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## An Explanation of History

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### Introduction

This web site contains a short explanation of the background history that is needed to understand the major economic and political problems in the world today. Those who are following the news accounts of the troubles in the Middle East, Africa, Latin America, southern Asia, and elsewhere have probably noticed that it is very difficult to understand the roots of the problems. Daily news accounts contain a lot of useful information, but they do not contain an explanation of the historical context, which is necessary to really understand what is happening. This 60 page explanation of history fills that gap. Once you have read it, you will understand for the first time what is actually happening in the world. It amounts to a new theory of history that is capable of explaining why countries behave the way that they do.

In this modern day information age, it is time to set aside historical views that are based on national myths and prejudice. This overview of history applies the same rules and standards to all countries in a fair and impartial manner.

History occurs in a single massive complex of intertwined events, but it cannot be understood when everything is jumbled together. That is why this explanation of history is written in a question and answer format. Events have been separated into different threads in order to promote understanding. This format helps to keep the analysis on track and explain one issue at a time. These threads will have to be recombined inside your mind in order to provide a full picture of what is happening in the world. The questions have been arranged in such a way that the answers will work together to provide an understanding of the overall context of history.

First the entire list of questions is stated. Then each question will be answered with the shortest possible meaningful answer.

1. Why is there so much anarchy, war and revolution in the world today?
2. What are traditional societies?
3. What is a nation-state?
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## **1. Why is there so much anarchy, war, and revolution in the world today?**

The world is half way through a gigantic revolution from traditional forms of society to democratic market society. This revolution began in the 16th century in the area known as the Netherlands. Since then it has spread throughout the entire world. Many very difficult tasks have to be performed in every country during this revolutionary period. The political power of monarchs and aristocrats has to be broken. Modern nation-states must be organized. Their borders and citizenship must be determined. Their market economies must be greatly expanded. Political power has to be shifted first from aristocrats to oligarchs and second from oligarchs to ordinary citizens. These are long and difficult changes that usually require centuries for each country to complete. Multiply that by about 200 countries and the whole process of revolution from traditional society to modern society must inevitably include a thousand wars, revolutions, civil wars, dictators, anarchy, and chaos. I call this entire process the modern revolution.

## 2. What are traditional societies?

Before we can understand the world-wide revolution that has led to the development of modern nation-states, it is necessary to have some understanding of the kinds of social organization that were used before this massive revolution began. It is possible to distinguish three kinds of traditional societies that existed prior to the development of the modern world. These are aristocrat peasant society, tribal society, and a form of mixed tribal and aristocratic society that used to be common in lands that were not very fertile. It is also necessary to briefly describe colonial society, which spread across much of the world in the 19th and early 20th centuries.

### Aristocrat Peasant Society

The defining element for all aristocrat peasant societies is the use of a command economy mechanism to distribute food. After the development of agriculture, a need arose for some highly reliable system to distribute the surplus food to non-food-producers. This was six thousand years ago. A market system could not possibly do the job. Instead agricultural societies came to be divided into at least two separate classes: aristocrats and peasants. Peasants grew the food, and every year they delivered a substantial amount to their aristocratic lords. This gave the aristocrats a large supply of food, which was distributed in many different ways to specialized workers—including soldiers, servants, masons, priests, artisans, and many others.

There were many different variations of the aristocrat peasant theme, but most of them had many things in common. Aristocrat peasant societies were class-based societies. They had a very small ruling class and a much larger subordinate class, which was mostly deprived of political rights. In aristocratic society a person's birth, family, and marriage were all-important. The position of being an aristocrat was usually hereditary. The top aristocrat was normally a monarch. Ruling families were dynasties. The monarchs and aristocrats had a monopoly on political power. It was very common for aristocrats to fight each other for control of land and peasants.

Markets existed in most aristocratic societies, but they were not nearly as important as today. Relatively few people relied on markets to provide their daily food requirements. If the market system suffered a near fatal collapse, the aristocrat peasant food distribution system could still continue to operate. Even in normal times most people went for weeks or months without purchasing anything at a market.

The end of aristocratic society is often difficult to pin down. The market system gradually grows stronger and slowly becomes the primary method of food distribution. This change began in parts of Western Europe as early as the 16th and 17th centuries, but it was not completed until the 19th century. After markets take over the food distribution task, aristocrats become redundant. In fact, they get in the way. As the markets increase in size and power, a new group of wealthy merchants and lawyers slowly become part of the ruling class. In most countries the old nobility gradually merge with this new group of wealthy families to form a larger oligarchic ruling class. It is a very slow process. When the United States became independent two hundred and twenty-five years ago, most of the world was still ruled by aristocratic dynasties.

### Tribal Societies

Modern nation-states use markets to distribute food to non-food producers. Aristocrat peasant societies use a command economy mechanism to collect and distribute food. The most important characteristic of tribal societies is that they do not have a strong and reliable mechanism for food distribution. This makes it difficult or impossible for tribal societies to have cities and higher levels of civilization based on literacy.

There have been many variations of tribal society. They range from the primitive hunting and gathering bands of our earliest ancestors to relatively sophisticated tribal nations like the Iroquois Confederation that confronted the American colonists. Some tribal societies retain a primarily hunting and gathering economy, but many have also developed agriculture and animal husbandry. Quite often, members of the tribe share food with each other. This is certainly a form of food distribution, but it is not reliable enough for the development of large numbers of specialized workers and non-food producers.

Most tribes have a political structure based on chiefs, elders, and councils. The religion is often shamanism. In most tribes the young men are expected to be warriors. Tribal warfare usually takes the form of raids, but sometimes large groups leave their homeland and go looking for a new place to live. This has caused a number of major upheavals in history. Some tribes are docile, some are dangerous when disturbed, and some have been downright aggressive. Many tribes are relatively sedentary, while others are highly mobile.

When colonial empires evaporated in the decades following World War II, many tribal societies found that legally and constitutionally they had suddenly become nation-states. Unfortunately, the transition to a successful, market economy nation-state is not that easy, and tribal societies seem to have a

particularly difficult time. There will be a great deal more discussion about this transition in the coming pages.

### Aristocrat Tribal Societies

The change from tribal society to aristocrat peasant society probably happened quite slowly in a long evolutionary process that is not very well understood by historians. It is not necessary to speculate about the details of that transition, but it is important to note that in many areas of the world, the change was never fully completed.

Aristocrat peasant society is specifically designed to distribute substantial agricultural surpluses from peasant-farmers to specialized workers and non-food producers of the society. There are many parts of the world where agriculture and animal husbandry can be used, but the land is not fertile enough to produce a large surplus. This is especially common in mountainous and semi-arid environments. In many of these areas tribal leaders evolved to acquire the titles and status of aristocrats, but they could not hope to accumulate large agricultural surpluses from the people they ruled.

This kind of society sometimes has the outward appearance of being an aristocrat peasant society, but in reality the common people have not been reduced to peasant status and are not compelled to deliver large amounts of food to their political leaders. This means that the common people retain a great deal of personal freedom and independence. These people fully realize that they have much more freedom than the peasants in neighboring societies and are determined to defend it. Most of the men carry weapons most of the time. This group contains quite a large number of different people. It includes Albanians, Kurds, Chechens, Berbers, Druse, many of the Arab countries, Afghans, a number of groups in Central Asia, Tibetans, Mongols, Gurkhas, and a number of Hill Tribes in Southeast Asia. The Scottish Highlanders were a member of this group before they were destroyed in the 18th century.

Most of these people lived in mountains, deserts, and difficult hill country where it was just not possible to produce a reliable food surplus. They were tough, well armed, and sometimes envious of the wealth that was produced by their more prosperous neighbors. It used to be common for many of them to raid their neighbors for food, women, and moveable wealth. It was a very macho form of society that admired physical toughness and ability with weapons. These aristocrat tribal societies seem to have a high level of resistance to the transition into modern nation-states.

### Colonial Societies

Colonial society is not a traditional form of society, but in this section we are looking at the starting point for societies around the world before they began the transition to modern nation-states. This makes it impossible to ignore colonial society. At the peak of imperial expansion during World War II, more than half the world's land and people were part of some large empire. In the great implosion of empires that occurred after the war, these colonies quickly became independent.

In the more productive colonies that had a large native population, the imperialists functioned much like aristocrats. They were a small ruling class with a monopoly of political power. Many of the native people were essentially much like peasants. They produced agricultural commodities such as sugar, tea, spices, and rubber—which the imperialists took and shipped to foreign markets. There were also many colonial areas that produced little of value. In these areas, imperialism was a thin veneer that overlaid a native society, which at heart retained most of its traditional tribal or aristocratic character.

After World War II when the imperial age ended, most of the colonists returned home, and the native people suddenly found themselves to be citizens of brand new nations. In Europe most nation-states arose through a long, violent revolutionary process. In the colonial world statehood came relatively quickly. Unfortunately, the modern revolution from traditional society to a market economy nation-state does not happen that easily. In many cases, the newly independent countries were modern nations in name only. In reality they were still predominantly tribal or aristocratic societies. These countries are now squarely in the middle of the very long and difficult revolutionary process that will eventually convert them into modern nation-states.

### **3. What is a nation-state?**

The concept of nations and nationality has been around for thousands of years. Herodotus wrote about the German nation 2500 years ago. In those days the term did not refer to a country, a government, or a state. It referred to a people. There were dozens of different German tribes with no central authority, but together, they still constituted the Germanic nation. Nations were the sum total of a given "people" who were part of a single ethnic group, with the same language, the same religion, and the same cultural identity.

The development of the nation-state is often called nationalism. It was by far the most powerful political force of the 19th and 20th centuries, and will probably remain the most important political force in the 21st century. The national government has two primary tasks. It is responsible for maintaining national security and protecting the safety of the citizens. Just as important, it is responsible for establishing a regulatory framework to support and protect the market economy. The success or failure of the government in regulating the market economy will determine whether the population enjoys prosperity or suffers from poverty.

When aristocrats began to lose control of Western European society during the 17th century, aristocratic states began the slow and difficult transformation into nation-states. The modern nation-state is a very different kind of society from the earlier aristocratic state. Peasants become farmers. Instead of turning over a portion of their harvest to the aristocrats, they sell it through a system of wholesale and retail markets. The market economy becomes the most important factor in people's lives. The primary activity of nearly all nation-state governments is to regulate the market economy and make sure that it does not collapse, as happened in Argentina in 2002 and Zimbabwe between 2005 and 2008.

Market based nation-states do not have to consist of a single ethnic group, with one language, one religion, and one culture, but they have fewer problems when that is the case. The reason has much to do with the market economy. In a market-based society, people must routinely do business with strangers. It is much easier to trust strangers, and do business with them, if they speak the same language and share the same basic cultural identity.

As the market economy grows larger, it must be regulated by the state. The government must define what money is, and establish who has the right to coin or print it. The government must regulate banks, corporations, wholesale markets, retail markets, and a great deal more. Activities that constitute fair market practice must be defined, written into law, and enforced. Activities that do serious harm to the markets, such as theft, fraud, and extortion must be outlawed. Most of the legal code in a nation-state is there to regulate and protect the market system.

The process of developing modern regulatory mechanisms is slow and often painful. Societies that are still in the early stages of developing their nation-states can hardly be faulted for poor economic regulation. It usually takes many generations to design and adopt successful regulatory mechanisms. The process of market development, national development, and regulatory development are all accomplished much more easily if the population and the government share the same ethnicity, language, and culture.

Hereditary monarchs and aristocrats cannot successfully rule a modern nation-state. The monarchy either becomes a ceremonial position or it is ended altogether. All of this takes time. No society has ever transitioned from an aristocratic state to a fully operational nation-state within a single generation. Some things change through a slow, relatively peaceful process of reform and evolution. Other things change through a bloody process of civil war and revolution. That is how the process of nation building has always operated in the past, and that is how it will continue to operate in the future.

The process of establishing and developing a nation-state is not ancient history. It is one of the largest and most important issues of our time. Will the Palestinians have a nation-state of their own? Will Taiwan become a nation-state? Will the Basques, Mayans, Kurds, Berbers, Tibetans, and Native American Indians ever have a nation-state of their own? Will the two different ethnic groups in Northern Ireland ever stop fighting each other and become a unified population? We are talking about the problems of the present and the future, not the problems of the past.

Most countries in Africa were originally established as European colonies. After World War II they became independent. Now the world wonders why so many of them are unable to function as successful nations. You cannot take an imperial colony with a dozen ethnic groups, a dozen languages, three major religions, and very little indigenous market tradition, give it independence, and expect it to become a successful nation-state in two generations. It is not going to happen.

Most colonies functioned essentially as aristocrat peasant societies. The native people were the peasants and the European colonists were the aristocrats. This kind of society can have many different ethnic groups, languages, religions, and cultures. Different people in different villages do not have to get along with each other and do not have to cooperate with each other. Most people seldom left their villages or had business with strangers.

A nation-state is very different. It must have a large, unified, and successful system of markets. It must have a strong central government to closely and competently regulate the market economy. Rules and regulations must be designed to be easy to use, and must encourage increased economic activity. Everyone engaged in the market economy must interact with each other and with the government on a regular basis. They must accept and use the government's rules, regulations, and laws.

When a country has numerous ethnic groups who are suspicious of each other, jealous of each other, and unwilling to cooperate with each other, who will form the government? How can any government gain the trust of the

people? How can it regulate the economy successfully without the trust and cooperation of the people?

There are about two hundred nation-states in the world today. Less than half of them are prosperous and successful. Many countries that have not yet prospered only need time and an ongoing process of development. But many other nations have serious structural problems. Time and patience will not solve these problems. They may eventually be solved by war and ethnic cleansing. If the world wants a better solution, we will have to understand what the problems are, how they started, and how they can be fixed. This is possible. The data needed to understand the process of nation-state development is available. It is sitting in history books on library shelves all over the world.

#### **4. What is the reason for ethnic cleansing, religious cleansing, and genocide?**

Ethnic cleansing, religious cleansing, and genocide are not random events. They do not happen because some dictator wakes up in the morning and decides to kill an ethnic minority that day. These things occasionally happened in tribal societies and aristocrat peasant societies. Democratic market societies try to integrate minority groups into the mainstream and encourage them to become productive and prosperous citizens.

That leaves oligarchic society, especially countries that are in the early stage of nation-state development. This is when most episodes of ethnic cleansing, religious cleansing, and genocide occur. The largest single example happened when India and Pakistan gained their independence from the British. Angry mobs forced tens of millions of Muslims to flee India and seek refuge in Pakistan. Millions died along the way. At the same time Pakistani mobs evicted millions of Hindus from their homes and forced them to march south into India, again with great loss of life. This terrible episode of religious cleansing finalized the creation of two nations, one Hindu and one Moslem, out of what had been British India.

It is all very well for Western nations to oppose the horrors and brutality of ethnic and religious cleansing, but the well-documented evidence of history is very clear on this subject. Most Western nations also made use of horrific episodes of ethnic and religious cleansing in the development of their own

nation-states. The historical data is there for anyone who cares to investigate. Ethnic and religious cleansing have been regularly used as a common occurrence in the process of nation-state development.

The Netherlands was the first recognizable, modern, market economy nation-state. It was born out of the terrible religious wars of 16th century Western Europe between Catholics and Protestants. The Habsburg Spanish Catholic dynasty, which ruled the Netherlands, tried to exterminate the Protestant heresy. The Protestant Dutch fought back against the Spanish, and against the Catholics in their own population. When the smoke cleared, the Spanish armies and the local Catholics had both been cleansed from the 16 Northern Provinces of the Netherlands. After getting rid of the monarchy and the largest source of disunity, they formed a united government and quickly became the first modern nation-state.

The second nation-state was Great Britain. It was formed in 1707 by the union of England and Scotland. The Lowland Scots more or less accepted this union but the Highlanders most emphatically did not. After centuries of English interference in Scottish affairs, the Highlanders looked upon the English as enemies. As part of their rebellion the Highlanders supported the Stuart dynasty which had previously been monarchs of Scotland and England but were now deposed and in exile in France. Parliament and the new monarch were determined to end Highland rebellion once and for all.

For years English troops roamed the Scottish Highlands killing all who opposed them. A more imaginative solution was also used. Highland clan chiefs were encouraged to evict their clansmen and enclose the land for sheep. If they accepted this proposal, the land—which previously had been the common property of the clan—would become their private property. If they refused, English troops would be brought in to kill everyone that could be found. In today's idiom, this is called "an offer that cannot be refused." It was usually accepted. Tens of thousands of displaced Highlanders were rounded up and transported as slave labor to the sugar plantations in the Caribbean, where their life expectancy was about one year.

The United States was the third modern nation-state. It still holds the world record for the most acts of ethnic cleansing perpetrated over the longest period of time. For two and a half centuries, from the 1630s to the 1890s, European colonists to North America evicted the native Indian tribes from their homes and forced them westward. As the settlers pushed west themselves, the Indians were cleansed again and again. Some of the most worthless land in the west was set aside for their use as Indian Reservations. Most reservations were little more than death camps where Indians were sent to starve.

When minorities are forcibly evicted from some of their land, that is ethnic cleansing. When they are evicted from nearly all of their land, and only tiny remnant communities survive, that amounts to genocide. Most Americans today seem to believe that genocide is an evil act committed by brutal dictators for the sheer joy of killing. At the same time they have made legends and great heroes of the frontiersmen who led the fight against the Indians. This may be the greatest example of the "double standard" known to history.

There are three general reasons for ethnic and religious cleansing.

