact, a pretty good metaphor for the State (though it would be indelicate to make it more explicit.)

I shall try to establish the following two theses:

Thesis 1: The State must promote coordination and the provision of public goods.

Thesis 2: Whatever calls itself the State has no aptitude for promoting either.

I shall then argue that “coordination and the provision of public goods” is impossible for any central authority, whatever its aptitudes. I go on to point out that the State survives by creating problems which it then pretends to resolve. I conclude by attempting to reveal the real identity of what purports to be the State.

THESIS 1: THE STATE MUST PROMOTE COORDINATION AND PROVISION OF PUBLIC GOODS

The problem of coordination is perhaps best illustrated by the notorious “prisoner’s dilemma.”¹ Envision a pair of detainees separately

¹A useful online summary is Steven D. Kuhn, “Prisoner’s Dilemmas,” *Stanford Encyclopedia of Philosophy*, plato.stanford.edu. A good popular account is William Poundstone, *The Prisoner’s Dilemma* (New York: Doubleday, 1992). The central importance of Prisoner’s Dilemmas to the defense of the state is obvious given any sort of contract theory, but just as important is the standard for selection in any evolutionary alternative.

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confined and accused of an offense they allegedly committed in concert. Their interrogator offers the following bargain. Should just one confess implicating the other, the “rat” (the one who confesses) gets one year’s imprisonment and his unfortunate associate gets slammed for ten. If they both confess, they are awarded three years imprisonment. If neither confesses, there being little evidence, both go free. As the two cannot communicate, neither of them has any idea what the other will do. Clearly, the best joint strategy (their general welfare, so to speak) is for them to hold fast. However, as each thinks that the other might fear being imprisoned for ten years, it appears that it is in their separate individual interests to confess, risking at most three year’s confinement as against ten.

The problem here is one of coordination. If the prisoners could communicate with each other, devise a joint strategy, and rely on one another to shut up, they would both walk. Lacking such coordination, they must settle for a miserably pessimistic strategy which is not really even in their individual interests.

Now the State obviously can do nothing to help the two prisoners. In fact, adopting the plausible assumption that they have been confined by State functionaries, it is interesting that the State, for its own purposes, has actually created an area of discoordination. Creating disorder rather than order better describes its actual function.

Nonetheless, it is alleged that the State is in the best position to resolve swarms of dilemmas having this form. For example, suppose some community is under attack from a powerful external force. Each member may perceive his own interest to surrender on whatever terms he can get. The best joint strategy might be to coordinate with his neighbors in a united defense. How, it may be asked, does one realize both the group’s best interests and his own, if not through the State?

Elegance might urge that we unite the provision of public goods and the resolution of prisoner’s dilemmas. However, elegance is not always clarity, and the focus of these two situations is somewhat different. The mark of a public good, if such there be, is that once provided, it is non-excludable (it cannot be fenced off or kept from anyone) and non-rival (one person’s use of it will not diminish another person’s). Oddly enough, the only relatively non-controversial example appears to be the atmosphere,² but others often cited are lighthouses,

²Notice that the State does not furnish air, nor has it yet devised a way to tax it.

street lights, vaccinations, and (showing the connection to prisoner's dilemma) national defense.

It is argued that since no one can be excluded from consuming public goods, but that such goods are needed and that costs are incurred in their provision, only taxes will make them possible without a debilitating and perhaps fatal incidence of free riding (use of the goods and services without paying for them.) Who is to tax, if not the State?

Supposedly, the State possesses a unique aptitude for resolving prisoner's dilemmas and providing public goods since it is supposedly held in almost universal respect, is widely trusted, has access to the most up-to-date information, and, not least, having awarded itself a monopoly of legitimate aggression, will be obeyed as it forces free-riders to pay their share. Albert J. Nock took licensed aggression and the power to tax to be the State's two defining marks.³

THESIS 2: WHATEVER CALLS ITSELF THE STATE HAS NO APTITUDE FOR PROVIDING PUBLIC GOODS OR RESOLVING PRISONER'S DILEMMAS

We should constantly bear in mind that the State or the government is just a group of people, and seldom the best people. It is not, as Rawls would have it, "a machine which makes social decisions when the views of representatives and their constituents are fed into it."⁴ Still less is it the representative of God on Earth, as James I, Robert Filmer, or Hegel believed. It is also clear, as Michael Bakunin pointed out in a controversy with Karl Marx, that the privileges and luxuries accorded political leaders make it impossible for them to *represent* the interests of the people, even if we suppose, falsely, that this last phrase has any meaning. There is no State, but there certainly is a ruling class.⁵

This must lead to the suspicion that the alleged State might not be as indispensable to the resolution of prisoner's dilemmas and the

³See Albert J. Nock, *The State of the Union*, ed. Charles H. Hamilton (Indianapolis, Ind.: Liberty Press, 1991), pp. 226–27.

⁴John Rawls, *A Theory of Justice* (Cambridge, Mass.: Harvard University Press, 1971), p. 146.

⁵When we mistakenly think we are dealing with the government, we are, in fact, dealing with the ruling class. This helps explain why those who occupy political office hardly ever act like "public servants."

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provision of public goods as James I (for instance) might have believed. Adding another player to a prisoner's dilemma only complicates the matter, and you unpleasantly trivialize it by investing this player with the means of resolving the dilemma in his favor.

Consider Hobbes's bargain. Acting in our own interests, we are supposedly doomed to a life "solitary, nasty, brutish, and short." To avoid this, Hobbes claims, we contract among ourselves to establish a sovereign who forces us into cooperation and, thus, happiness, even as this compels us often to act in a way contrary to our individual interests.⁶

But what incentive does the sovereign have for doing any such thing? His interests may occasionally *coincide* with those of a large number of his subjects, but this will be mere chance. The general interest may be *defined* as identical with that of the sovereign, but that is mere tautology. The matter is complicated, but not the least improved, by supposing the sovereign to be elected or to take the form of a parliament. This just brings propaganda to the fore, and makes the ruling class a little larger.

Reinforcing the general suspicion that the State may be a bad bargain, we consider the expandable margins of self-interest. Our still languishing prisoners *might* know one another well enough to arrive without Hobbesian assistance at the optimal strategy. Alternatively, they might belong to an organization with a norm that one must never "drop the dime" on another member.⁷

What this brings out is that for iterated prisoner's dilemmas (in which the situation is repeated over and over), outside assistance becomes redundant and worse. The ability of the prisoners to trust one another enough to keep silent, despite the inducement to do otherwise, presumably derives from having observed one another's behavior in similar perplexities a number of times. Even in ignorance of the other's behavior on a given occasion, they would likely have developed a strategy that converges toward optimum. Another way of seeing this is that their interests spontaneously expand and overlap. Similarly,

⁶Anthony de Jasay, *Social Contract, Free Ride* (Oxford: Clarendon Press, 1989), pp. 85–95.

⁷E.g., *Omerta* is allegedly just such a norm among the Mafia's "made men." Incidentally, studying organized crime is one of the better ways of understanding conventional politics, assuming these are different things. See Nock, "The Criminality of the State," in *The State of the Union*, pp. 269–76.

omerta as a Mafia norm undoubtedly originated in the experience over time of the disadvantages of leaving members vulnerable to outside intimidation. Thus would have formed an optimizing strategy of benefit to the made men and especially to their leaders, internalized by the former and certainly enforced by the latter, and again creating a system of overlapping interests without third-party coercion.

An example more to the point is defense, thought rightly to be the most plausible of State functions. Suppose, as before, a number of communities are attacked by an outside force strong enough to overwhelm them if taken one by one, but not so if they combine. This can be interpreted as an example of a prisoner's dilemma and defense as a public good. Since each community fighting separately loses, its members slaughtered or enslaved, the preferred strategy is to combine. It takes no Rawlsian consent machine to grind out this conclusion, nor a representative of God on Earth to see it. Any fear that one community might dominate the federation is mitigated by the certainty that the State will.