1. An ethnic group that the nation wants to exclude from citizenship inhabits land that the nation wants to include as part of its own territory. This was the reason for the cleansing of Indians from the United States and the cleansing of Palestinians from Israel.
2. There are many cases where two or more groups with different identities inhabit the same area. This usually causes problems for newly developing, market economy nation-states and often leads to violence, but in most cases it does not lead to all out ethnic cleansing. Unfortunately, this situation is so common that even though it leads to ethnic cleansing only in a small percent of the most difficult cases, that still accounts for many such instances known to history. This was the reason for religious cleansing in India and the Netherlands.
3. In a few aristocrat peasant societies and more often in imperial colonies, a situation has arisen where an ethnic minority becomes the commercial class of the society. This happened with the Jews in Central Europe and with the Greeks and Armenians in Ottoman Turkey. The British imperialists sometimes brought Indians to their colonies in Africa and elsewhere to perform the role of small shopkeepers or to labor on the plantations. In the 19th century large numbers of Chinese

infiltrated into Southeast Asia and became the primary commercial class in Malaysia, Thailand, the Philippines, and Indonesia while these countries were under imperial control. In aristocratic states and imperial colonies it was quite possible for a foreign minority to dominate small-scale commerce and industry. When the change is made to a market economy nation-state it is absolutely impossible for this situation to continue. Commerce and industry are the life-blood of a modern nation-state. They cannot continue to be dominated by a foreign minority. This, along with the number two problem stated above was the reason for the Holocaust of the Jews.

In the last sixty years something like 120 new nation-states have been created. Most of them were previously colonial possessions. The local populations did not form the boundaries of these countries in any kind of natural way. They were established by imperial conquerors and in many cases have no relationship to natural ethnic or economic territories. The inevitable outcome has been chaos and confusion for many of these new nations. Many of these countries have already endured episodes of ethnic violence and ethnic cleansing. Many more such episodes can be expected in the future.

Some readers may believe that I am advocating or condoning ethnic cleansing and genocide. If so, I apologize for the misunderstanding. I do not condone ethnic cleansing. I am just trying to explain it. In recent years some Western nations have decided that they should intervene to prevent ethnic cleansing in other countries. It is difficult to argue with this decision. However, when debating the question it should not be phrased in terms like: should we stop this evil dictator from carrying out his senseless plan for ethnic cleansing? The question should be debated with the full knowledge and understanding of the complexities of the issue.

## 5. What is oligarchic society?

In this explanation of history, oligarchic society is the transition period between aristocrat peasant society and democratic market society. There were earlier oligarchic states in the Ancient Mediterranean world and Southern Asia that are not included in this discussion.

Modern oligarchic society began in 17th century Europe and evolved out of aristocratic society. The oligarchic class gradually formed from a combination of aristocrats, lawyers, and wealthy merchants. After World War II about a hundred former colonies became independent nations. These countries formed a new group of oligarchic states. In this case the oligarchs evolved from a number of different sources. Some were the leaders of the anti-colonialist resistance movements. Some came from the relatively small group of native people who had gotten a modern education during the colonial period. Others were talented and energetic people who rose to the top after independence was achieved. Both kinds of oligarchic societies function in a remarkably similar way.

In modern society, the market economy takes over the food distribution function that used to be part of the aristocrat peasant relationship. After the market becomes dominant, it is clear that the monarch and aristocrats can not continue to rule by themselves. They have very little experience with business and markets. In aristocrat peasant society wealth is achieved through the control of land and peasants. In a market economy nation-state wealth is achieved through capitalism.

As the markets increase in size and strength, successful merchants, capitalists, and lawyers become wealthy. In a nation-state, wealth is power. At first this new group of wealthy commoners begins to challenge the aristocrats for political power. It is very typical, however, that soon they start to intermarry with the nobility. In a few generations these two groups merge to form a new oligarchic ruling class.

The development of this new ruling class is not an evil conspiracy perpetrated by the rich and powerful. It is a natural evolutionary process. Aristocrats were specifically defined as a ruling class. Early oligarchs retain that tradition. In the beginning, a person's status in the oligarchic ruling class is almost as hereditary as in the aristocratic class. The same wealthy families often dominate the government and the economy generation after generation.

It is easy to get the impression that oligarchs are the bad guys, but it is actually much more complicated than that. Oligarchs are normal people who were born into rich and powerful families. They use their political power to try to protect and increase their wealth. This is normal behavior. The general idea is to pass on the same degree of power and wealth to their children as they inherited from their parents. The problem is that this behavior tends to stifle economic and political opportunity for the rest of the population.

In the 16th, 17th, and 18th centuries the first few countries to make the change from aristocratic to oligarchic rule usually had a difficult time. Religious cleansing, anarchy, rebellion, civil war, and revolution were common. For countries that started the process in the second half of the 19th century or later, aristocratic resistance tailed off, and the nobility and wealthy capitalists merged more easily. In most of these countries, the hard part is the change from an oligarchic ruling class to democratic government.

As the oligarchic class is forming and ruling there are a thousand and one other things to do. Borders must be established. Who is, and who is not, a citizen must be decided. It is very common to have border wars, civil wars, ethnic cleansing, religious cleansing, anarchy, factional infighting, and general confusion. There are often cycles where waves of violence are followed by periods of relative calm. Strong authoritarian dictators are sometimes required to reestablish order so that the economy can function.

In the middle of all this mayhem, the economy must continue to grow and develop. Transportation and communications infrastructure must be built. Wholesale markets and stock exchanges must be developed. Laws, rules, and regulations that are designed to keep order and protect the markets must be adopted and enforced. All of this is called nation building. It is always a difficult process, but in some countries it is more difficult than in others.

Next comes the hard part, the change from oligarchic to democratic market society.

A few countries, including the United States, had a relatively benign period of oligarchic development. This can sometimes happen if the emerging market economy develops with a tradition of free enterprise and open economic opportunity. Markets tend to reward hard work and good ideas. Oligarchs do not have a monopoly on these. In an open economy, ordinary people who are clever, lucky, and hard workers will become successful. They join the growing middle class. Each year a few of them join the ranks of the wealthy capitalists.

As wealth spreads through the population so does political influence. Electoral politics begins to develop into a meaningful mechanism for sharing power. At some point the politicians realize that they must represent everyone, rich and

poor alike. When this happens, the country is ready to change from oligarchic to democratic market society.

Unfortunately, few countries make the transition through oligarchic society that easily. More often there is a problem. In many countries, the oligarchic ruling class retains its monopoly on wealth and power. With the government in control of the economy, and the oligarchs in control of both, it is natural for them to entrench their position, protect their wealth, and limit competition from the rest of the population. In this kind of society the oligarchs are wealthy and powerful. The vast majority of the population becomes the working class, which is impoverished and often powerless. In between there is a small middle class of skilled workers and small business owners.

Oligarchic societies often have a hard time deciding how to choose government leaders. Oligarchic families have the same kinds of rivalries, jealousies, and factional disputes that divided aristocrats. One solution to the problem of who should lead the government is to have an election. These elections are not for the purpose of sharing power with the people, and they are not for the purpose of deciding government policies. Their primary purpose is to decide which oligarchic faction should rule for the next few years. In Asia and Africa the top oligarchs sometimes run for political office themselves. In Europe and Latin America this job is usually left to politicians who are dependent on some oligarchic faction for money and influence.

Electoral politics requires a lot of money. The oligarchs control most of the money and most of the elections. When unwanted popular challengers appear, they can be starved of funding. They can be prevented from running by legal maneuvering, or they can be stopped by electoral fraud. If all of this fails, and a popular leader wins election, he can be co-opted into the oligarchic class. The majority of elections in oligarchic societies are not a sign of democracy. They are a mechanism for monopolizing power within the oligarchic ruling class.

Some oligarchic countries have relatively free and open elections. Over time the politicians have learned the rules of the game. They can campaign as they choose so long as they do not become a threat to the wealthy ruling class. The oligarchs feel secure in their overall political and economic dominance. They are willing to tolerate a certain amount of populist rhetoric. If the situation begins to get out of hand they can always take steps to deal with the troublemaker when the need arises.

An entrenched oligarchic society is an unhappy society. The working class is impoverished and exploited. Wages are kept low. Justice is for the wealthy. Free enterprise is discouraged. The only solace for the ordinary people comes

from their friends and their families, which tend to be large. The people know that they are being exploited, and they know that it is not right, but they do not know what to do about it. The problem is often blamed on capitalism. Various other ideologies have sprung up to try to find a solution. These include socialism, communism, fascism, and Islamic fundamentalism. So far, none of them have been very successful.

## **6. What is the working class?**

In aristocratic society most people lived in peasant villages or were part of some aristocrat's household. They either grew their own food or ate from the aristocrat's kitchen. There were some agricultural day laborers, but relatively few people depended on a daily wage to put food on the table. Even in the cities less than half the adult population were wage earners. Merchants and master craftsmen lived off their profits. Apprentices were paid very little and ate most of their meals in their master's kitchen while they learned their trade. Journeymen were sometimes paid wages, and there were unskilled day laborers who worked for money.

When the aristocrat peasant relationship breaks up, some peasants are able to retain their land and become modern farmers. Many peasants are not so lucky. They are left without any land and have no choice except to become laborers. At the same time increased economic activity is creating a demand for more wage labor. There are roads to build, canals to dig, and trees to be sawed into lumber. In the 18th century the industrial revolution began in England. The new factory system requires large amounts of unskilled wage labor.

There is a lot of work to do, but usually the supply of labor is greater than the demand. Employers are able to keep wages at subsistence levels. For the new class of wage earners, low pay and long hours are not the only problems. Most jobs are temporary and accidents are frequent. Workers live in a constant state of uncertainty. They never know whether they will be working next week or not. If not, how will they feed their families?

The working class first became a large part of the population in 19th century Europe, but the same basic conditions exist today in most developing nations. In oligarchic societies there is no safety net, no workman's compensation, and no unemployment insurance. Workers are at the mercy of their employers, most of whom are not concerned about their welfare. The poverty, hardship,

and uncertainty of the workers lives convince many people that something is fundamentally wrong with this new kind of society.

In 19th century Europe, it was the rise of markets and capitalism that created the working class. People began to romanticize about the good old days in the peasant villages. Life may have been hard, but at least people did not need money to buy food. They did not have the uncertainty of not knowing where their next meal was coming from. Thinkers and philosophers began trying to imagine a new kind of society, one that would not have this kind of terrible exploitation of the working class.

## **7. What is socialism?**

Socialism is hard to describe, partly because it has changed so much over the last two centuries, and partly because no distinctively socialist template has ever become a successful method of organizing a modern nation. If you ask a socialist what socialism is, you are likely to be told what it is not. Socialism is not capitalism. It is not exploitation. It does not mean that the rich get richer while the poor get poorer. That is all very fine, but what is it? No one seems to know. The one thing that all socialists have in common is a deep sympathy for the plight of the working class in oligarchic society.

Two centuries ago socialists focused on the idea of self-sufficient agricultural communities. The intention was to take working class families out of the poverty stricken and crime ridden, urban slums and relocate them to the fresh clean air of the countryside. They would live together in a community somewhat similar to the old peasant village, except there would be no aristocrat to demand a portion of the harvest. They would share the land, the work, and the food that was produced. In theory everyone would be healthy, happy, and self fulfilled. No one would be uncertain about where their next meal would come from.

In the 19th century hundreds of these rural communes were established in Europe and the United States. Most of them did not last. They all suffered from the same basic problems. Some of the inhabitants would be hard workers and dedicated to the socialist ideals. Others would be lazy and primarily looking for an easy place to live. The majority would fall somewhere in between these two extremes. There were arguments over who should do what work, arguments over the decision making process, and arguments over religion.

The original intention of the communes was supposed to be cooperation and sharing. The reality tended to be jealousy, factionalism, and petty quarrels. Since no one was paid for their work, many people tried to do as little as possible. Attempts were made to remedy this in various ways, but they were not very successful. Most communes broke up after a few years or a few decades.

When it became obvious that rural communes were not the solution to the plight of the working class, the socialists did not give up. They deplored the poverty and misery of the urban slums and were sure that reason and enlightenment could find a solution. Many of them turned their attention to the new arena of electoral politics and the growing labor union movement. Socialist political parties appeared to champion the rights of the working class. This brought a new set of problems.

The ruling oligarchs had not objected to the rural communes, but labor unions and socialist politics were an entirely different matter. Employers were determined to quash the unions, and they rigorously opposed social legislation, which they believed must inevitably cost them money. As the capitalist oligarchs became more anti-socialist, the socialists became more anti-capitalist. They began to support class conflict and proletarian revolution. Political battles between socialist workers and ruling oligarchs began in mid 19th century Europe, and continue to this day in many developing nations. Venezuela is a current example of this problem.

The political battle between capitalist oligarchs and the socialist faction of the working class is something of a paradox. The socialists have evolved along two separate lines. The trade union socialists have concentrated their efforts on pragmatic reforms. These include universal suffrage, an eight-hour workday, health insurance, workman's compensation, unemployment insurance, pensions, and social security. Most of these reform programs have in fact been adopted by the more advanced capitalist nations. The paradox is that even though these programs were primarily supported by socialists and opposed by capitalists, they have made capitalism stronger and better.

The more militant wing of the socialist movement is convinced that capitalism is evil and that mere reforms are not a solution. They have focused their efforts on the destruction of capitalism and the socialization of the means of production. This is the program of the socialist faction that turned to communism, but there are many socialists who are still looking for some non-capitalist and non-communist method of organizing a modern economy. These people have still not accepted the fact that the modern world uses markets as the primary mechanism for distributing food, and that capitalism is a

necessary part of any market economy. If capitalism and markets are destroyed, how will people eat?

Modern socialists have no answer to that question. There is no known socialist method of agriculture. There is no specific socialist mechanism for distributing food to non-food producers. There is no socialist method for building housing and producing consumer goods.

In the wealthy industrial countries all of this is essentially a philosophical debate, but in developing nations with an entrenched oligarchic class, it is a major problem. In many of these countries, the main political opposition to the ruling oligarchs is still led by socialists. They are not interested in reforming capitalism. They want to end it. This has led to a sterile political struggle between oligarchs who want to defend and maintain their wealth and power versus socialists who want something that does not exist.

The real solution to poverty in developing nations is not less capitalism; it is more capitalism. The oligarchic monopoly on capitalism must be broken. The market economy must be opened to everyone. Ordinary people must be encouraged to become capitalists and small business owners. The small business owners who work hard and have good ideas must be allowed to prosper and become large business owners. Aside from striking oil, this is the only way for modern nations to become wealthy and prosperous.

Many socialists believe that ordinary people in developing countries are much too poor to become capitalists and business owners. This shows a lack of understanding about how modern business is financed. Bill Gates founded Microsoft when he was a 24-year-old college drop out. Henry Ford had little or no personal wealth when he built his first automobile. In a properly functioning market economy, it is usually possible to find capital to finance a good idea.

The political struggle between oligarchs and socialists is a dead end. Neither side is encouraging ordinary people to become capitalists. The oligarchs retain their monopoly on wealth and political power and use it to exploit the rest of society. The socialists continue to denounce capitalist exploitation and use that issue to maintain their leadership of the working class. As this goes on decade after decade, the people continue to suffer.

The socialists use strikes, demonstrations, and riots to put pressure on the employers and the government for change. The oligarchs use their control of the government to fight back with the army and police force. The resulting battles have led to chaos and near civil war on many occasions. Germany, Italy, and France between the world wars are examples of this, as are the political problems and death squads in Latin America during the 1970s.

## 8. What is imperialism?

In order to understand imperialism we must first realize that in most forms of society it was considered a wonderful thing to conquer other people and take their wealth. For most of human history the easiest way for one group to increase its wealth was to conquer others and seize wealth from them. It was not just something that occasionally happened. People dreamed about it. They longed for it. The ruling class of large, aggressive empires strutted around like superior beings. Just sixty-five years ago countries that were too weak to conquer others were often looked down on as genetically inferior.

The modern age of imperialism began when Columbus discovered America, but it reached its peak in the last half of the 19th century and the first half of the 20th century. For a long time it was known as European Imperialism, but in the late 19th century the United States joined the game with the conquest of the Philippines and Puerto Rico, and Japan began a much larger program of imperial conquest in Asia.

The British were by far the most successful imperialists in the modern age. They conquered and ruled about one fourth of the world's land and people, and they took large amounts of wealth from them. France and the Netherlands were in second place, followed by Russia, Belgium, Portugal, Japan, the United States, and Italy.

World War I was fought mostly by the great imperial nations over imperial issues. Germany and Austria-Hungary wanted to conquer large empires in Central and Eastern Europe, and the Russians, French, and British wanted to stop them. Germany was defeated and lost the few African colonies that they had previously owned. They also lost control over some ethnic German territories that were given to the newly created countries of Poland and Czechoslovakia.

World War II started partly over the issue of German unification, but it escalated and spread because Germany once again was determined to conquer a large empire in Central and Eastern Europe. Germany did not want to fight Britain and France. They wanted to reunify their nation and conquer a large and wealthy empire. This empire was to be located primarily in Poland, White Russia, and the Ukraine. This would inevitably require war with the Soviet Union, but they hoped to avoid conflict with the Western Powers.

It did not turn out that way. In 1939 England and France declared war on Germany over the issue of Polish independence. Their combined armies, navies, and air forces were larger than the German forces. They did not realize the extent to which Germany had been studying modern mechanized warfare, or the value of the experience it had gained in the Spanish Civil War, and in Czechoslovakia and Poland. In an extraordinary, lightening fast campaign in the spring of 1940, France, the Netherlands, and Belgium were occupied and forced to surrender. Britain suffered a major defeat and was furiously trying to rebuild its military to defend itself from German forces just twenty miles away across the English Channel.

The Japanese were amazed and delighted by this turn of events. For three generations they had been envious of the wealthy British, French, and Dutch colonies in Southeast Asia. Now, France and the Netherlands were totally defeated and their colonies were defenseless. Britain had suffered a major setback and its colonies were nearly defenseless. Japan quickly began mobilizing its military to seize these wealth-producing colonies.

The United States became aware of the Japanese intentions and acted to stop them. The American battle fleet was moved to Pearl Harbor, and the Japanese were told to keep their hands off Southeast Asia. The Japanese were perplexed. The Americans did not seem to want the valuable colonies for themselves, but they had clearly placed themselves squarely in the way of Japan's ambitions. Then, the Japanese thought they had found a solution to their dilemma. On December 7, 1941 the Japanese fleet arrived off Hawaii and sank the American battleships at anchor.

The attack on Pearl Harbor cleared the way for the Japanese to seize all the major colonies in Southeast Asia. In the next few months they quickly conquered the Philippines, Vietnam, Cambodia, Malaysia, Indonesia, and Burma. It is important to note that Japan destroyed the American fleet only for the purpose of seizing the wealthy colonies of Southeast Asia. They did not want to conquer any part of the United States, and they did not want war with America. They wanted the colonies.

Germany declared war on the United States after Pearl Harbor. Like Japan, they had no desire to make any conquests in the Americas. They were angry about the large amount of war supplies that the U. S. was shipping to Britain. Their submarine fleet was very successful in 1941, and they badly wanted to sink the American ships that were carrying oil and munitions to the British.

The United States had been attacked, defeated, and humiliated. Now they were at war with both Japan and Germany, and they devoted all of their energy to winning that war as decisively as possible.

In the meantime, Germany had launched its attack on the Soviet Union. Three million highly professional and experienced soldiers and airmen and all the tanks and aircraft that could be collected were launched against an inexperienced and divided nation. The Germans expected another easy victory. Instead they became ensnared in the bloodiest and most vicious campaign in the history of warfare.

The German intention was not just to defeat the Russians, as they did the British and French, but to enslave them. Large parts of the Soviet Union were to be retained permanently in a new German Empire. Educated Russians were to be killed. The remaining population was to be reduced to the status of barely literate peasants who would work the land and the mines for their German masters.

It was this imperial policy of national extinction that galvanized the Soviet Union to an extraordinary feat of military heroism. They forgot their differences and united in a truly massive effort to defend their nation and their lives. Hundreds of factories were moved east to the Ural Mountains and beyond. The normal inefficiency of communist industry came to an end. The problem of a lack of incentive was solved. The Russian people realized that defeat meant death or enslavement. They worked 12 hours a day to manufacture the weapons needed for victory.

Thirty million Soviet soldiers were mobilized for the army. They often fought under the most appalling conditions it is possible to imagine. The unity of purpose, combined with the vast size of the Soviet Union, its large industrial capacity, and extreme weather, made it possible for the Russians to prevail. Three quarters of all German soldiers that were killed in action during World War II died while fighting on the Eastern Front. Both Germany and Japan failed in their bid for empire and were decisively defeated.

This explanation of World War II as a war fought for empires and colonies may sound a little strange to most Americans. Allied war propaganda seldom focused on the idea of empire. When Britain was at its lowest point after the evacuation from Dunkirk, it needed a rallying cry to help mobilize the population. They did not say: we must fight the Germans because they want to conquer an empire like ours. Instead they proclaimed: we must fight the Germans because the evil dictator, Adolph Hitler, hates democracy and wants to conquer the world.

When the Americans joined the war, they adopted this same propaganda strategy. They did not say: we must fight the Japanese because they sank our fleet in order to clear the way to conquer an empire in Asia, and we must fight the Germans because they declared war on us to prevent our weapons from

getting to the British. They declared: we must fight the evil dictators in Germany and Japan because they hate democratic countries, and they are trying to conquer the world. This was not true, but it was effective wartime propaganda. It has often been said that the first casualty in war is truth.

World War II, just like World War I, was about what countries would have empires and which colonies they would control. There had been earlier wars between imperial powers over colonies. The Netherlands had seized control over the Spice Islands of Indonesia from the Portuguese. The British and French had fought over Canada and India. The United States had taken the Philippines and Puerto Rico from the Spanish.

Some of these wars had been large and bloody, but they were not anything like twentieth century warfare. Modern industrial technology had allowed wars to grow totally out of control. The two world wars had cost the imperialists much more than their colonies were worth.

The vast increase in modern industrial production that was partly stimulated by the wars had another effect. Many people began to realize that industry and technology could produce much more wealth than could ever be squeezed from a colony.

Many colonies were also acquiring a sense of national identity and demanding independence. The writing was on the wall. The age of imperialism was drawing to a close. In 1947, the British granted independence to India, the largest and richest of all colonies. After a brief effort to defeat rebellion in Kenya in the early 1950s, they adopted the policy that colonies could have their freedom when they demanded it. The Netherlands made a feeble attempt to regain Indonesia but then gave up and allowed it to become independent. The French made a much stronger effort to retain their colonies, but bloody wars for independence broke out in Vietnam and Algeria. The colonies were not worth the effort required to hold them, and French colonies were allowed their independence.

Since 1945 about one hundred former colonies have become independent nation-states. Some have done well and prospered. Others are still in the early stages of national development. The problems that they face in the transition from colonial societies to nation-states are very similar to the difficulties already overcome by the Netherlands, Great Britain, the United States, France, Germany, Japan and all other modern nations. In time, all of these countries will overcome their problems, one way or another, and become prosperous nations.

Since World War II, no countries have tried to conquer new empires. The age of imperialism is over.

## 9. What is communism?

Karl Marx and other communist intellectuals theorized that communism is a new form of society that would replace capitalism. They were wrong. The world is still in the middle of a gigantic revolution from traditional forms of society to modern, democratic market nation-states. Communism is part of that revolution.

In the 19th and early 20th centuries the term capitalism referred to oligarchic society. As we have seen, there are serious problems imbedded in oligarchic society. The wealthy oligarchs tend to monopolize political and economic power and govern the society for their own interests. This led to the development of a great deal of opposition to capitalism from the working class and among many intellectuals.

Socialism was the first expression of this anti-capitalist movement, but its only real successes were reforms that made capitalism stronger. As the socialists became frustrated with the slow pace of change, many of them joined the radical faction called communism.

The primary advantage of communism is that it is a simple concept, which is easy to explain, and which sounds reasonable to people that have never experienced it. Instead of letting oligarchs monopolize the power of capitalism, why not put the government in charge of the economy. Let the government own and operate the factories, mines, and railroads. It can use science, mathematics, statistics, and central planning to organize the economy and decide how much of which products should be produced, and what price they should cost. In theory the government could run the economy for everyone's benefit, not just the oligarch's.

World War I provided a major boost for this concept. In Germany, France, and Russia the government took control of most of the economy and reorganized it for the production of war supplies. Even in the United States, the government nationalized the railroads and reorganized them to deal with the gigantic amount of wartime freight that had to be moved. The evidence seemed clear. When the chips were down, capitalism was inadequate. The government had to take over the economy to get the job done.

Temporary government intervention in a market economy to deal with an emergency situation such as a war is one thing. Ending the capitalist market

economy altogether and replacing it with a communist command economy is something entirely different. We now have the experience of actual communist societies to look at, and it is clear that the reality is very different from the theory. An economy that is based entirely on central planning does not work very well.

Central planners are bureaucrats. If given enough resources, they can organize the construction of large relatively simple projects, such as a road, a dam, or a factory. When it comes to the production of food and consumer goods, they are hopelessly lost. Central planners do not know the best way to grow food on a given field. They do not know how to design and build an automobile, a clock, or a shirt. They will never understand the concept of fashion or the fickleness of consumer demand.

Central planning is not the only problem. Communist factories are notorious for their inefficiency. Under capitalism, if a factory does not make goods that can be sold for a profit, it will be closed. The workers and managers will lose their jobs. This is a very powerful incentive that does not exist in a communist economy, where factories are kept open simply to provide work. Products that nobody wants to buy continue in production.

Communist economies have demonstrated that they can not grow enough food to feed themselves. There were a number of different systems for the collectivization of agriculture in both the Soviet Union and in China. None of them worked efficiently.

If communist economics is so unproductive, why did so many people, in so many countries, agitate for communist revolution? In the first half of the 20th century, communism was a new idea. It seemed possible that it would have great potential, but no one could really know how it would develop or whether it would be a success or a failure. The reason why some countries decided to try it is because they were in the early stages of oligarchic society and their newly developing market economies were disaster zones. They chose communism because they knew it would sweep away the aristocrats and oligarchs of the recent past, not because of any definite evidence that it would bring prosperity in the future.

There are relatively few countries that have actually had a communist revolution. Let us take a brief look at some of them.

1. Russia 1917: The country had recently been an aristocrat peasant society. It was now in the early stages of oligarchic society and having a very difficult time. The Russian army was being mercilessly battered

by the Germans in World War I. The government and the economy had collapsed. Food was in very short supply and could not be purchased by most people in the cities. Starvation was rampant. Something had to be done immediately, and the market economy did not offer a quick solution. The population was totally dissatisfied with the past and was eager to try something completely new and different in the hope that it would succeed.

2. China 1949: The country had recently been an aristocrat peasant society. It was now in the early stages of oligarchic society and having a very difficult time. Chinese armies had been unable to stand up to the Japanese in World War II. The Chinese government had never actually controlled much of the country. Anarchy was rampant. Hyperinflation had recently destroyed the currency. The market economy had collapsed. Food was not getting to the cities. Many people were starving. The population was totally dissatisfied with the past and eager to try something different.
3. North Korea 1945: The country had recently been a Japanese colony and before that was an aristocrat peasant society. The government and small market economy totally collapsed when Japan surrendered in August 1945. The population tended to equate capitalism with imperialism. They were totally dissatisfied with the past and could easily be talked into trying something new.
4. Vietnam 1954: The country had recently been a French colony and before that was an aristocrat peasant society. The French colonial

government had collapsed and the colonial market economy had self-destructed along with it. The only people who had any money were aristocrats and those who had collaborated with the French. Most of the population was totally dissatisfied with the past and eager to try something new.

5. Cuba 1959: The country was in the early stage of oligarchic society. The average Cuban was a landless, shoeless peasant working in sugarcane fields that were owned by wealthy oligarchs. Aside from sugar, the market economy focused on tourism, gambling, and prostitution. Most of the population received no benefit from capitalism and saw no reason to continue it. They were highly dissatisfied with the past and were eager to try something new.

There seems to be a definite pattern here. Countries that had communist revolutions were not leading edge societies confidently striding forward to a glorious future. They were desperately poor countries in the early stage of oligarchic development that was not going at all well. The reason they chose communist revolution was because it offered the best hope of completely overturning the past.

It is possible to identify four kinds of communists, although there is some degree of overlap between these different groups.

1. The classic communist revolutionaries in failing oligarchic societies such as Russia and China as described above.
2. For a few decades after World War II, communism enjoyed a high degree of popularity around the world. A hundred imperial colonies were in the process of becoming independent nations. In most of these new countries nearly all of the native population were dirt poor. There were plantations and mines that produced wealth, but these were all

owned by the European colonists. There were railroads to carry this wealth to the coast and docks to load it aboard ships, but these were also owned by the imperialists.

Now the ex-colony was independent, and most of the foreign colonists were leaving. The question arose, who should own the mines, plantations, railroads, and docks. The European individuals and companies that built them claimed continued ownership. Private property is sacred, they said. Independence does not change that. The native population tended to think differently. As they saw it, the imperialists had built these assets through conquest, confiscation, forced labor, and exploitation. There was no reason why they should be allowed to keep them.

The native people did not need Soviet propaganda to tell them that one possible solution was to nationalize the mines, plantations, and railroads. The natives who supported this idea were labeled communists by the ex-imperialists. Many of them accepted this label. If nationalizing the property of foreign exploiters was communism, then fine; they were communists. They were certainly a different kind of communist from the hardcore revolutionaries in Russia and China.

In the post-war years many people believed that communism was the wave of the future. It was supposed to be based on technology and the scientific use of central planning. Why not use it to leapfrog the era of

oligarchic capitalism, and quickly become a fully modern society?

Communism was a popular idea in many newly emerging countries.

3. In the 1940s, 50s, and 60s many western intellectuals also thought very highly of communism. These people were profoundly worried about the recent history of the world. They believed that capitalism was responsible for imperialism, and that imperialism was responsible for World Wars I and II. As they saw it, the succession of events in the first half of the 20th century—World War I, the Great Depression, and World War II—demonstrated the bankruptcy of capitalism.

Imperialism, war, depression, more war—what would come next—a new wave of imperialism. Many very talented and educated people believed that there has to be a better way. Communism was new, exciting, and definitely very different. It was supposedly based on science and modern principles of economic planning. Maybe it was the better way that the world needed.

4. Trade union communism was also popular in post-war Europe. For various reasons a number of European companies had been nationalized over the years. Some of these were companies on the verge of bankruptcy, others were strategic industries that were nationalized for reasons of national security. Many of the working class employees of these companies thought that nationalization was a great thing. They received higher pay. The bosses became more lenient. They no longer had to worry about losing their jobs if the company went bankrupt. This was a major improvement. So what if the company was less efficient than private industry? The workers were

better off.

Workers in many of the nationalized companies were happy, and workers in private industry were envious. They too wanted the better pay, better hours, and better working conditions that were available in the state owned and state subsidized sector of the economy. Many of these people voted communist in the elections. They were not hardcore communist revolutionaries. They did not want to collectivize agriculture or have a dictatorship of the proletariat. They just wanted more job security and better working conditions.

We now have four different kinds of communists. There were hardcore revolutionaries in a few countries like Russia and China who wanted to overthrow every aspect of their failing political and economic institutions. There were people in newly independent nations who wanted to nationalize the property of the ex-imperialists and bypass oligarch society. There were intellectuals who believed that imperialism, war, and depression had demonstrated the bankruptcy of capitalism. And there were trade union communists who wanted job security and better working conditions in nationalized industries.

As was famously said by an American politician: "All politics is local politics." Each of these groups had a different agenda and a different concept of communism. They were not a monolithic structure that was determined to conquer the world.

The one thing that all communists could agree on was that they did not like oligarchic society. Communism, just like socialism, fascism, and Islamic fundamentalism, was an effort to find some other kind of social organization that was different from oligarchic capitalism. At the time no one understood the distinction between oligarchic society and democratic market society. There will be more about communism and the Cold War later in this explanation of history.

## 10. What is fascism?

Fascism originated in Europe after World War I. At that time politics was dominated by the struggle between wealthy capitalists who made up the oligarchic ruling class and socialists and communists who represented the working class. In many countries this class struggle was at fever pitch. The working class was striking and rioting in many large cities, while the ruling class was sending in soldiers and policemen to quell the riots and beat the workers into submission.

At the same time electoral politics was becoming much more important. There were conservative political parties that advocated a strong monarchy. There were liberal parties that primarily represented the business sector, and there were the socialists and communists. There were also some fringe parties who sought the support of the small middle class. In most countries none of these parties could gain a majority of the vote.

A large section of the population was not well represented by any of these political parties. This included small farmers who owned their own land, small shop owners, and skilled craftsmen. These people were generally very conservative. They had no use for the socialists and communists, but they equally disliked the wealthy oligarchs who controlled big business. In the past they had often supported the monarchy, but in the aftermath of World War I, monarchs were out of favor.

A number of would-be politicians saw the makings of a new political coalition. These men did not come from wealthy families, and they had little sympathy for the oligarchs. They designed their program around popular conservative issues like family and patriotism. They aimed their appeal at farmers, shopkeepers, and skilled workers, but they also saw a chance to widen this constituency. They supported workers rights, higher pay, and better working conditions. They campaigned heavily in working class neighborhoods in direct competition with socialists and communists. Their patriotic message included a strong intolerance for foreigners and ethnic minorities such as Jews and Gypsies.

These fascist politicians called for family values, a strong nation, a strong government, law and order, economic growth, and prosperity for everyone. In a Europe of weak governments, divisive politics, and class struggle this was a strong political message and it quickly received growing support. The monarchists and oligarchs had never campaigned on a platform of prosperity for everyone. The socialists and communists had never campaigned on a

platform of prosperity for everyone. This was a new idea, and the voters liked it.

At first the wealthy oligarchs had complete disdain for the fascists. They were little men with no breeding who had a talent for haranguing crowds. This could be dangerous, but as the fascists became more powerful, the oligarchs realized that they could be useful allies. The fascists had their own armed escorts. They could fight their way into the toughest, socialist controlled, working class neighborhoods, hold a rally, make speeches, fight their way back out, and come away with a significant portion of the vote. This was very impressive.

In the 1920s and 30s imperialism still ruled the world. For the larger countries in Europe, having a strong nation was defined as having an empire and colonies. Here was another area of agreement between the fascists and the oligarchs. They both wanted a strong military that was capable of conquering others and taking their wealth.

In the 1930s fascism became the dominant political force in Central Europe. It was also growing in strength in Western Europe and parts of South America. Fascist parties always had strong authoritarian leaders. In those countries where they came to power, they usually suspended elections and ruled as dictators.

During World War II allied war propaganda portrayed the fascists as evil, minority parties who seized control of their countries by force or trickery. This was not the case. Fascism, like socialism and communism, is a reaction against oligarchic society. In most oligarchic countries the government is controlled by a small group of wealthy capitalists. These governments are weak because they do not have the support of the majority of citizens. Class warfare is endemic. The currency and economies are weak because the government is unable to provide stability and the conditions necessary for prosperity and economic growth. Under these circumstances most of the population is poor and unhappy. They are continuously looking for some alternative. In a few countries that alternative is provided by communism. Much more often it is provided by a strong authoritarian dictator. Most of the people do not care about elections that are dominated by wealthy oligarchs. This is not real democracy. They often prefer an authoritarian dictator if he can convince them that he will form a strong government that is capable of controlling the oligarchs and provide the stability that is needed for economic growth.

After the defeat of fascist Germany and Italy in World War II, fascism lost most of its popularity, but the conditions that led to its rise to power in the

1930s still exist in many developing countries. Weak, elected governments, dominated by oligarchs, continue to do a poor job of ruling these societies. The currencies are weak. Inflation is rife. Economic growth is slow. The majority of the people are exploited and unhappy. Class warfare continues. Under these conditions, a large portion of the population is quite willing to accept a populist dictator. They still want a strong government that can control the oligarchs and bring about economic stability and growth. Saddam Hussein in Iraq and Pinochet in Chile are examples of this kind of dictatorship. For as long as there are oligarchic societies, we are likely to see more of this type of dictator.

In the postwar world imperialism is no longer a problem. We do not have to worry about strong dictators trying to conquer an empire. In some countries, military dictators are still used to quell socialists and communists and help maintain the oligarchs in power. In the most chaotic countries, dictators are needed in order to have anything resembling a government at all.

In recent times, the closest approximation to fascism has been Saddam Hussein and the government of Iraq. As usual the dictatorship arose because a weak oligarchic government was incapable of controlling the country and providing the stability and regulatory authority that is needed for a successful market economy.