Prisoner's dilemmas are alleged to represent demands that only the State can satisfy, and public goods are conceived as those objects and services by which the State supplies the demand. However, as we have seen, this claim in the case of prisoner's dilemmas is questionable. That being the case, it follows that the very notion of a public good is suspect. After all, if prisoner's dilemmas can be resolved without State intervention, then the goods (and services) which, in view of their supposed non-rivalry and non-excludability, the State is uniquely competent to furnish, may not exist as such.

Perhaps one of the few generally acceptable examples of a public good is the atmosphere. If the air we breathe is not inherently non-rival and non-exclusive, what is? This is only because there is seldom any point in rendering the atmosphere scarce, but such scarcity is possible. Imagine any number of people confined in an air-tight room in which the oxygen supply is regulated by a spigot, located outside and controlled by an "air lord." The group is excluded from the supply of oxygen by turning off the spigot. Supposing that there are n people in the room, rivalry is created by supplying oxygen sufficient only for $n-1$. So, even the air we breathe is only a public good under certain conditions, which, fortunately, usually obtain.⁸

⁸Scott Kjar suggests the less exotic example of divers each with his own oxygen tank. The air in each diver's tank is both rival and excludable.

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Notice that under these conditions, there is no question of the State being involved because the good is genuinely (though not under all conditions) non-excludable and non-rival. Having these characteristics in any significant sense takes “provision” out of the hands of either the entrepreneur or the state bureaucrat and leaves it to what we may vaguely style “Nature.” This suggests that even where we find public goods, the State may be irrelevant to their provision precisely because they are public goods. Consider light, sound, beauty.

Before we examine empirical arguments against the State’s unique aptitude for resolving prisoner’s dilemmas and thereby furnishing public goods, we might notice that the State itself (at least in its own estimation) must be a public good. As such, if it is not eternal and divine, it must itself furnish one example of the private production of a public good. Why not others? Furthermore, if we set aside theological-style blocking arguments (e.g., you can’t inquire after God’s origin as he is eternal, and the like), we have difficulties making sense of the State as resolving prisoner’s dilemmas involving individuals. Who would then resolve the perhaps more desperate dilemma thus created between these individuals and the State?

Prof. Paul Samuelson, however, thinks of national defense as “an example par excellence of a public good” which the State is uniquely qualified to provide.

Could market *laissez faire*, with no political voting and no coercion, give the group the national defense desired by the majority? Evidently not—not in the same way that the market can handle our private bread needs. If I knew that I was going to benefit anyway from the defense you had paid for, why should I come into the market place and exercise a dollar demand for it? Patriotism would of course motivate me; but it would show itself in the way that my neighbors and I vote on election day and in the way we acquiesce in the coercive fiats legislated by our responsive government, rather than in our day-to-day private purchasing.⁹

Even granting all this, which I do only for the moment, national defense must be an embarrassment for one who defends the State, for it is obviously a problem the State itself has generated. Without the State, there would be no nation, and without a nation, no question of

⁹Paul Samuelson, *Economics*, 11th ed. (New York: McGraw-Hill, 1979), pp. 150–51.

national defense. This does not relieve us of the problem, but it does reduce it to the question of how a voluntary community can defend itself against a national state. Incidentally, it reminds us that the State itself produces malign externalities. Even more obviously, as I point out later, it generates free riders.

Jeffrey Hummel argues that voluntary organizations such as The Red Cross and (to use a local example) The Catholic Commission for Justice and Peace in Zimbabwe are not put off by the fact that they generate free riders.¹⁰ Hardly anyone helped by these organizations has ever donated goods or services to them, but such contributors as there are seem undeterred.

An even more startling example is voting, which Samuelson himself mentions. It costs something to vote. If nothing else, time, which always involves opportunity costs (the value of what you might be doing instead). Furthermore, it is ridiculous to imagine that the lost opportunities will be compensated by the effect your one vote will have on the outcome. This explains why many people do not vote; why is it that many do?