After Saddam Hussein consolidated his power, he launched attacks on two neighboring states. I do not see his attacks on Iran and Kuwait as examples of imperialism, but I do accept that there is a case that can be made for that conclusion. The difference is that Saddam's aggressions were not aimed at foreign populations who were to be held in bondage. He tried to seize a part of Iran that is inhabited by Arabs with the same ethnicity and culture as Iraq. He also tried to seize the principality of Kuwait, which is again the same ethnicity and culture as Iraq. This is closer to the definition of national unification than imperialism. However, in both cases he was more interested in the oil that these areas contain than in the people. Therefore, it was more an effort to conquer other people's wealth, rather than an act of national unification.

## **11. What is democratic market society?**

Democratic market society is the end point of the massive revolution that the world had been going through for the last four hundred years. It is a new

form of society that has only existed for about the last 50 years. Prior to World War II, the United States could be called a proto-democratic market society, or it could be called an oligarchic society, but it was not the same as the most modern kind of society that exists today.

After the Great Depression began in 1929, the American president, Herbert Hoover, said that it was not his job to ensure a prosperous economy. In those days and in earlier times, there is no record of a society where the government believed that it was responsible for the wellbeing and prosperity of all its citizens.

According to the definition used here, modern nations are truly democratic only when the government accepts that it represents all citizens and is successful in establishing the conditions that are necessary for most of the population to prosper. This is a very difficult and exacting standard for any government to meet. At least half of the national governments in the world today do not even come close. Something less than half seem to be making an effort to move in that direction. So far, about thirty countries meet the standards required to be democratic market societies.

To give you an idea of what I am talking about, the following is a partial list of the kinds of things that I believe are minimum requirements for a government to claim that it is a democratic market society. It does not matter what level of government—national, regional, or local—that is responsible for these things. It only matters that they are accomplished successfully.

1. Does the government make a major and successful effort to ensure that nearly all citizens have access to clean water?
2. Does the government work hard to maintain and improve the overall health of nearly all citizens?
3. Does the government make a major effort to provide quality education to nearly all citizens so that they can become successful in a modern market economy?
4. Does the government work very hard to maintain the kind of law and order that is necessary for a successful market economy?

5. Does the government work hard and successfully to prevent corruption within its own ranks which is detrimental to the success of the market economy?
6. Is the government successful in maintaining a stable currency so that the market economy is able to flourish and provide jobs and incomes for nearly all citizens?
7. Is the government successful in regulating the economy in a way that promotes free enterprise so that nearly all citizens have a chance to become successful capitalists and business owners, thereby creating more jobs and increasing the general prosperity of the entire population?
8. Does the government work closely with the leaders of small and large businesses to identify, promote, and enforce the best rules and regulations that are needed to encourage a successful market economy?
9. Does the government support workers' rights and work closely with labor leaders to identify, promote, and enforce the best rules and regulations which are needed to protect workers' safety, paychecks, and general wellbeing?
10. Does the government work closely with citizens and environmentalists to protect a healthy environment, which is necessary for a successful market economy and for the wellbeing of all God's creatures both today and for future generations to come?

For most Americans born since the end of World War II, these principles seem obvious and self-explanatory, but that was not always the case. The idea that the government is responsible for overseeing the development of a political, social, and economic environment that is capable of generating prosperity for everyone, would never have occurred to George Washington or Abraham Lincoln. It is a new concept that originated only since the end of World War II. Even then it still took a while for the United States to accept that the term everyone must include African-Americans.

It was inevitable that it would take a great deal of time and a slow evolutionary process for these principles to develop. They are nearly inconceivable to the class-conscious societies that dominated the world as recently as the first half of the 20th century. This new kind of society was pioneered primarily in the United States and Western Europe, who deserve and generally receive a great deal of credit for this momentous achievement.

We are indeed talking about a new kind of society. When the government realizes that it can and should accept responsibility for public health, public education, fair and just enforcement of the rule of law, and economic prosperity for everyone, it opens the door to an entirely new world. Economists call it a virtuous circle. As more healthy, well-educated people become prosperous, they become consumers. As more people buy more goods and services factories, stores, and service providers grow larger and hire more employees. As these new employees prosper, they become consumers and demand increases again. Businesses grow still larger and hire more employees, who become consumers. This virtuous circle goes on and on until everyone is a consumer. Business keeps growing and expanding to meet the demand. Sure the rich get richer, but so does nearly everyone else.

How does this virtuous circle get started? Many people believe that modern technology is the key. Yes, it takes a certain level of technology to set this virtuous circle in motion, but the ancient Egyptians, Greeks, Romans, and Chinese probably had the minimum technology needed to get started. What they lacked was the necessary social technology, the idea that the entire population must be included. Even at the height of Ancient Athenian Democracy, one third of the population were slaves, and a small group of rich and powerful families looked down on ordinary people as inferiors. It was not real democracy as defined here. It was oligarchic society.

In oligarchic societies the rich and powerful do not understand the incredible amount of wealth that can be made possible by the virtuous circle. Oligarchs generally believe that there is nothing to be gained by paying workers more than a subsistence wage. Historically, they have had the idea that workers would use the extra money to get drunk, or take time off from work. We now

know that is not true. Workers use the extra money to go shopping, or invest in their family's future.

How did the United States, Western Europe, and Japan develop this new kind of society? It would be nice to report that some government figured out what reforms are necessary and found a way to break the class-consciousness that dominates oligarchic society. Unfortunately, that is not what happened. Democratic market society evolved in response to a series of tragic events that should never be repeated.

At the beginning of the 20th century, Western Europe, the United States, and Japan were solidly oligarchic societies. A small percent of wealthy families controlled most of the economy and the government. What changed that was not a revolution or a program of reform? What happened was the series of events that included World War I, the Great Depression, and World War II.

In World War I massive numbers of ordinary people were drafted into the military. Tens of millions of average citizens fought a titanic struggle in the trenches of France, Gallipoli, and Eastern Europe. When the massive war of attrition was over, everyone knew that it was the ordinary soldiers and citizens who were the primary strength of modern nations. The aristocratic and oligarchic generals on all sides had performed poorly. The courage and perseverance of the common soldier was the decisive factor. When the soldiers returned home they were hailed as heroes. This was not yet enough for their countries to realize that ordinary citizens were much more important than any handful of oligarchs, but it was a start.

Ten years later came the Great Depression. This massive economic calamity mobilized thousands of economists to study how market economies work. They rapidly increased the understanding of how important the government role is in regulating, protecting, and encouraging a market economy. They worked out mechanisms for stimulating an economy and laid the basic groundwork for the kind of interventionist role that is universal in democratic market societies today.

World War II ended the Great Depression. This proved that government spending could stimulate the economy and return it to full employment. The new war also reinforced the lessons of World War I but on a much larger scale. Eighty million average citizens from Europe, the United States, Japan, Canada, Australia, China, and many other countries went to war. Two hundred million ordinary citizens, men and women, went to work in the factories, producing weapons and ammunition. They proved beyond a shadow of a doubt that it is the courage and hard work of ordinary people that is the strength and salvation of the modern nation-state.

This time the lesson was learned and understood. Wealthy oligarchs do not make a nation strong. Ordinary average citizens are gigantically more important. Oligarchs have no right to monopolize the government and economy of a modern nation. The destiny of the nation is in the hands of all its citizens, rich and poor alike. Wealth does not matter; gender does not matter; religion does not matter, and race does not matter. When the chips are down and the country is in real trouble, it is the unity, the courage, and the hard work of all citizens that are required to see the nation through.

When this lesson was learned and understood in Western Europe, North America, and Japan, democratic market society came into being. The same lesson was learned in the Soviet Union, but they did not have a market economy to make use of it. The lesson about national unity and the primacy of ordinary citizens was also learned in China, but they were at the very beginning of the long transformation from aristocrat peasant society to democratic market society. After two generations of intense revolution the Chinese are now starting to get the virtuous circle into motion.

Democratic market society is capable of producing gigantic amounts of wealth, and there are only two requirements for this kind of society. It must have a market economy, and it must have a truly democratic government that is able to regulate, protect, and encourage the market economy and help all citizens to participate. If it is really that easy, why isn't everybody rich? Why don't all countries have a democratic market society?

It seems clear that in the future all nations will have a prosperous democratic market form of society. It is also clear that the development of this kind of society is more difficult than it should be. It could be that part of the problem is a basic lack of understanding about what is happening. One source of confusion is the term capitalism. For many generations there has been a gigantic worldwide argument about the merits of capitalism. What is missing is the understanding that there are two different kinds of capitalist societies. There is oligarchic society, where a small wealthy ruling class dominates the government and the economy. And there is democratic market society, where the nation is governed for the benefit of everyone.

In oligarchic society the government is weak; the economy is weak, and most people are poor. In democratic market society the government is strong; the economy is strong, and most people are prosperous consumers. **The world has not yet developed a rational and reliable method for a nation to progress from oligarchic society to democratic market society. This change should not have to require large amounts of revolutionary violence or a massive war. Perhaps when the world has a better understanding of the entire revolutionary process, it will be possible**

**for the transition to be made through a series of peaceful political and economic reforms. Until that day comes war, rebellion, revolution, anarchy, civil war, dictators, and strange ideologies will remain a fixture in world events.**

## **12. Why has there been so much conflict between the United States and developing nations since World War II?**

At the end of World War II, allied armies liberated the concentration camps where 12 million Europeans, including 6 million Jews, had been executed or worked to death. The extremely horrifying circumstances of this crime convinced most Americans that their wartime propaganda was right. The fascists really were the embodiment of satanic evil, and they had attacked Great Britain, France and the United States because they hated freedom and democracy.

Americans like the image of themselves as the "good guys" who fight against the "evil dictators" and assorted "bad guys" of the world. From now on, they would fight for freedom and democracy, or at least for peace and stability. They would fight against dictators and the forces of evil. They would be the world's policeman.

In the decades after World War II, colonial empires were disintegrating all over the world, and new nation-states were coming into existence. Most of them were actually tribal or aristocratic societies with a very thin veneer of modern institutions. All of these new countries would essentially begin as early-stage oligarchic societies. They would have to pass through the oligarchic stage of development in order to become democratic market societies. Most of the older nations in Latin America, Europe, and Asia were also oligarchic societies.

Go back and review the first 5 questions in this explanation of history. They explain that the passage through oligarchic society has always been accompanied by a high degree of violence. Anarchy, revolution, dictators, weak governments, border wars, civil wars, imperial wars, ethnic cleansing, and religious cleansing are the hallmarks of oligarchic society. The only item

on that list that has gone out of fashion is imperial war. All the other kinds of violence and mayhem are just as common in oligarchic society today as when the Netherlands, Great Britain, the United States and France went through oligarchic development starting over four hundred years ago. It has always been a long and violent process, and there is no sign of that changing anytime soon.

We now have a situation where a hundred and fifty plus nations are squarely in the middle of a massive and very violent revolutionary process, and the United States has decided to appoint itself "world policeman" and enforce peace and stability. There is no possible way for this to happen successfully. If the United States understood the revolutionary process that is occurring in the world, it might be able to help mitigate some of the worst violence. Unfortunately, it seems to be CLUELESS as to what is going on.

The American government does not understand the difference between oligarchic society and democratic market society. When appraising other countries, it looks to see whether or not they are capitalist and democratic. Oligarchic societies that hold elections pass this test. It does not matter to the United States that the oligarchs oppress and exploit their own population. It does not matter that most of the people are poorly educated, impoverished, lack police protection, and have little hope for improving their lives. As long as the oligarchs hold elections, no matter how meaningless, the United States is satisfied. It is when the people rebel against oppressive oligarchic governments that the United States becomes concerned.

Electoral politics in an oligarchic society will always result in an oligarchic government. If the people are thoroughly disgusted with weak, corrupt oligarchic rule, they have a real problem. Their only other choice is some kind of dictator or revolutionary regime. Communism, fascism, and Islamic fundamentalism have all evolved to provide an alternative to oligarchic society, but the United States does not like any of these alternatives. It thinks that they are evil. In its role as world policeman, it has tried to destroy these kinds of revolutionary societies and the dictators who run them. This has led to a great deal of American intervention in other people's affairs as it tries to support unpopular oligarchic governments and destabilize dictators and revolutionary regimes.

This misunderstanding has led to the Cold War, where the United States tried to destroy communism. It has also led to the present problems in the Middle East where the United States is trying to prevent Islamic fundamentalism from gaining power. The Americans believe that they are fighting on the side of righteousness. The people in the countries where America intervenes

believe that it is trying to dominate the world and impose governments of wealthy oligarchs, which are friendly to the United States.

This fundamental misunderstanding has gone on for much too long. It is past time to achieve a resolution to this problem. When developing countries overthrow an oppressive oligarchic government and install some form of dictatorial revolutionary regime, it is not a challenge to the United States. It is part of the world-wide-revolution from traditional societies to democratic market society that most of the world is still undergoing. Oligarchic society is not the end point of this revolution. Democratic market society is the final form that all nations are moving towards.

The United States should not be surprised when people who find themselves trapped in oligarchic society go looking for some kind of revolution. Communism and Islamic fundamentalism will never become permanent methods of organizing modern nations. They have no way to create wealth. They can not run a successful economy. They are mechanisms for continuing the revolution, which will only end when the country develops real democracy and becomes a democratic market society.

### **13. What was the reason for the Cold War?**

The United States, Great Britain, and the Soviet Union were the primary victors of World War II. After the war the United States and Great Britain quickly developed into democratic market societies. They had nothing to fear from communism. Communism is a non-viable form of society. It is only used as a revolutionary tool by societies that are in the early stages of oligarchic development. Unfortunately, the Western Powers did not understand that.

In the decades following World War II, there were at least a hundred countries that were in the early stages of oligarchic development. Many of these countries flirted with the idea of adopting communist revolution. The United States and Great Britain were horrified at the prospect of large parts of the world going over to communism.

The Soviet Union was the world's only prewar communist state. It thought that communism was a great idea and encouraged the rest of the world to adopt it. The result was a kind of deadly serious, Great Power game, where the Soviet Union tried to promote communist revolution, and the Western Powers tried to prevent it. This game which seemed so important at the time

was actually a fantasy. In reality, the Soviet Union could not benefit from communist revolution in other countries, and the Western Powers could not be harmed by the spread of communism.

We can now use 20/20 hindsight to look at some of the important events of the Cold War and see how badly they were misunderstood at the time.

1. During World War II, the Soviet Union occupied Central Europe as part of its counter offensive against Germany. After the war, it refused to withdraw its troops from most of this area. Instead, it remained in occupation and set up communist governments. There was probably a great deal of popular support for communism in Central Europe in 1945, but after a few years of Soviet occupation, this support rapidly declined. By 1950 most of the occupied countries were tired of communism and Soviet domination. The Soviets, however, refused to withdraw and insisted on keeping the unpopular communist governments in place.

The United States believed that this was an example of communist expansion by military force. It is what started the Cold War and convinced the Western Powers that communism must be contained or destroyed.

In reality, the Soviet occupation of Central Europe was not the beginning of an effort to conquer the world for communism. It was an instinctive defensive measure. The Soviet Union had just suffered a devastating invasion from German armies based in Poland, Czechoslovakia, Hungary, and Romania. Fascist governments in most of these countries had supported this German invasion. The Russians

had been almost annihilated by this invasion, which had started less than 500 miles from Moscow. They were absolutely determined that this would never happen again. To make certain of that, they would occupy Central Europe and force any invaders from the west to start at least 1000 miles from Moscow and fight their way through Central Europe to get to the Soviet border. No amount of military bluster from the West could force the Russians to give up this defensive security zone. The threat of military force only convinced them of the necessity to maintain their occupation.

2. The communist revolution in China in 1949 was considered to be a personal betrayal by many Americans. The United States had supported the independence and unity of China as far back as the 19th century when Great Britain, France, and Germany wanted to divide it up and add it to their colonial empires. We had supported China during the Japanese aggression of the 1930s and throughout World War II. Now it had gone over to communism and formed an alliance with the Soviet Union. They quickly began executing landlords and aristocrats. The Great Leap Forward of the 1950s and the Cultural Revolution of the 1960s were incomprehensible to most Americans. All of this was accompanied by ferocious anti-American propaganda.

The United States did not understand how this could have happened. Communism was supposed to be a replacement for capitalism in much more developed countries. How could it seize control in China? How could it turn the Chinese people against their best friend, the United

States.

In reality, communism has only been adopted by undeveloped countries in the early stage of their oligarchic experience. China hoped to use the central planning feature of communism to rapidly develop the nation and bring it into the 20th century. That was the reason for the campaign against the landlords, the Great Leap Forward, and the Cultural Revolution. The intention was to wipe away the traditional aristocratic institutions of the past, and force march the peasants into the modern industrial society of the future. The totalitarian structure of communism was believed to be the best way to achieve this social and economic revolution as quickly as possible.

The anti-American aspect of Chinese communism was a direct result of the secret war that the American military and the CIA had fought in China from 1945 to 1949. The United States had provided massive aid for Chiang Kai-shek in his efforts to defeat and destroy communism. This intervention could not possibly prevent the 700 million people of China from doing what they wanted. Its only result was to turn them against the United States.

3. In 1950 communist North Korea launched an attack to seize control of South Korea. The United States was certain that this was another example of communist aggression. Communist armies were on the move to seize control of a non-communist nation. This was considered to be proof that aggressive expansionist communism was determined

to conquer the world. American leaders believed that this was just an opening gambit and that soon Soviet armies would be attacking Western Europe.

In reality the North Korean attack had just one purpose and that was to reunify the Korean nation. During World War II, the United States had tried to get the Russians to attack the Japanese colonies of Manchuria and Korea. Roosevelt had promised Stalin that if he launched such an attack the Soviet Union could occupy northern Korea after the war. The Russians refrained from such an undertaking as long as they were still fighting Germany, but after the Germans surrendered, Russian armies moved east and in August 1945 launched a devastating attack that quickly destroyed large Japanese forces in Manchuria and Korea. After the war, the Soviets occupied northern Korea while the United States occupied the south.

The Russians established a communist government in North Korea, which quickly became very popular. At that time many ex-colonial nations believed that communism was the wave of the future and the fastest way to develop a modern industrial state. The Americans had put an aristocrat in charge of the South Korean government, which developed into an oppressive and unpopular oligarchy. In the late 1940s there were many pro-communist strikes and riots in the South. At least a third of the South Korean people favored communism over their own corrupt oligarchic leadership.

The North Koreans were fully aware of the pro-communist sentiment in the South. They felt that it was their patriotic duty to reunify the nation and liberate the South from capitalist oppression. It was strictly a limited war for national reunification. Kim Ill Sung had to ask the Russians many times for permission to launch it. They reluctantly agreed on the condition that it would be over very quickly, and that it would not cause trouble between the Soviet Union and the United States.

The United States does not seem to understand the awesome power of nationalism. This is strange. If a group of foreign powers ever managed to divide the United States into separate nations, the American people would never rest until they reunified their country.

4. Immediately after Japan surrendered, Ho Chi Min announced the independence of Vietnam. Ho liked the United States and based his Declaration of Independence on the original American document from 1776. But Ho was a communist as well as a nationalist and the United States did not like communism. The Americans asked the French to reestablish their imperial control over Vietnam rather than see it become independent as a communist country.

The French fought for many years to regain control of Vietnam but were unable to do so, even with the Americans paying most of the cost. After a major defeat in 1954, they wanted out. The Americans

hated to see a communist Vietnam, but they had just finished the Korean War and were unwilling to take on a new war in Vietnam. A compromise was reached at a conference in Geneva. Vietnam would be temporarily divided. Ho Chi Min would set up a communist government in the north, and the Americans would establish a non-communist government in the south. In two years there was to be a nation-wide election and whichever side won would become the government of a unified Vietnam. Ho reluctantly agreed to these terms only because he was certain of victory in the election.

The Americans found an aristocrat, Ngo Dinh Diem, to lead the southern government. He set up an oligarchic government, began persecuting communists, and refused to hold the elections that would reunify the country. He was firmly backed by the United States in these actions. The Vietnamese in the north were outraged by this betrayal. They could see no other course of action except to return to war to reunify their nation.

It soon became evident that the government in the south was unpopular and would quickly lose unless it was supported by American troops. The United States did not want to fight, but for some strange reason believed that it was critically important to maintain a non-communist Vietnam. It gradually took over more and more of the war. By 1967 there were more than a half million Americans fighting in Vietnam.

The United States never had any chance to win the Vietnamese War. The simple truth is that the majority of the people in South Vietnam did not want to be citizens of South Vietnam. They wanted to be citizens of a united Vietnam, and they wanted their national hero, Ho Chi Min, to be the leader of the nation. No amount of American blood, courage, and sacrifice could change that. As far as the Vietnamese were concerned, the war was not primarily about communism. It was about nationalism and national unity.

There was never any reason or requirement for the United States to fight a war against communism. Because of its very nature, communism is self-limiting. It can not produce enough food to feed its own population, and it is absolutely terrible at producing decent housing and consumer goods. Communism has only one use and that is revolution. It is good at overthrowing aristocrats and oligarchs. This was reason enough for some countries to try communism, but not for it to last or become dominant. Even as a tool of revolution, it has limited success. After communism is ended, the oligarchs come back. This has been amply demonstrated in Russia.

In the spring of 1973, I told my History professors at Michigan State University that sometime in the next 10 to 15 years there would be revolution in the Soviet Union and communism would be thrown out. They thought I was some kind of an idiot. It was very clear to me that communism was not working, but the rest of the world insisted on believing that communism was a very powerful force.

Throughout the 1950s, 60s, 70s, and 80s the United States continued to fight communism. There were secret wars in China, Laos, Cambodia, Guatemala, Cuba, Nicaragua, El Salvador, the Congo, Mozambique, Angola, and Afghanistan. In the 1970s and 80s, the United States supported death squads in much of Latin America. Communists, socialists, and assorted liberals were arrested and killed by military dictators and oligarchic governments.

All of these countries were in the early stage of oligarchic society. They were going to have civil wars, revolutions, anarchy, and dictators, but there was no need for the United States to participate in any of this violence. American intervention only made the violence worse. The anti-communist crusade cost

the United States trillions of dollars and the lives of tens of thousands of its young men. There was no return on this investment. The United States gained nothing from the entire effort.

Most Americans believe that the Cold War was necessary and that it was a great success. They think that American intervention saved the world from communist domination. This is an extraordinary example of the power of myth and the ability of people to delude themselves. Communism is totally incapable of producing wealth and prosperity. This fact alone means that it cannot survive in the modern world. No country wants to be poor.

Communism did not collapse in the Soviet Union because of the arms race or American intervention. It self-destructed because the Russian people grew tired of being poor.

## **14. What is Islamic fundamentalism, and why is there so much political violence in the Middle East?**

The first highly organized aristocrat peasant societies originated in the Tigris Euphrates valley in Iraq and the Nile valley in Egypt. However, most of the Middle East is too arid and infertile for peasant farmers to produce large food surpluses. The desert lands became the home of the Bedouin tribal Arabs and evolved into a mixed tribal aristocrat form of society.

From the 15th century through the 19th century, most of the Middle East was ruled by the Turkish Ottoman Empire. After the Ottomans were defeated in World War I, most of the area became part of the British and French Empires. The Arabic countries as we know them today and Iran did not become independent nations until after World War II.

The basic culture and way of life in the Middle East was relatively unaffected by either the Ottomans or the European imperialists. Most of the region retained its characteristic tribal aristocrat form of society until the 1960s when the oil boom began to transform the traditional societies.

We have already seen that the change from aristocrat peasant society to modern democrat market society is a very long, violent, and difficult transformation. It appears that the change from tribal and aristocrat tribal forms of society to democrat market society is just as difficult and violent. The

Middle East is now in the most difficult part of this transformation. The inevitable result is a large number of wars, rebellions, and periods of anarchy.

The overall revolutionary experience in the Arab world and other parts of the Middle East is not that much different from what it has been in Europe, Asia, and the Americas. The revolution typically proceeds in an erratic fashion. There is often a pattern of two steps forward and one step backward. Intense waves of violence are often followed by periods of calm and stability. The massive political and economic transformation that is taking place is still a long way from completion. There is no way to predict how much violence is yet to come, but it is certainly far from being over.

The oil boom in the Middle East is very much of a mixed blessing in terms of this modern transformation. On the one hand, it has brought in a tremendous amount of money, which has been used to jump-start the market economy of the region. On the other hand, this gigantic amount of easy money has reduced the requirement for the people to learn how to produce wealth the old fashioned way. Economic necessity has forced most countries to learn how to create wealth by farming, manufacturing, and the delivery of services. This requirement is not nearly as strong in much of the Middle East, where wealth gushes out of the ground. The reduced level of economic necessity has led to a greater emphasis on other factors such as religion and traditional animosities.

This short explanation of history is no place for an in-depth analysis of the problems of revolution in the Middle East, but recent events have forced me to try to explain how so much of the Arab world has come into such dramatic conflict with the United States. There are two primary reasons for this conflict. One is the Israeli-Palestinian dispute, and the other is American political and military intervention in the region.

The Holocaust of the Jews during World War II is the kind of experience that no population can endure without taking extreme measures to ensure that it will never happen again. After the war, the remaining Jewish population universally insisted that they must have their own state where they could rely on themselves to guarantee their own security. This is very understandable and most of the world, including the United States, Europe, and the Soviet Union, were in agreement.

The only obvious place for this state was their ancestral homeland of Palestine, where a moderate number of Jews had slowly been infiltrating since the end of the 19th century. The problem is that Palestine was already occupied by Palestinians, who are not Jews and had been living there for thousands of years. The Palestinians were a small population of peasant-

farmers. For centuries they had been ruled by the Ottomans and more recently by the British.

In the most successful campaign of terrorism known to history, the Jews forced the British to leave and established their own state. This provoked an immediate war with neighboring Arab states, which was won by the Israelis. Most of the Palestinians then fled their homes and sought refuge in areas controlled by Arab forces in the Gaza Strip and the West Bank of the Jordan River. The Israelis claim that the Palestinians left of their own free will and therefore have no right to return. This is a difficult claim to establish. Refugees have been fleeing from the violence of war for thousands of years. Nearly all of them eventually return home. There is also evidence that the Jewish terrorist group, Irgun, slaughtered the residents of at least two villages for the specific purpose of forcing the Palestinians out of the new state of Israel.

These events happened over fifty years ago, but they created an open sore in the Middle East, which has been festering and growing worse ever since. At the time of the expulsion there were less than one million Palestinians, who were mostly uneducated peasants. They were relatively easy to push around and ignore. Today there are more than four million Palestinians. They have been toughened and hardened by life in the refugee camps. They are educated and intensely aware of all the injustices that have happened to them. The experience has convinced them that they too must have a state of their own.

The question of who has a right to live in Palestine is not just a dispute between Israelis and Palestinians. The surrounding Arab countries have been involved from the very beginning, and they have every right to be involved. If some group came along and threw the Canadians out of Canada and they were living in refugee camps in the United States, it is certain that the U.S. would get involved and make every effort to help restore them to their homeland. The Arab countries feel just as strongly about this as Americans would.

So far there have been four Arab-Israeli wars: 1948, 1956, 1967, and 1973. As far as the majority of Arabs are concerned, these were battles, and the war will continue until justice for the Palestinian people has been achieved. There is also another reason for the continuation of warfare. War has always been a part of the revolutionary transformation of society.

In America, the French and Indian war prepared the 13 colonies for independence. A great deal of social, economic, and political progress came out of the Revolutionary War. The War of 1812 and the Indian Wars continued

this trend. The Mexican-American War helped unify the nation for a time and continued the process of change and development. Prior to the Civil War, the United States was still primarily an agricultural country. During the war and afterwards, we quickly became an industrial nation. World War I brought more social and economic change. World War II led directly to the development of democratic market society. Europe used warfare even more prolifically in its transformation from aristocrat peasant society through oligarchic society to democratic market society.

The Middle East is following the same path. War has been used to pull young men out of the peasant villages, educate them, discipline them, train them to use modern equipment, and instill a sense of patriotism and national pride. All of these factors dramatically increase the speed of social transformation. Wars are not started specifically for this purpose, but they have this effect. The Jews had no way of knowing that their presence in the Middle East would help propel the region into the modern world through the violence of warfare, but that is part of what is happening.

The United States claims to have an evenhanded policy in the Arab-Israeli conflict, but that is obviously not the case. America has given over a hundred billion dollars to Israel in the last three decades, which has been used to buy large quantities of the world's best weapons and to support a major arms industry in Israel. The Palestinians have received a few hundred million that was mostly needed to buy food for the refugee camps.

A majority of the Arab people believe that the United States deliberately maintains Israel in order to have a strong ally in the region for the primary purpose of watching over its oil supplies. This is not true. There are a number of other more important reasons. It is true that a large number of Americans have at times thought along these lines. This is very insulting to the Arab people. It is their oil, not ours. It only becomes ours after we purchase it from them. Buying oil is, and must remain, a purely commercial transaction. Political alliances and military power have no legitimate place in any commercial transaction. What would Americans think if some powerful Arab country were to help an alliance of Indian tribes to take over Kansas in order to watch over their food supplies?

This brings us to the whole question of American political involvement in the Middle East. Since the end of World War II, the United States has made a major effort to maintain peace and stability in the world, or at least that was the general intention. When the British imperialists retreated from the Middle East, they tried to leave it in the hands of monarchs who would be friendly to the West. The Americans believed that the best way to ensure stability was to help these monarchs stay in power.

In 1954 a hesitant and chaotic revolutionary movement in Iran swept the young and inexperienced Shah from power. The United States sent in the CIA, which spent millions of dollars in bribes to pave the way for his return. The CIA congratulated itself on a job well done. The Americans were pleased with the return to power of a political ally. The Shah quickly built up a massive secret police force and bought billions of dollars worth of weapons to prevent such a thing from happening again. As the years went by it became clear that he was relying on the secret police and the American connection to maintain his throne rather than the support of his own people. The Iranian people became more and more opposed to the regime and its American backers. They turned to the Islamic clergy for leadership partly because they knew that this was one group that was definitely not controlled by the United States. The resulting revolution in Iran was a major disaster for American policy, and 22 years later friendly relations have still not been restored.

The United States does not seem to have learned anything from the debacle. For the last 20 years it has been a major supporter of an oligarchic Egyptian government. This is partly because Egypt signed a peace treaty with Israel, partly because it is a friend of the West, and partly for the general purpose of promoting peace and stability. That is all very fine, but this is another government that does little to promote the prosperity of its ordinary citizens. The majority of the people still live in poverty. Many Egyptians have now begun to blame the United States for their poverty and lack of economic opportunity.

American policy makers are very proud of their special relationship with the kingdom of Saudi Arabia. We support the monarchy, and they sell us oil. That's great, but anyone with the money can buy oil from Saudi Arabia, and the price is the same for everyone. Now the ordinary Saudi citizens have started to blame us for their lack of a political voice. Of the 19 airplane hijackers in the recent terrorist attack, 15 of them were from Saudi Arabia. What kind of special relationship is that?

The United States is not an Islamic Arab country in the middle of a revolutionary experience. Yet it seems to think that it knows what kind of government these countries should have. This is nonsense.

An example of the vast difference in thinking between Americans and Arabs is Saddam Hussein and the government of Iraq. In 1958 the revolutionary Baathist Party in Iraq assassinated an especially corrupt monarch and seized control of the government. A decade later Saddam Hussein took power. He solidified his popularity by bringing electricity to the rural villages, and building up the military. He then launched an unsuccessful war against Iran to recover Arab territory that had been lost in previous centuries. He tried to

recover from this failure by conquering the principality of Kuwait and making it part of Iraq.

The United States had no problem with his attack on Iran, which was its enemy, but his conquest of the friendly state of Kuwait was a different matter. The American government and media demonized Saddam as an evil dictator by publicizing everything bad that he had done while ignoring his efforts to improve the lives of the common people among his core constituency of Sunni Arabs. The Americans portrayed Saddam as a mad beast who was trying to conquer most of the world's oil, and went to war to restore the independence of Kuwait.

The Arabic people saw things very differently. All of Saddam's actions had been calculated to increase his popularity in the Arab world. Kuwait was generally disliked because it had provided a key opening to the British. Back in the 18th century when the English first tried to penetrate the Persian Gulf, they had run into universal hostility and were on the verge of being expelled from the region. Then, they made an alliance with the city-state of Kuwait. This gave the British an important base from which they could expand. The two allies prospered together. In the 1920s when the British Empire controlled the entire region, they greatly increased the size of Kuwait and gave it a large part of the Iraqi coast.

Most of today's large nation-states achieved their present size by annexing smaller aristocratic and tribal states on their borders. Most Arabs saw no reason why Iraq should not do the same. They highly approved of the idea of Iraq becoming a rich and powerful country that could champion the Arab cause against Israel. When the Americans destroyed the Iraqi army and reversed its conquest, they saw it as just one more example of the United States trying to keep the Arabs weak and impotent.

This is an example of two different societies looking at the same historical event and seeing completely different things. The Americans saw a horrible, evil, war-crazed dictator who was a threat to his neighbors and the world. Many Arabs, who are his neighbors, saw a great champion of the Arabic cause. This problem of different interpretations is common in history, and it often causes trouble.

The United States likes to go stomping around the world, beating its chest, and loudly proclaiming: we destroyed communism; we are the only super power; we safeguard the world against the aggression of evil dictators. Many Arabs have come to believe that America controls the world. It allows them to blame the United States for their poverty, weakness, and corrupt oligarchic governments.

This is a false impression. The Arabic people have few economic and political opportunities because they are still in the early stage of oligarchic society. The United States has been interfering in the region, and it has been less helpful than it thinks, but it has not been deliberately holding them back. The United States does not understand the revolution that the entire world is engaged in, and it is essentially powerless to help the Arab people through their revolutionary transition. The modern revolution is something that every nation must accomplish primarily on its own.

Many people in the Middle East have become disgusted with their oligarchic governments. This is a common feature for countries in the middle of their revolutionary experience. Socialism, communism, and fascism were all developed in a desperate attempt to find some alternative to oligarchic society. Many Arab countries flirted with various kinds of socialism in the 1950s and 60s, but it was not able to provide a successful solution to the problem of how to organize a modern state.

In recent years many people in the Middle East have turned to Islamic fundamentalism for a solution. This is not as strange as it seems to most Westerners. Christian fundamentalism, in the form of the Protestant Reformation, was the beginning of the modern revolution in Europe. In the English Civil War of the 1640s, Puritan fundamentalists under Oliver Cromwell overthrew the aristocratic establishment, executed the king, and began the modern transformation in England. The Puritan government only lasted for about ten years. Religious fundamentalists are much better at leading a revolution than they are at governing a nation.

The American media delights in ridiculing Islamic fundamentalism as a step backward into the medieval world. In this country just 140 years ago, the people in the southern states saw the oligarchic society that was taking shape in the north. They wanted nothing to do with this new kind of society that featured capitalist industry and an exploited working class. They much preferred to keep their agrarian society even though it required slavery in order to maintain an educated elite. They seceded from the union and started the Civil War in an unsuccessful attempt to avoid the modern progression of oligarchic society. Which is more medieval, Islamic fundamentalism or the institution of slavery?

It is true that Islamic fundamentalism and anti-American terrorism have developed together in the Middle East, but they are not cause and effect. Islamic fundamentalism is a reaction against oligarchic society. In Afghanistan it was a response to the extreme level of anarchy and lawlessness that has been endemic in the region. Anti-American, Arab terrorism is a reaction against U.S. support for Israel and American intervention in the revolutionary

transformation of society in the Arab world. It is also influenced by the mistaken belief that the United States is responsible for the widespread poverty and lack of political opportunity. In reality these problems are a normal and natural part of every countries' oligarchic experience. The terrorists are much more interested in politics than they are in religion, even though some of them use religion as a cover for their activities.