How do we explain the possibility of any voluntary organization which depends on donors, or, what Samuelson believes to be one of the few legitimate outlets for patriotic feeling, the vote? The most straightforward explanation for the possibility of such voluntary organizations, tax breaks aside, is that for a significant minority, benevolence (or some form of sublimated vanity) is strong enough to overcome their resentment of free riders. Hardly anyone gets a tax break for voting. Those who vote must be moved almost entirely by partisanship or patriotism, all the more astonishing in that both are misdirected.

The problem of how an anarchist community protects itself against national states thus reduces to the question of how, without coercion, one minimizes the number of free riders. Even the State cannot eliminate them. A voluntary scheme can count on a significant number of contributions from the start. If benevolence alone supports the Red Cross, then patriotism, voting, and fear will certainly inspire at least equal support for defense.

To further increase support, the scheme might take the form of an insurance policy offered by competing private insurance firms. Such

¹⁰Jeffrey Rogers Hummel, "National Goods Versus Public Goods: Defense, Disarmament, and Free Riders," *Review of Austrian Economics* 4 (1990), pp. 111–12.

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a policy might require a minimum subscription level equal to that which, on the basis of a reasonable premium, would be necessary to support a minimally adequate defense. Those not satisfied with the level of defense thus achieved would be free to make further contributions. Pacifists and others wishing not to contribute would have already chosen not to do so.

Competition between firms would further increase subscriptions by minimizing premiums. Under such a scheme, aggressive warfare against other communities becomes almost impossible. Few would pay the premiums necessary to support the level of armament needed to support such adventures, and it would be in the interest of the insurance firms to head off conflict to prevent having to settle claims. Further, Hans-Hermann Hoppe argues that because the risk incurred by aggressors is voluntarily assumed, it is uninsurable; just as one cannot insure oneself against suicide, one cannot finance an attack upon Iraq through an insurance claim. Defense handled by competing insurance firms would, therefore, have a genuinely defensive bias. Finally, by automatically separating the protection of the State from the protection of society, such a scheme might further enhance its appeal. No longer would we witness the ruling class leaving everyone else virtually unprotected as it digs refuge for itself under granite mountains.¹¹

It might be thought that at least the institution of private property, which such firms represent, must be regarded as a public good. But there is no more reason to think that some fatal characteristic of private property makes it a public good than to believe that there is something mysterious about lighthouses that makes them public goods.¹² No one sees any logical problem with private insurance of private property. It is not hard to imagine an extension of such services complete with private adjudication firms in the end providing adequate support for the institution.

Finally, it is not merely because public goods happen to be fictional and prisoner's dilemmas often self-resolving that the State fails to have a legitimate function; it cannot be otherwise. The argument is a straightforward extrapolation of Ludwig von Mises's argument showing that rational economic calculation is impossible under State socialism. As

¹¹Hummel, "National Goods Versus Public Goods," p. 95.

¹²Involved here is some form of the foundationalist fallacy. When beguiled by thoughts of God, intuition, natural law, or the State as supports for private property or the market, a good way to disentrall oneself is to think of kites, not buildings.

Mises wrote, in a modern economy consisting of thousands of interrelated factories,

how will [a state socialist society] be able to decide whether this or that method of production is more profitable? At best it will only be able to compare the quality and quantity of the consumable end product produced, but will [only] in the rarest cases be in a position to compare the expenses entailed in production. It will know, or think it knows, the ends to be achieved by economic organization, and will have to regulate its activities accordingly, i.e., it will have to attain those ends with the least expense. It will have to make its computations with a view to finding the cheapest way. This computation will naturally have to be a value computation. It is eminently clear and requires no further proof, that it cannot be of a technical character, and that it cannot be based upon the objective use value of goods and services.