## **15. What is the best way for oligarchic societies to transform themselves into democratic market societies?**

I have no doubt that eventually all countries will become prosperous democratic market societies. Since I am not a wizard with a crystal ball, many readers probably wonder how I can be so confident about the future. It is actually fairly easy. All countries have already made the change from traditional society to oligarchic society. Many of them would not have chosen this path, but it happened anyway. That is because traditional, tribal and aristocrat peasant societies could not possibly feed the number of people that live in modern countries. The flexibility and productivity of a market economy is the only possible way to provide enough food, clothing, and shelter for modern populations.

There are two kinds of market economy societies, oligarchic society and democratic market society. Oligarchic societies are dominated by a small wealthy ruling class that controls the economy and the government. Democratic market societies are much more open with a high level of economic and political opportunity for everyone. They still have a small percentage of very wealthy people, but they do not dominate the entire country. Nearly everyone has a voice in the political institutions and the chance to become a prosperous citizen. This is obviously a preferable situation. The question is, how to achieve it.

Most large democratic market countries made the transition through warfare. In any war most frontline troops are ordinary citizens. If they fight hard and demonstrate their willingness to sacrifice all that they have for their nation, those who return home will have the status of heroes. Win or lose, they will have earned the right to economic opportunity and a voice in political affairs.

A single small or medium size war is not enough to transform an entire country. It requires a series of wars, or a very large war, to convert an oligarchic society into a democratic market nation.

For obvious reasons this is not good news. There are over 150 oligarchic countries in the world. If all of them used this method to transform themselves into democratic market societies, it would require more violence than this planet could stand. The world has to find a better way. We must use reason and understanding to solve this problem.

A lot of countries and a lot of people have worked hard to find a substitute for oligarchic society. They have spent millions of man-hours trying to think of a viable socialist form of society. They gave communism a try, and fascism, and religious fundamentalism. All of these social systems originated as efforts to find an alternative to oligarchic society. There are big problems with all of them, and they have all failed.

I can think of only one good solution. The oligarchs, themselves, must lead their people out of oligarchic society. There is a good reason for them to do this. They are the ones who will benefit the most. If they think they are rich now, they ain't seen nothing yet. After their countries make the transition to democratic market society, they will be a lot richer. By leading the way themselves, they can avoid a lot of pitfalls along the path.

It seems obvious that the way to achieve real democracy is through political reform. Unfortunately, it is not that easy. People who are poor and have no prospect for achieving prosperity are politically powerless. In a market economy society, wealth is power. It has always been that way, and it will always be that way. The shortest path to real democracy is through economic reform.

The best way to avoid a lot of bloodshed is for the oligarchs to open up their economies and find ways to help and encourage the rest of the society to become successful and prosperous in the market economy. This is a big job. Many oligarchic societies have already been working along these lines. Some of them have made a good deal of progress, but for the most part, they have not gone far enough fast enough.

There are a lot of prerequisites to getting the majority of the population to be productive and efficient producers and ready to compete in the market economy. They have to be healthy. They have to be educated. They need skills. There has to be a certain amount of law and order so that the markets can grow and thrive. There needs to be a reliable currency. The money supply, interest rates, banks, and financial markets must be regulated by the best economists available. Ordinary people—who have skills, ambition, and

good ideas—must have access to capital so that they can start companies and hire workers. When their small businesses begin to succeed, they must have assurance that they will not be stolen by someone with more political power. It is no good for a country to try to accomplish these things one at a time. They all have to be done together.

This is a long list of requirements, and they all have to be paid for, along with new infrastructure investments. New companies in developing countries cannot generate much tax flow. Old established wealth would have to pay the majority of the bill. That means the oligarchs, and they can come up with just so much. Other government expenses will have to be reduced to the minimum possible.

Developing countries should not pay direct subsidies to business and industry. Large expensive show projects should be avoided. Welfare and pensions must be kept to a minimum. Make-work-jobs and no-show-jobs on the government payroll must be avoided. Large amounts of money should not be borrowed from abroad. That path leads to trouble. The government will have to work hard to get the most value for the money spent.

This is not a project that can be completed in a decade or two. It could take that long for some populations to accept that the government really is serious about helping them to achieve prosperity. But when that happens the country will begin to change. Economic growth will increase and spread through the society. The traditional problems of oligarchic society will be reduced. The crime rate will decline, and stability will increase.

Year by year, as the economy grows, more taxes can be generated. This money should be plowed back into more education, more job training, more infrastructure, more courts, and better economic regulation. The virtuous circle of market economics will begin to spin. More wealth will be generated for everyone.

Beginning in the 1950s the Japanese government began a major push to develop export industries. The economy grew quickly by producing for foreign markets. This idea caught on and has been used by many countries in Southeast Asia and around the world, but it is not always reliable. Sometimes it works, and sometimes it doesn't.

Developing countries should do everything possible to increase the size of their domestic markets. Most companies are best at designing and producing goods and services for the local market. Export earnings are a bonus that can help domestic growth, but they are not reliable enough to be the primary focus of economic development.

There is a major argument among economists about the usefulness of tariffs to protect and encourage developing industries. Much too often they have been used to provide artificial support to noncompetitive companies. If used properly and sparingly, they may have a useful role to play in economic development.

Any country that puts its primary focus on the kind of economic development program described here will achieve positive results. Economic development that is only for the wealthy is likely to fail. The key to success is to include as many people as possible. An entire population contains a gigantic amount of energy, skill, and ambition. Countries that put all of these resources to work will achieve success. If they keep at it year after year, decade after decade, and generation after generation, they will become wealthy.

Once the majority of the population owns property and has economic interests to protect, real democracy will follow. Public interests groups and political pressure groups will blossom. People will watch the government closely and insist that it protect and promote their interests. Democratic market society will be achieved.

There have been many different variations of tribal, aristocrat peasant, and oligarchic societies. The same is true for democratic market society. There is an American pattern, a European pattern, a Scandinavian pattern, and a Japanese pattern. None of them are static. In the future there will be an Asian pattern, an Islamic pattern, and an African pattern. These too will continue to change and evolve.

Democratic market society is capable of creating wealth on a scale that has never before been imagined. Another major advantage is that democratic market societies do not fight wars with each other. These are good things, but there are also many serious problems that seem to be associated with this new form of society. The worst of these is a breakdown of the traditional family structure.

I believe that we are still in the primitive early stages of democratic market society. There is a lot of room for improvement. No form of society will ever be perfect, but in the centuries to come, democratic market society should get much better than it is today.

There may well come a time when new technologies allow everyone to become self-sufficient in the necessities of life—food, clothing, and shelter. If that happens people may no longer have to depend on markets to distribute these things. Or the world may find a method of economic distribution that works better than markets. Either of these possibilities could lead to the evolution of a new form of society. We can only hope that if that happens the

transition to the new kind of society will be much more peaceful than the massive revolution that the world is presently going through.

## **16. How should the United States deal with problem countries that are still in the first half of their oligarchic experience?**

The last section outlined an economic development program that can help oligarchic societies progress faster and with less violence. However, it is unlikely that most of the world will immediately put it into action. Those countries whose traditional experience has been primarily with tribal and mixed aristocrat tribal society seem to have an especially difficult time making the transition to semi-stable oligarchic society, to say nothing of democratic market society.

Social inertia is a very powerful force. People tend to behave in the same way that their parents and grandparents behaved. In tribal societies most young men are expected to be warriors. In many areas with this kind of tradition, the majority of men carry weapons most of the time. There are inherited rivalries, feuds, and animosities that often lead to violence. A short review of the relevant historical data shows that these kinds of societies are unlikely to change from traditional culture to modern culture in one or two generations. They cannot be expected to just put away their weapons, start large numbers of successful corporations, and have everyone show up for work.

The change from traditional societies to modern, market economy society is not an event. It is a process. It happens over a long period of time. It takes at least one century and more often than not it has taken two centuries or longer. The data of how this change happened in Western Europe, the United States, and Japan is available in history books for everyone to read. It is not only a long process, it is a violent one.

Whether we like it or not, we can be sure that more violence is coming. Sometimes the most visible aspect of social change is chaos, confusion, anarchy, and random violence. Other times strong leaders have taken control and tried to manage the chaos by channeling the people's anger toward some specific target. This target might be Jews, Westerners, capitalists,

communists, foreigners, or any other group of people. This kind of behavior by revolutionary dictators and other strong leaders is a common occurrence in the first half of oligarchic society. If there is a problem of ethnic animosity, they may lead one group in battle against another. Or they may choose an external opponent and lead their people in war against them. If the people are excited, angry, and eager to fight, this is a way to channel the violence along a specific path rather than endure total chaos and anarchy.

Most Americans, urged on by the media, have come to believe that this kind of targeted violence is just plain evil. They thought that fascism and communism were evil, and that is what they believe about events in Iran, Iraq, Bosnia, Kosovo, Rwanda, Palestine, Afghanistan and many other trouble spots around the world. Since the United States is a democratic nation, when the people believe that something is the result of evil so does the government. The American government sometimes responds by sending its military to bomb the evilness into submission.

This policy of declaring troublesome oligarchic countries to be rogue states full of evil and sending bombers to punish them does not seem to be working very well. It occasionally has an impressive short-term effect where the troublemakers fall back in shock, but the long-term result of this kind of intervention is seldom peace and stability.

Americans may be thinking about the example of Germany, Italy, and Japan after World War II. These three countries caused a great deal of trouble. The United States, and others, fought a major war, defeated them, and they quickly settled down and became peaceful democratic market nations. More recent military interventions have not followed this pattern. What is the difference?

Germany, Italy, and Japan were already in the second half of their oligarch experience when World War II started. They had functioning economies, corporations, and jobs. They wanted to have empires because in the 1930s most large successful countries had empires. When the imperial age ended as a result of the war, they could settle down and become peaceful modern nations.

The rogue states that have been causing trouble in the last few decades are in a different situation. Most of them are in the first half of their oligarchic experience. They have not yet figured out how to organize a modern economy. They do not have successful companies, jobs, and incomes. Many people in these countries are still bewildered by the concept of modern development. When the United States calls them evil and attacks them for causing trouble, they do not understand what is happening. They do not think

—we were wrong, we should settle down and become peaceful businessmen and employees. Instead, they get angry. They blame all of their troubles on the United States, which they believe is out to get them. Sometimes they start thinking about revenge.

Is there a better way to deal with these early-stage oligarchic society troublemakers rather than calling them evil and bombing them? To be honest, I do not know, but it seems like there should be. Here is an example that may illuminate this situation from a different point of view.

In the years from 1820 to 1850 the United States was an agricultural nation in the first half of its oligarchic development. Most of the people were farmers living well to the east of the Mississippi River. In the days before chemical fertilizer, land tended to lose its fertility after prolonged agricultural use. The country already had a lot of land, but the farmers were still “land hungry.” They cast greedy eyes on the frontier and the Indian lands, which they wanted for their own.

They invaded and seized Florida. They cleansed the Cherokee and Creek Indian nations from their land and took it for themselves. They annexed Texas and precipitated a war with Mexico during which they seized the present states of New Mexico, Arizona, Colorado, Nevada, Utah, and California. They threatened to go to war with Great Britain if they did not get the best part of the Oregon Territory. They cleansed the Indians from all of this land and made it their own.

During this period of extraordinary aggression, expansion, and ethnic cleansing, they held a large part of the population in slavery. They also used violence to cleanse the Mormon minority from Missouri and Illinois and force them to trek west to Utah.

This is the epitome of rogue state behavior. They seized more than a million square miles of land and attacked anyone who got in their way. They engaged in serial episodes of ethnic cleansing. They bought and sold slaves and beat them into submission.

Suppose that there was a group of advanced modern nations in existence at that time. Suppose that they were disgusted with the rogue behavior of the young United States. What kind of policy should they have used to solve this problem? Should they have called the Americans evil and bombed them as a punishment? If so, would this policy have been successful?

The golden rule says: “Do unto others as you would have others do unto you.” It is time for the United States to make use of the historical data that is

available and try to find a better way to deal with problem countries in the first half of their oligarchic experience.

## **17. Why is the conventional wisdom in the United States so different from the explanation of history presented here?**

History books that were written at the end of the 19th century and beginning of the 20th century had a great deal in common with the analysis that is contained in this explanation of history. Historians documented the development of modern society in Europe and America. They described the traditional societies in most of the rest of the world and explained how imperialism was bringing them the benefits of modern institutions. This work contains a different interpretation of imperialism, but in general terms, it would have been familiar to history readers a century ago.

All of this changed with the development of communism and fascism and the beginning of the Second World War. Communism and fascism both use dictators. Historians began to write about the great clash between democracy and dictatorship. No one understood that communism and fascism were actually part of the worldwide transition to democratic market society. They were seen as new forces leading off in a different direction toward autocracy and totalitarianism.

During World War II, Western propaganda portrayed the war as a clash between democracy and dictatorship. According to the popular media, Germany and Japan had attacked France, Britain, and the United States in order to destroy their freedom and democracy. This was very effective propaganda. Americans believed that their freedom was at stake, and that it was necessary to work hard and fight hard to defend their way of life. The Arsenal of Democracy cranked out an incredible amount of war material, and millions of men fought like hell to defend their freedom.

Historians accepted this propaganda and turned it into history. Politicians, editorialists, news commentators, teachers, ministers, and public figures of all kinds adopted it and preached it relentlessly to the American public. As a kid

in the 1950s and 60s I sat through hundreds of repetitions of “the speech” It went like this.

“During the 1930s America tried to ignore the rest of the world and concentrate on dealing with its own problems, mostly the depression. Evil dictators who wanted to destroy democracy and conquer the world took advantage of this isolationism. They built up gigantic military forces, and when they were ready to strike, they launched World War II. For years they engaged in a mass orgy of killing and conquering, until America, Britain and their allies were finally forced to employ their entire national resources to defeat them. Let this be a lesson to future generations of Americans. Dictators are evil. They want to destroy freedom and democracy. They want to kill and conquer. They must be stopped in the early stages before they are powerful enough to unleash their reign of terror on the world. America must never again retreat into isolationism and allow evil dictators to grow strong and wreak havoc on the world.”

Every member of the baby boom generation heard this speech hundreds of times. The next generation has also been indoctrinated by it. It seemed so clearly to be the lesson of World War II that no one doubted it. Most Americans today learned this lesson as children. It has become embedded in their minds. There is no controversy over it and no doubt about it. Americans firmly believe that dictators are evil and must be crushed—the sooner, the better.

“The speech” is very stirring, very patriotic; it makes sense, sounds good, and encourages Americans to make sacrifices on behalf of freedom and democracy, not just for ourselves, but for the entire world. But there is a problem. It has led to a gigantic misunderstanding of what is happening in the world. Its affect has produced an increase in world violence, not a reduction.

For over 50 years the United States has been going around the world attacking dictators, not for what they have done, but for what Adolph Hitler did 60 years ago. American scholars study dictators only to document their evilness. There is no attempt to understand dictators and the societies that produce them.

In the 1930s about half of the world was part of some large multinational empire. One fourth of the world was under the control of the British Empire. Large areas were ruled by France. Much of the Soviet Union was actually the Czarist Empire. The Dutch Empire, most of which is now Indonesia, was one of the wealthiest. Belgium ruled the heart of Africa. There was a moderate size Portuguese Empire, and a relatively small American Empire.

Germany had lost all of its small empire during World War I. The Germans were jealous of the other European imperialists. They wanted to have a large and wealthy empire of their own. This is why Adolph Hitler was so aggressive. He intended to conquer Poland, Czechoslovakia, White Russia, the Ukraine, and more. Mussolini wanted to expand the small Italian Empire. The Japanese were extremely jealous of the Europeans who ruled most of Asia. When Germany defeated France, Britain, and the Netherlands in 1940, they saw an opportunity to grab the undefended colonies and greatly expand their own Asian empire.

World War II did not happen because dictators are evil and like to kill and conquer. World War II happened because the world was still in the imperial age. Most countries still thought that it was acceptable behavior to conquer and rule empires. This included Germany, Italy, and Japan.

American and British wartime propaganda did not mention anything about empires. Winston Churchill was one of the leading British imperialists. During the war he said, "I did not become the king's first minister to preside over the dissolution of the British Empire." Instead allied war propaganda focused on the idea that evil dictators wanted to destroy freedom and democracy and conquer the world. This was very effective propaganda, but it was not true.

Hitler considered democracies to be weak and impotent. He was very pleased that his enemies in the West were democracies. To him, it meant that they were much easier to defeat. The very last thing that Hitler wanted was for his opponents to find strong willed dictators to prosecute the fight against him. If France and Britain had been dictatorships and tried to stop German expansion in Eastern Europe, Hitler still would have attacked them. Hitler did not care how a foreign government was organized. He only cared what its policy was toward Germany.

The Same thing was true for the Japanese. They believed that Americans were undisciplined and dissolute. If the United States was a militant nation with a strong dictatorship, it might have tried to conquer Asia for itself. This was the last thing that the Japanese wanted. They believed that American interference with their plans in Asia was halfhearted and that a sharp defeat at Pearl Harbor might convince them to mind their own business. They were certainly not fighting to change the United States from a democracy into a dictatorship.

The Idea that World War II was a fight between democracy and dictatorship is just plain wrong. On the allies' side, the majority of the fighting was done by the Soviet Union, which was a dictatorship. Are we supposed to believe that Stalin was fighting for democracy? The entire idea of a massive war between

democracy and dictatorship is propaganda. It was not real during World War II, and it is not real today.

World War II was fought to prevent a new wave of imperialism from overthrowing the established order. It was a magnificent success. The war not only stopped German and Japanese imperial aggression, it also destroyed all existing empires and ended the entire concept of imperialism. A hundred nations gained their independence because of the Second World War. This was not the original intention of France and Great Britain when they declared war on Germany, but the law of unintended consequences came into play.

When the war was over, the wartime propaganda should have been consigned to the dustbin, but that is not what happened. As the saying goes, the victors get to write the history books. The American people liked their wartime propaganda. It portrayed themselves as the good guys, fighting for freedom and democracy. Their enemies were the bad guys, evil dictators fighting for power, greed, and oppression. The American people, the government, and the media worked to perpetuate this myth.