Mises then describes how this is accomplished in an “economic system of private ownership of the means of production”:

[T]he system of computation by value is necessarily employed by each independent member of society. Everybody participates in its emergence in a double way; on the one hand as a consumer and on the other as producer. As a consumer he establishes a scale of valuation for goods ready for use in consumption. As a producer he puts goods of a higher order into such use as produces the greatest return. In this way, all goods of a higher order receive position in the scale of valuations in accordance with the immediate state of social conditions of production and of social needs.

Mises then points to the fatal deficiency of state socialism in this regard by pointing out that while a socialist administration may be aware of the community’s most urgent needs,

Yet it cannot reduce this value to the uniform expression of a money price, as can a competitive economy, wherein all prices can be referred back to a common expression in terms of money. In a socialist commonwealth which whilst it need not of necessity dispense with money altogether, yet it finds it impossible to use money as an expression of the factors of production (including labor), money can play no role in economic calculation.¹³

¹³Ludwig von Mises, *Economic Calculation in the Socialist Commonwealth* (Auburn, Ala.: Ludwig von Mises Institute, 1990), pp. 22–24.

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We might make the point differently using our prisoner's dilemma–public good framework. Socialist theory, at least Marxism, considers that the market is an n -person prisoner's dilemma. Profit-seeking and alienation prevent both the capitalist and the worker of making an optimal use of the goods and services that the market itself makes possible. The worker is doomed to increasing poverty, and pushed down to mere subsistence by increasing competition and the consequent struggle for surplus value on the part of his employer. In turn, the employer is harassed by competition and the consequent threat of being reduced to the proletariat himself. Both act in their own interests, but the market channels their efforts into a sub-optimal result.

It can be shown that this is sheer balderdash, but that is beside the point, which is that the socialist solution to this problem is to do away with the market—at least the market for the higher-order goods (factors of production) necessary to the production of consumer goods. Thus, under the socialist scheme, higher-order goods are turned into public goods.

According to Mises, this makes it impossible to calculate the value of higher-order goods since, without a market, there is no way money can serve as an aggregation of the subjective estimates of value which determine what, how much, at what time, and where such things as lathes, lumber, or pistons are to be produced. Such an aggregation involves the transformation of a large number of subjective valuations which can only be scaled ordinally into a single price system in which the resultant money values are scaled cardinally. In other words, we must go from a chaotic set of appraisals each of which represents an individual psychology responding in part to transient local conditions, such as the weather, the character of the local banker, or last month's harvests—appraisals which can be compared only as more or less—and arrive at a set of money prices in which we can say exactly how much more or less. Unless, on the basis of money price, we are able to say, e.g., not only that it is more urgent to produce pistons than lathes, but also to say how much more urgent, then rational allocation of the resources which must be devoted to both of these items is not in prospect. In order for these money prices to be non-arbitrary and grounded in reality, they must represent the vector sum of all the subjective and localized appraisals mentioned above.

The market brings into confrontation differing appraisals such that the better ones tend to prevail. Among those, the ones that most accurately estimate the cardinal value in terms of money price finally

succeed. The market thereby performs an absolutely unique function. The subjective foundation of the process cannot be duplicated or even convincingly simulated by the fastest and most capacious computer. It is a process invincibly resistant to handy summary in the form of static equations by which bureaucrats might hope to be guided. As the market process results in an array of cardinally scaled money prices, it has reduced, in a way nothing else can, chaotic demand and entrepreneurial effort to a set of numbers related in such a way as to enable firms to plan future production. Insofar as socialism abolishes or disables the market, it gives up any hope of rational economic planning.

The impossibility of rational socialist economic calculation is a special case of the impossibility of the rational State production or allocation of public goods. Recall the underproduction of lighthouses, and the similar shortage of medical care in every state-run medical scheme. Everywhere State police beat up the innocent, make deals with criminals, and demand higher appropriations. State-run welfare systems foster a malign collusion between bureaucrat and recipient, degrade the economy, and, by occasioning heavy taxation, impoverish some as they demoralize others. These are not aberrations awaiting more dedicated public servants, still more complicated regulations, or larger appropriations, despite the insistence of the defenders of both State socialism and the State. Rather, they are the malign externalities and free riders entailed by the fundamental inability of the gang which calls itself the State to resolve prisoner's dilemmas or, what comes to the same thing, produce or distribute public goods according to any rational set of values apart from its own interests.