Books, movies, and popular literature often have the theme of the struggle of good versus evil. Today it seems like every third movie out of Hollywood features an evil dictator trying to conquer the world. Americans like to believe that they are the righteous soldiers of God, fighting against evil dictators and in favor of peace, stability, and democracy. This is a great fantasy, but it is not reality.

The real world is going through a massive revolutionary transition from traditional societies to democratic market society. It is not engaged in a Hollywood fantasy battle between evil dictators and Western democracies. Dictators have often played a role in the revolutionary transformation of society. Most countries have used dictators as part of the revolutionary process. This includes many of the thirty or so countries that have already developed into democratic market societies.

Traditional societies were ruled by monarchs, aristocrats, and tribal leaders. Fully developed modern societies are ruled by democratic politicians. Very few countries manage to go directly from traditional leaders to democratic leaders. There is usually a transition period of chaos and anarchy that includes one or more dictators. More than half of the world is still in this transition period today, and they sometimes use dictators to reduce the chaos and impose some kind of order. This is why there are dictators in the world. They are not here to glory in their evilness and attack freedom and democracy in the West.

Of course, if the United States insists that dictators are evil and must be destroyed, they quickly become America's enemies. After World War II, the

U.S. decided that communism was an evil tyranny that wanted to destroy freedom and democracy everywhere. This idea existed before the war, but it grew in strength and became America's dominant ideology as a direct resolute of wartime propaganda.

The Soviet Union had been an extremely useful ally, but by screaming and hollering that they were evil and intended to conquer the world, the United States quickly turned them into an enemy. This was completely unnecessary, and it probably led to a prolongation of the unworkable communist system in the Soviet Union and their defensive buffer zone in Central Europe. Mao Tsedong, Ho Chi Minh, and Fidel Castro never wanted to be enemies of the United States until America declared that they were evil dictators who must be destroyed. After that, they did not have much choice.

America's own actions have been turning its wartime propaganda into prophecy. By picking fights with dictators, this country has managed to create a history of warfare between democracy and dictatorship, but it did not have to be that way. This policy brought about the Cold War, and now it is leading the United States into war with the Arab world. This conflict is just as unnecessary as the Cold War. It is the result of World War II propaganda. One of the primary reasons for writing this explanation of history is to clear up this misunderstanding.

It is certainly true that revolutionary dictators can be a problem, and sometimes, they start wars. This has been going on for more than 400 years. The Princes of Orange performed a role very similar to that of revolutionary dictator in the Dutch Revolution of the 16th century. Oliver Cromwell was a revolutionary dictator during the English Civil War of the 17th century. Revolutionary leaders in France established dictatorial rule at the end of the 18th century. Both Napoleons called themselves emperors, but they were actually revolutionary dictators, along with Simon Bolivar and many others, in the 19th century.

The 20th century had a bumper crop of revolutionary dictators. This is largely because of the massive breakup of colonial empires after World War II. About 100 newly independent nations were born. In most of these countries, the traditional leaders had already been replaced by colonial governors and administrators. Now the colonial rulers were gone, but most of these countries were not yet ready for democracy. In the last 50 years, they have had large numbers of revolutionary dictators.

According to the logic of the American myth, all of these dictators, from Oliver Cromwell to Saddam Hussein, are evil autocrats trying to destroy freedom and democracy. This is clearly not the case. They are a fundamental and

necessary part of the revolutionary transition, which leads to only one place, democratic market society.

It is true that some of these dictators have gotten out of hand. This was especially a problem back when conquering empires was considered to be acceptable behavior. It is entirely possible that some dictators in the present and the future will also cause more trouble than they are worth. It is probably a good idea for the world to have an emergency process for the removal of revolutionary dictators that cause too much trouble. In order for such a process to work, the world has to understand what dictators are and why they are here.

### Theory One

One theory, which is the conventional wisdom of modern America, is based on the World War II experience. It says that the world is in the midst of a war between the forces of democracy and the forces of dictatorship. It equates this to the conflict between good and evil. According to this theory, evil dictators—like Hitler, Stalin, Saddam Hussein, and their fellows—are fighting against freedom, democracy, and world peace. It comes to the conclusion that these dictators are a cancer on the world and must be destroyed in order for democracy, and all things good, to flourish.

### Theory Two

My theory is more complicated and is based on the entire flow of human history. It says that the world is undergoing a massive revolutionary transformation of its economic, political, and social institutions. This revolution was set off by the adoption of markets as the primary mechanism for the distribution of food. Dictators are part of the revolution. War is part of the revolution. Chaos and anarchy are part of the revolution. All of these things are temporary. They will not last forever. The end result of this revolution is democratic market society.

If the democratic nations of the world are going to go out and remove dictators from office, they should at least know why dictators exist and why they are connected with violence. Here are two very different explanations. Only one of them can be correct. Which one is it? You decide.

## **18. What went wrong in the Middle East?**

In the years following World War II most of the Arab countries gained their freedom from British and French rule. For the first time they began to have regular dealings with Americans. They liked the Texans and other Americans who came to help drill wells, build pipelines, and establish the oil industry. These people did not come as conquerors. They represented a new modern world. They were competent, friendly, and knowledgeable. They brought new ideas, modern technology, and a sense of equality. They were well paid, but they created far more wealth for the Arab people than they took. The Arabs were extremely pleased.

Now, 50 years later, most Arabs still admire Americans, but many of them have also acquired an intense dislike for the United States. What went wrong? It is a long and complicated story, but it is important for us to understand.

The first and biggest problem is the Arab Israeli dispute. After World War II the Americans believed that the Nazis were the epitome of evil, and they believed themselves to be magnificent heroes for fighting and defeating them. The proof of this was established when the concentration camps were liberated at the end of the war. The Nazis were evil, and the worst example of their evilness was the Holocaust. The Jews were poor innocent victims. The Americans were great heroes because they defeated the Nazis and liberated the Jews.

For the American media, the Jews were the good guys. American sympathy poured out to them. In the past many Americans had been anti-Semitic. That quickly came to an end. Nazis were evil. Anti-Semitism was evil. Jews were good. Americans were good. The United States and most other countries were eager to help the Jews establish a national homeland of their own.

Few people had ever heard of the Palestinians. If they would not allow the Jews to come live in their ancient homeland, well then they must be anti-Semitic. Therefore, they must be evil. The United States had one hundred percent sympathy for the Jews and zero percent sympathy for the Palestinians and anyone else who opposed a Jewish homeland.

Because the Palestinians refused to turn over their land to a completely different, unrelated people, they were considered to be evil. This was totally unfair, but the United States, like all other countries, has its own prejudices and priorities. All of the Arab countries had great sympathy for their Palestinian brothers and no sympathy for the Jews. This just convinced Americans that the Jews were once again poor innocent victims, who deserved American support.

Israel was established. It quickly became a modern democratic state, and it has continued to receive full American support to this day. The Palestinians were swept out of the way, and most of them are still living in refugee camps. This is an intolerable situation for the Palestinian people and an intolerable situation for the entire world. The Palestinians have now suffered at least as much during their 50 years of exile as the Jews did during the 5 years of the Holocaust. The problem has also caused a gigantic amount of suffering for Israelis, Arabs, Americans, and the entire world. It is obvious that this is not a problem that will heal with time. Every decade it has gotten worse.



The Israeli Palestinian problem has festered and putrefied. It is causing a gigantic amount of ill will between Arabs and Americans. The United States and Europe helped to cause the problem. It is absolutely necessary that they help to find a solution. The map shows one possible compromise that provides a sovereign, independent nation-state for both Israel and Palestine.

There is a second important issue that has intensified the Arab dislike for America. The United States has been interfering with the natural course of the modern revolution in the Islamic Middle East. Just like everywhere else, the Arab world has been caught up in the transition from traditional society to democratic market society. This means that traditional rulers—monarchs, aristocrats, and tribal leaders—must be replaced by oligarchs and/or dictators as part of the transition to democracy.

It may be that many conservative Arabs would like to call off the entire transition to modern democratic market society. This revolution is causing gigantic amounts of problems and is taking them away from their roots as a conservative Islamic society. The problem is that social evolution only moves in one direction. You cannot go back for reasons of nostalgia. Eighty years ago in the old society, Arabs got their daily food from their animals or from peasant agriculture. Now they go to the store and buy their food. The Arab population is about four times higher than it was eighty years ago. The old system cannot possibly feed the modern population. The market system of food production and distribution is gigantically more productive. It is not possible to use a modern economy and still retain the old political and social institutions. The Arab countries cannot go back to the old form of society. They have no other choice but to go forward.

Traditional Arab society did not emphasize industry and did not use any form of democracy or elections. This means that the transition to democratic market society was always going to be a difficult process. In the past when an Arab dynasty declined, the strongest available new leader usually took charge and established a new dynasty. This process has continued in modern times, although in a somewhat modified form. Since monarchy and tribal rule are now being replaced, the strong new leaders usually govern as dictators.

The problem is that the United States has an intense dislike for dictatorship. This is left over from its World War II and Cold War propaganda. America very much prefers to see oligarchic rule with a democratic facade rather than dictators. Oligarchs are a collective group of industrialists, bankers, merchants, lawyers, and anyone else who has achieved wealth in the new market economy. In most of the Arab world this class of people has not achieved enough success and power to take control of the government. For the most part the only alternative to traditional rulers has been dictators. Since the United States is adamantly opposed to dictators, it has been supporting the traditional monarchs. This constitutes gross interference in the revolutionary process, and has led to a great deal of trouble.

The United States came into conflict with Gamal Nasser. It has tried to prevent revolution in Iran, and tried to intervene in civil war in Lebanon. It

has opposed Muammar Qaddafi, Hafez Assad, Saddam Hussein, and every other revolutionary leader. Of course, it has not helped that all of these revolutionary leaders have supported the Palestinians against Israel.

This kind of American interference in Arab government has generated a great deal of anger among the Arab people. Some of them approve of the dictators who seize power and some do not, but almost all of them do not want outsiders like the United States to intervene in their political affairs. This is a very natural attitude.

The vast majority of Arab people do not like Israel, and do not like foreign interference—especially from countries that support Israel. This means that they have come to dislike the United States. At the same time Israel and the United States have made absolutely zero effort to resolve any of the legitimate concerns of the Arab people. The U.S. and Israel maintain that their actions are entirely blameless, completely correct, and absolutely necessary. If there is a problem between them, it is totally the fault of the Arabs and their evil dictators. This is the perfect recipe for turning Arab dislike into open hatred, which is exactly what has happened.

We now have a situation where most Arabs have major grievances against Israel and the United States, neither of which seem to be willing to make any compromises to alleviate this situation. At the same time the Arab governments are too weak to engage in open conflict with either country. Since there does not seem to be anyway to resolve the dispute, the animosity just festers and grows worse. A hundred million Arabs are seeking a way to apply pressure on Israel and the U.S. to force them to change their policies, and the Arab governments are unable to find an effective way to accomplish this. Because of this leadership vacuum, the Arabs have turned to non-governmental organizations to find a solution.

When two hundred million people desperately want leadership to accomplish some goal, it is inevitable that someone will step forward to provide it. Various terrorist groups and Islamic religious organizations have arisen to do just that. This solution is abhorrent to the United States. Americans believe that religious leaders should play only a minor role in politics, and that terrorists are nothing but criminals.

Under normal circumstances this is an entirely understandable attitude, but the United States and Israel have backed the Arab people into a corner. The Palestinians have rights as human beings and citizens of this planet. All Arab countries have a right to national sovereignty and to expect foreigners to refrain from intervention in their domestic political affairs. These rights are being blatantly ignored by Israel and the United States. Arab governments

have been unable to enforce these rights. The result has been that individuals like Osama bin Laden and religious leaders have begun to take steps to fill this vacuum. This should not come as a surprise to anyone

Islamic religious leaders and terrorist groups are now waging open warfare with Israel and the United States. America has begun to fight back. This is a natural and understandable reaction. When Americans are engaged in a fight, they tend to think only about winning it. They assume that the United States is always in the right, and that anyone who uses violence against us is evil and deserves to die. This situation, however, is more complicated than that. The American government claims that the problem stems from a few religious fanatics and criminal terrorists. This is obviously not true. Every single person who is familiar with the Arab world acknowledges that the real problem is much deeper than that.

The terrorists and anti-American religious leaders are in fact champions of the Arab people. They have stepped into the leadership vacuum that has arisen from the weakness of Arab governments. Killing them will not solve the problem. Victory in this conflict will not come on the battlefield. The United States and Israel must acknowledge that the Palestinians and Arabs have legitimate grievances. They must take steps to deal with these grievances. Until that is done, the conflict will only grow worse. Terrorists who are killed will be replaced by new terrorists. The conflict will continue to escalate.

Saddam Hussein and the government of Iraq have already stepped forward to help provide leadership for the Arab cause. The United States is fully capable of crushing that government and replacing it with a new one. But that will not solve the problem. Every single Arab government is telling the United States that it is on the wrong track. These leaders know what they are talking about. They know that a popular revolution led by hard-liners in their own countries is an increasing possibility. The entire history of the modern revolution confirms this possibility. They are begging the United States to reconsider its actions.

The history of the transition from traditional society to democratic market is replete with many examples of revolution and militant dictatorship. It is a time when ordinary people stand up, demand their rights, and demand a government that will fight for their interests. It is also a time of paranoia, fear, and violence. Today the Arab people are becoming more paranoid, more fearful, and more violent. The United States believes that it is fighting this trend. It is not. It is encouraging it. This is the wrong policy.

There are 250 million Arabs. They control half of the world's oil. They have legitimate grievances. They have the sympathy and support of a billion

Moslems. The majority of these people have begun to believe that Western Christianity and the Jews are out to destroy the Islamic religion. This is not true. This belief comes in large part from the paranoia that often accompanies modern social change. The actions of the United States and Israel are feeding that paranoia and inflaming the conflict.

The United States should not think of this conflict as a war that must be won. We should think of it as a misunderstanding that must be ended. Under the present circumstances at the beginning of 2003, if the United States insists on picking a fight with Iraq, there is a good chance that it will lead to a political, economic, and military disaster. Such a fight is not necessary. Contrary to American opinion, the Arab dictators are not evil monsters whose mission in life is to attack Western freedom and democracy. They are a normal and natural part of the transition to democratic market society in the Arab world.

## **19. What is terrorism?**

October 10, 2004

There are many Americans today who seem to believe that the United States is surrounded by a sea of evil terrorists who are eagerly trying to destroy them. This is wrong. In fact it is reminiscent of three-year-olds who are afraid of the drain monster and the demons who live beneath the basement stairs. Even worse, it is reminiscent of the anti-Semitism that was popular in Germany and much of Europe a century ago. In those days many people really believed that the Jews were engaged in a vast conspiracy to destroy European civilization.

Paranoia is a very powerful human emotion. Anyone who has studied a lot of history has come across this emotion on numerous occasions. "Beware, they are out to get us" is a common theme in history. The "they" are usually foreigners but have also included minority groups and social classes.

The only remedy for paranoia is knowledge and understanding. That is why this emotion is so common among the very young who, quite naturally, are lacking in knowledge and understanding. One of the most important jobs that parents have is to reassure their children that there is no drain monster and there are no demons living below the stairs. Likewise national leaders and historians should be educating their people to understand that foreigners are not intrinsically evil. Unfortunately, many politicians and historians do the

opposite. They use the natural emotion of paranoia to win votes and sell books. This is a great human tragedy and one of the most serious problems of democracy.

Most terrorists are not intrinsically evil people who revel in death and destruction. They are revolutionaries. In some cases they are individuals seeking revenge. In a very few cases, they are evil.

One of the most important aspects of modern society is that individuals are not allowed to use violence against each other. Violence becomes a prerogative of the state. It is reserved to specially recruited and trained police officers and soldiers who wear distinctive uniforms and are given the job of keeping the peace and defending the state. Ordinary citizens are allowed to use violence only under the most dire circumstances when their lives are in danger and they must act immediately to defend themselves or their loved ones.

The concept of reserving violence to the authorized agents of the state is a very good idea, but what happens in a society that requires revolution? For over 400 years the entire world has been engaged in a massive revolution from traditional society to modern, democratic market society. If the state is the only entity that is allowed to use violence, how can this revolution proceed? About three-quarters of the world is still engaged in this revolutionary process, which typically lasts for one or two centuries. In a revolutionary situation, self appointed people sometimes use violence. This does not necessarily mean that they are evil terrorists.

The imperative of the modern revolution is by far the most powerful political force on this planet. The much-vaunted power of the United States is miniscule in comparison. America wants peace and stability throughout the world and has developed a policy that is against most revolutionary activity. Since the end of World War II, the United States has been energetically interfering with the natural course of revolution throughout the world.

For over a decade Arab leaders have been warning that American policies in the Middle East would lead to trouble. Hundreds of times this country was warned, and every single time those warnings were ignored. The Arab leaders knew what they were talking about. It happened. Roughly 3000 Americans were killed by Arab revolutionaries. Because the perpetrators of this act did not wear uniforms and were not the agents of any state the Americans call them terrorists.

I am not going to quibble with this definition. They were revolutionaries, and they were terrorists. What is important is why this happened. American leaders claim that the only reason was a desire to do evil. They say that

America was attacked by evil terrorists, period. That is wrong. This kind of revolutionary terrorism happens for a reason. The following is a brief tour of trouble spots where the United States has created enemies for itself.

## The Arab Countries

Much of the Arab world is still involved in the most violent part of the modern revolution and will be for decades to come. They are a long way from the final outcome, which is democratic market nation-states. The Palestinians do not yet have a nation-state of any kind. Their land was taken from them by the Israelis. Hamas, Hisbulah, and Islamic Jihad are Arabic revolutionary organizations that have become involved in the fight for a Palestinian homeland.

The Arab states must have revolution, and the Palestinians must have a national homeland. That is why these organizations exist. They are not simply evil terrorists trying to cause death and destruction. So far Hamas, Hisbulah, and Islamic Jihad have mostly tried to avoid targeting Americans. But the United States gives full support to Israel to target them. If this policy continues, it is likely that they will eventually retaliate. The Americans will have no one to blame but themselves.