This is more apparent when we consider State socialism only because the latter must reject money as the cardinal ordering through which economic calculations can be made. But it is obvious that something like a market can and does perform a similar function in what are usually thought to be political questions. Whether to have State ownership or private ownership of grocery stores is easy to decide because the performance of competitive firms is superior to that of coercive monopolies. Private police firms modeled after insurance companies are preferable to State law-enforcement monopolies for much the same reasons, to which might be added that the former have every incentive to *prevent* crime. State-run constabularies, by contrast, maximize appropriations by reacting to crime. The private provision of welfare is cheaper and better directed, since it does not double as vote buying. Some of these differences might even be in

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part cardinalized, but certainly not as decisively as in the purely economic examples.¹⁴

I need not point out that Mises's argument is controversial. However, it offers the most plausible explanation of the socialist implosion of the late 1980s and early 1990s, and, aside from its intrinsic plausibility, has the merit of now floating happily on the economic mainstream.¹⁵

It is bad enough that the entity which calls itself the State cannot do what it must if it is to avoid being an imposter. What is worse is that it generates the malign predicaments necessary to the masquerade. The process is most evident in the extraordinary maneuvers by which States go to war (war being something for which States have a unique aptitude). Never missing are historical distortions and Manichean fantasies of virtue outraged. The mystique is enhanced, and the powers of Leviathan increased, not only for the occasion, but to make peace as planned and regulated as war itself. Indeed, peace ideally becomes a condition of permanent enthusiasm in which the State wages war against cancer, drugs, terrorists, etc., with gratifyingly little success aside from the increasing vigor which always accompanies exercise and good nourishment.¹⁶

¹⁴For a similar argument, see Hans-Hermann Hoppe, "The Private Production of Defense," *Journal of Libertarian Studies* 14, no. 1 (Winter 1998–1999), pp. 33–35.

¹⁵For recent favorable discussions of the calculation argument, see Don Lavoie, *Rivalry and Economic Planning* (Cambridge: Cambridge University Press, 1985); and David Ramsey Steele, *From Marx to Mises* (Lasalle, Ill.: Open Court, 1992). For an interesting dissent, see Allin Contrell and Paul W. Cockshott, "Calculation, Complexity, and Planning: The Socialist Calculation Debate Once Again," *Review of Political Economy* 5, no. 1 (1993).

¹⁶Woodrow Wilson's Aug. 2, 1917 speech calling for a declaration of war against Germany is both an incident in a case history of such a process and a description of its phases:

(a) Acquisition/Creation of a Prisoner's Dilemma: "American ships (were) sunk, American lives taken . . . [in] a warfare against all mankind . . . [against which] armed neutrality was impracticable." Another alternative is excluded as a matter of honor: "We will not choose the path of submission and suffer the most sacred rights of our nation and our people to be ignored or violated." The prisoners are identified as the American people (whose rights are ignored) and the German people (who, along with almost everyone else, must be liberated). The optimal resolution of the Prisoner's Dilemma can, thus, only

Health is best assured by a balanced diet, and green nourishment supplements the red. Brazil's government subsidizes clearance of its tropical forests, and then, with added means of enforcement, is judged indispensable to the salvation of those same forests.¹⁷ Ludditism with

be effected by the American State declaring war against the German State, thereby saving the American people from violation and the German people from the German State. The "sacred rights" to which Wilson refers were to be allowed passage on belligerent ships in combat zones carrying United States-manufactured munitions to only one of the belligerents.

(b) Bait, *The Alleged Rewards of State Action*: "Tragical" as it might be, Wilson held out the possibility of a magnificent outcome: "We are glad, now that we see the facts with no veil of false pretense about them, to fight thus for the ultimate peace of the world and the liberation of its peoples, the German peoples included: the rights of nations great and small and the privilege of men everywhere to choose their way of life and of obedience. The world must be made safe for democracy." This is not the place to describe the subsequent disappointment.

(c) Switch, "The Health of the State": The State at war could organize and mobilize "all the material resources of the country to supply the materials of war and serve the incidental needs of the nation." Similar organization and mobilization would be required "in rebuking and restraining the few (among German Americans) who may be of a different mind and purpose" and in answering disloyalty "with a firm hand of stern repression." No disappointment here.

(d) Consolidation: *Mirage and Revision*: If the gains under (c) are to be retained or at least eventually reacquired, it must be generally accepted that the initiative in question was inevitable or at least wise, and so the powers thereby acquired by the State were only natural. Orthodox history can be relied upon here, while revisionists can expect to be regarded as unsound or perhaps disloyal, and that alleged "disloyalty" presents new opportunities for a self-confident State. For a description of how this process further impoverishes a poor country see Leonard Brewster, "Zimbabwe: The Snake Eats its Tail," *Liberty* 13, no. 3 (March 1999), pp. 30–33.

Wilson's speech is widely reprinted, e.g., as an appendix to Ross Gregory, *The Origins of American Intervention in the First World War* (New York: W.W. Norton, 1971), pp 140–48. For a similar view of World War I whose emphasis is clear from the title, see Murray N. Rothbard, "World War I as Fulfillment: Power and the Intellectuals," *Journal of Libertarian Studies* 9, no. 1 (Winter 1989), pp 81–124.

¹⁷See Roger A. Sedjo, "Forests: Conflicting Signals," in *The True State of the Planet*, ed. Ronald Bailey (New York: Free Press, 1995), pp. 177–209. *The Economist* (June 30, 2001), pp 26–27, reports that the European Union is continuing to subsidize olives in direct proportion to the amount produced,

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religious overtones successfully counters scientific doubt in convincing most people of anthropogenic global warming. The Kyoto Treaty is the preferred response as it increases the power of States and gives substance to the still shadowy Super State.¹⁸

A firm must drum up business; those that don't tend to be selected out. So it is with the State. Furthermore, just as firms might do better believing that they are serving some higher purpose, so might the State. Thus, we need not suppose that those who play this role see themselves as creating or aggravating problems just to remain employed and prosper. It is merely the duty of a successful "statesman" to manufacture a certain amount of disorder, and solemnly go through the motions of correcting it. If he can't really improve things, so much the better.

If there is no State, why does there appear to be one? As well ask, "There is no Hamlet, so who is that on the stage?" For an answer, we must resort to aesthetics. I suggest that politics is a form of degenerate drama with the State taking the leading role. The actor playing Hamlet is rigidly guided by plot; the statesman must improvise inspired by some contrived dilemma, with ideology doing poor service as a script. Such scripts have happy endings usually belied in production. No more than the actor is the statesman expected to mention such failures. In the one case it would be out of character; in the other, "impolitic."

Political stardom depends even more than its dramatic analogue on suspension of disbelief, willing or unwilling, and indeed the audience must in an almost literal sense identify with the State even as citizens have their pockets picked and are knocked about by the actors. Such mischief is, however, rarely attributed to the State, which yet takes credit for any imagined relief, thus permitting the show to go on.

Because the State fails in its essential function, it cannot and does not exist. Those who play the role, creating the illusion of its existence, can only do so as parasites upon a disorder largely of their own creation, which they cannot improve. Thus, the State has no aptitude for solving problems, and because of its very non-existence, has every incentive to create them.

so Europe faces deforestation and even water shortages resulting from the frantic planting of olive trees, and, not surprisingly, there is "a lake of olive oil." Both problems will doubtless invigorate the EU for years to come.

¹⁸See Robert C. Balling, Jr., "Global Warming: Messy Models, Decent Data, and Pointless Policy," in *The True State of the Planet*, pp. 83–107.

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