Al Qaeda is an umbrella group that grew out of Saudi, Egyptian, and other Islamic revolutionary organizations. The United States has deliberately chosen to support oligarchic, Arab governments that use violence to maintain their power against the legitimate revolutionary aspirations of their people. It is this American policy that has turned the wrath of Al Qaeda against the U.S. This did not have to happen. All that is needed for the United States to remove itself from the target list is to change its policy and stop trying to prevent revolution in the Arab world.

Most everyone is in agreement that the world is better off without Saddam Hussein, but there must have been a better way to eliminate him than starting a major war in Iraq. He has now been out of power for a year and a half, but the war continues. The Americans insist on fighting to gain control of Iraq and impose their version of democracy. This is not going to happen.

The Americans are killing Iraqis on a daily basis. This policy is provoking more resistance, which leads to more killing in a vicious cycle. It is clear to any objective observer that American policy is not working. It is only causing death and destruction. This kind of arrogant behavior could easily lead to more attacks on the United States in the future, possibly for decades to come. If those attacks materialize, American leaders will blame evil terrorists, but it is their own policy that will be the real cause.

## Iran

From 1948 to 1979 the United States supported the Shah of Iran because he allowed free reign to the CIA to use his country as a base for spying on the Soviet Union. The Shah needed this support because his own people were turning against him. The modern revolution had arrived in Iran, and the time for absolute monarchs was over. The United States deliberately chose a policy of opposing the revolution and maintaining the Shah in power against the wishes of the Iranian people.

This policy was doomed to failure. The revolution happened. The Shah went into exile, and the new revolutionary government was an enemy of the United States. Saddam Hussein, who ruled next door in Iraq, saw his chance to win glory, annex an Arabic-speaking province, and seize a large part of Iran's oil. He quickly launched his army to seize the opportunity.

Iran was much larger than Iraq, and its population was filled with revolutionary fervor. Saddam was soon in big trouble. He was on the verge of a massive defeat, which probably would have caused him to lose his job as dictator of Iraq. Then, Ronald Reagan rode to the rescue. American policy tilted toward Iraq. Saddam was given access to satellite photos of the battlefield, but that was not enough. So the United States provided Saddam Hussein with chemical weapons technology and the ingredients he needed to produce poison gas. Saddam was able to stabilize the front lines, achieve a draw in the war, and stay in power.

Iran suffered a million casualties in the war, and its revolutionary government became even more anti-American. George Bush knows every part of this story, and it was fully reported in the American media. But the reason that he came up with to explain anti-Americanism in Iran is that they are evil terrorists. "The Axis of evil," Bush calls them. "They hate us because we are free," he says. Say what! He has GOT to be kidding.

Axis of evil? They hate us because we are free? I don't think so. Iran is anti-America because American policy was anti-Iran. It is an open and shut case of cause and effect. The U.S. supported their unwanted Shah, tried to stamp out their revolution, and helped Saddam Hussein wage war against them with weapons of mass destruction. Now the Americans say that Iran is to blame for the problems between us. Give me a break. The American media is fully aware of all of this, and has done nothing to put the record straight. What is going on here?

## North Korea

In 1944 the United States desperately wanted the Soviet Union to attack Japan. If they would do this, America offered to let them occupy Manchuria and northern Korea after the war. That is what happened. The Russians attacked Japanese controlled Manchuria and Korea, which became an artificially divided country.

Kim Il-sung, the leader of North Korea, desperately wanted to reunite his homeland, and negotiations were going nowhere. After many requests, he prevailed on the Russians to provide enough of their war-surplus weapons to seize the South, and he launched an attack. This is exactly the same thing that Abraham Lincoln did when the United States was a divided country. The Americans went ballistic. The evil communists are trying to conquer the world, they shouted.

The American military was quickly rushed in to defend South Korea and attack the North. As part of the war B29 bombers, commanded by Gen. Curtis LeMay head of the Strategic Air Command, destroyed every city and town in the North and then started wiping out the larger villages. The civilian death toll is estimated at about two million. At the beginning of World War II, bombing civilians was called terror bombing. Then Britain and the United States started using this strategy in a major way and it became known as strategic bombing.

Curtis LeMay was the foremost practitioner of this kind of terror, whoops, I mean strategic bombing. He was told many times that North Korea's weapons mostly came from the Soviet Union and bombing their cities would have little effect on the war effort. To hell with that, he said, the only good commie is a dead commie. He worked as hard as he could to kill as many North Koreans as possible, military and civilian.

Fifty years later the North Koreans still do not like us. Well surprise, surprise. George Bush thinks he knows why. They are evil supporters of terrorism, he says, they are part of the axis of evil. They hate us because we are free. No, George, that is not the cause of the problem.

Considering American government policies, over the last fifty some years, toward communists, Arabs, and revolutionaries in general, it is amazing that the United States has not been attacked much more often. What goes around, comes around is the old saying. The communists mostly licked their wounds quietly. The Arabs are different. They have practiced a cult of revenge for many thousands of years, an eye for an eye and all that. It should not be a big surprise that they found a way to retaliate. I think that the United States and Israel should stop killing Arabs as soon as possible.

It is long past time for the United States to stop creating enemies. Half the world is still in the grip of the modern revolution. A large amount of political

violence is going to continue for the next generation or two. It is counter-productive to define all of this violence as evil terrorism. The United States has done a lot of good work to help solve some of the world's revolutionary problems, but it has also made mistakes. America could learn from those mistakes and do a better job in the future. Paranoia is not the solution to anything. With knowledge and understanding, we could do much better.

## **20. Summation**

I started writing this explanation of history in April 2001. At the time I had three primary goals. First and foremost was simply to explain to people what is going on in the world. The massive transition from traditional societies to modern society is affecting everyone on Earth and it seems important that everyone should know about it.

Second, three quarters of the world are in the middle of this transition, and many countries are having a difficult time with it. A quarter of the world has already completed the extraordinary reorganization of society that is required. Their experience of this transition is now a matter of recorded history. I believe that an explanation of the process that these countries have already gone through will be helpful to the countries that are still in the middle of this revolutionary transformation.

Third, the United States seems to have a profound misunderstanding of what is happening in the world. The American people have been indoctrinated by their World War II experience to believe that dictators are inherently evil. This belief has been causing a problem for more than fifty years. This is because dictators are actually a standard and normal part of the revolutionary transition that leads to modern democratic market society. I want to explain to Americans that dictators are not inherently a threat to them, and it is not necessary to oppose dictators as a matter of principle.

Since I began this work the American government has started a new crusade against what it considers to be an evil dictator. It is now the beginning of 2003 and the United States is mobilizing its military to remove Saddam Hussein as leader of Iraq and replace him with a new government. It expects that this plan will be easy to carry out. This might be a correct assessment, but then again it may be wrong.

Almost the entire rest of the world is wondering what the Americans are doing. Many people think that they want to control the oil resources of the Middle East. Others believe that the United States wants to control the world. Neither of these speculations is correct, and certainly neither of them will be the result of the coming war.

The motive for this war is fairly simple. The American people have been indoctrinated to believe that from time to time evil dictators take over countries and use their resources to engage in violence, war, and conquest. Americans believe that as the world's most powerful country, it is their duty to step in to oppose these dictators and prevent them from carrying out their evil schemes.

The majority of Americans are so convinced that this is necessary that they often vote for strong leaders who campaign on a platform that they will protect the world from evil dictators. Because of this American politicians often vie with each other to talk tough and promote their credentials as strong leaders who know how to deal forcefully with evil dictators. These politicians are often elected to the presidency and congress.

This situation has been creating problems for more than fifty years. The historical evidence is clear. The revolutionary transition from traditional societies to modern society includes dictators, civil war, border war, ethnic and religious cleansing, anarchy, and in some cases efforts to find alternative economic systems. Since dictators are often in control as the wars and ethnic cleansing are going on, it is easy to get the idea that all this violence is happening solely because an evil dictator is in charge.

This was the reason for the Cold War. Americans and many other people believed that communist dictators were aggressive warmongers who liked the totalitarian political and economic aspects of communism because it gave them more power to do evil. America and its allies wanted to contain or destroy communism to defend the world from this evil. The communists, of course, wanted to defend themselves and promote their cause. The result was the production of more than one hundred thousand nuclear bombs and warheads, and many wars. There is no way to know how close the planet came to being destroyed by this unnecessary conflict.

Today the Cold War is over. Communism finally collapsed because it was incapable of creating wealth or feeding its people. The world survived and most of the anti-communist allies are going about their normal business. The United States is an exception. It fought fascist dictators and won, and it fought communist dictators and thinks that it won. But there are still more dictators out there. Americans still believe that many of them are evil, and

that they must be stopped. Voters are still electing politicians who promise to defend them against evil dictators.

So, here we are at the beginning of the 21st century. The world is still going through the transformation from traditional societies to modern society. This process still includes border wars, civil wars, ethnic cleansing, anarchy, political violence, and dictators.

Iraq is in the middle of this revolutionary transition. It has a dictator, Saddam Hussein. He has engaged in border wars, civil wars, ethnic conflict, and political violence. Americans still do not understand the modern revolution. They think that Saddam Hussein is responsible for all the violence and conflict that surrounds Iraq. President Bush is preparing to send an army to remove him from power.

However this conflict turns out, for the next half century there will be plenty more dictators. They will become involved in war, ethnic conflict, and political violence. Unless something changes, the United States will continue to elect leaders that promise to defend the world from evil dictators. There will be more wars. These days most dictators are well aware of this American attitude. They have the same natural desire to defend themselves as anyone else. Considering the strength of the American military this is not easy to do.

Some dictators have started to produce weapons of mass destruction. They want these for reasons of prestige, to use in their local wars, and to deter attack from the United States. This situation is a recipe for disaster. It is imperative that the world understands the revolutionary transformation that is taking place. Dictators in Iraq, North Korea, and elsewhere are not there to attack freedom and democracy. They exist to bridge the gap between traditional leaders and modern democratic leaders. It is necessary to keep an eye on them. Occasionally it may be necessary to discipline or remove one of them. First and foremost, the world needs to understand what is going on.

## **21. Epilogue**

Many readers have probably noticed that this explanation of history contains relatively little actual historical data. There is a reason for that. The ideas contained here are not necessarily original, but they are put together in a new way, and they amount to a new theory of history. Most readers do not know where this explanation is going until they are close to the end. It is difficult to

follow an explanation when you do not know where it is leading. If the readers had to wade through large amounts of historical data along the way, they could very easily lose track of the concepts that I am trying to explain.

For more than twenty years I tried to write a history book that contained these ideas plus all the data that is necessary to support them. I started with an overview of tribal society and continued with a discussion of the two main types of aristocrat peasant society. Then came a description of the gradual change to market distribution of food in late medieval Europe. This was followed by a description of the Protestant Reformation, revolution in the Netherlands, civil war and revolution in England, revolution in America, the French Revolution, etc. etc.

Eighteen years ago I completed a 360-page manuscript which got me a large collection of rejection slips. In the years since then I tried a number of times to do essentially the same thing only better. The entire effort was an excellent learning experience, but it never resulted in a publishable book. Two years ago I finally caught on that there was a basic flaw in this methodology and started thinking about taking a minimalist approach. In April 2001 I began again with the idea of writing just an explanation of history that would include the smallest possible amount of historical data. This document is the result.

I continue to believe that the essence of history is in the data. Those readers who want more data are my kind of people. The best place to find the data is in the hundreds of thousands of history books that have been written by specialists who have devoted their careers to learning and understanding a small section of history. That is where I have always gone for data, and that is where I recommend most people should go when searching for the actual events of history.

The dedicated specialists learn the relevant languages for their area of study. They become familiar with the original sources that are available. They compile the data, analyze it, and assemble it into books for the average reader. Large numbers of these books can be found in any good library.

There are, of course, problems that occur. Historians often tend to emphasize the positive aspects of their own society and downplay the negatives. When describing international conflicts they often emphasize the negatives of opposing countries and disregard the justifications for their actions. This is a serious flaw that history readers have to get used to and try to work around.

Another serious problem with the history profession is that all historians are specialists. In graduate school I was told that I must either choose a specialty or leave. It is not allowed to be a universalist and try to understand how all societies function. I fully agree that most historians must be specialists. They

are the people who are qualified to go rummaging through the archives and root out the historical data. No one person can possibly learn all languages and read all original documents, but finding the data and explaining the data can be two different things.

Specialists are, by definition, limited to their area of specialization. For the most part they do not study history that is outside of their particular area. This explanation of history was formulated by comparing data from many different countries and looking for similarities and differences. Specialists cannot do that. When they are puzzled about an historical event they tend to delve deeper into the background of the participants. That is not wrong, but quite often it is not the best way to understand what is happening.

The transition from traditional society to modern society is something that has happened in many different countries over the last few hundred years. In order to understand each country's revolutionary experience of course it is necessary to take a deep look at the personalities involved, but it is also necessary to compare the social, political, and economic data from each country with similar data from other countries. This comparison of the historical data from different countries is necessary in order to understand all the information that the data is capable of telling us.

The history profession needs universalists. It needs people who are willing to analyze and use relevant data no matter what specialty it comes from. The whole world is going through a massive revolutionary transition. This change is a little over half completed. It is possible to use data from the first half of this revolution to help understand events that are taking place right now as the revolutionary process spreads through the rest of the world.

It is of little or no value for a few scattered individuals to carry out this kind of research. It would not be possible for the world to judge the value of their findings. If the world is to gain useful insights from history that might help to solve today's problems, thousands of historians will have to take part. If there were hundreds of universalists studying this problem, and thousands of specialists feeding them data, the results could be of monumental importance. They would quickly surpass the meager understanding that is contained in this inadequate explanation of history.

Millions of people are dying every year because their countries are immersed in the violence and confusion of revolutionary social change. Historians cannot solve this problem, but the first step in finding a solution is usually to understand the problem. Historians have the data that is necessary to understand and explain this problem. That data comes from many different areas of specialization. If historians would work together to find and analyze

all of the relevant data, they could illuminate the problem in such a way that politicians and others could be much more successful in dealing with it.

In the interest of brevity, I have left out a great deal of material that should be part of this explanation of history. For those who want more information there is a bibliography section with a list of good history books. This website also has a bulletin board discussion forum. It can be used to read comments that have already been posted, to make new comments, or to ask questions. I will try to answer as many questions as possible.

## **22. The Best Selections from the History Forum**

The History Forum section of this web site contains a large amount of very good material. I am in the process of editing this material and selecting the best to display in the following pages.

I really appreciate the questions that readers have been asking. Each time that I focus on a new question, my brain gathers together the individual bits of data that are relevant to producing an answer. When this happens I sometimes realize connections that I had not previously noticed. Often I am reminded of connections that I remember making decades ago but have not thought about in recent years. Answering questions is a learning experience. I am very pleased with this History Forum and the stimulus that comes from it.

Thank you to everyone who has participated.

## **23. Why was Europe first?**

April 5, 2003

This conversation was taken from the Forum Thread "Has anyone read all of An Explanation of History?"

Blake, July 15, 2002

Indeed, I did read the document, which I found to be fascinating, though I strongly disagree with some of your conclusions (such as your opinion of the cold war.) I have two questions about your essay, though. Why, in your opinion did China gain such a technological lead over Europe only to lose it in 1700's? (What was so special about Europe that it fostered liberal, pluralistic, capitalism?) Also, what is the next great movement of history after capitalistic democracy? Or do you subscribe to the Fukuyama school of thought?

David Maurer, July 25, 2002

You ask: why did China gain such a technological lead over Europe only to lose it in the 1700s? The answer to this question requires an understanding of the two different kinds of aristocrat peasant society. These are feudal society and imperial bureaucratic society.

Aristocrat peasant society evolved as a mechanism to distribute the food surpluses that were made possible by agriculture. Most of the population were subservient peasants. They worked the land, produced the food, and turned over about 1/3 of it to the aristocrats who distributed it to the non-food producers of the society. There were various ways to do this.

The most common form of aristocrat peasant society is called feudalism. It is based on a large number of semi-independent, land-owning, aristocratic families. These local aristocrats own and control their own land and peasants. They are often powerful feudal barons with their own armed retainers and sometimes private armies.

In feudal society, larger political entities such as kingdoms are made up from the combined lands of as many local barons as the king can control. The king has much higher status than the feudal barons, but he is not all powerful. The local aristocrats control most of the land and peasants, and the king tries to control them. The monarch's authority is usually based on the feudal oath. The local aristocrats swear an oath of fealty to their king, which requires them to accept his authority and come to his aid. Sometimes the feudal barons keep their oath and are loyal to their king, and sometimes they don't.

In feudal society, the powerful local and regional aristocrats often ignore all rules and laws except their own narrowly perceived self-interest. They fight with each other, steal from each other, attack merchant convoys, and cause all kinds of problems and disruptions. This makes it very difficult to have a prosperous economy and to develop higher levels of learning and technology. Feudal aristocratic societies were often quite poor. They concentrated more on fighting than on productivity.

The second basic type of aristocrat peasant society, which I call imperial bureaucratic society, was usually much wealthier, more productive, and had a higher level of technology. Examples of this type of society include Egypt under the Pharaohs, the Roman Empire, and the Chinese Empire.

In this kind of society the ruling imperial dynasty is much stronger and more powerful than a typical feudal monarch. The local aristocrats are much weaker. The emperor has a large bureaucracy whose tentacles extend down to the county and village level. These officials oversee the collection of taxes directly from the peasants and exercise a high degree of control over the peasants at the local level. The local aristocrats are reduced to the status of landlords. They do not have castles; they do not have armed retainers, and they are nothing like the feudal barons of medieval Europe.

Imperial bureaucratic society is much more unified, much better organized, and a lot more peaceful than feudal society. They do not have private armies controlled by feudal barons rampaging around, attacking each other, and looting the merchants. Instead the bureaucracy enforces law and order, and there is a reasonable degree of peace and stability. At least there is when a strong emperor is on the throne. These conditions allow for a higher degree of productivity and prosperity. Merchants are left in peace to conduct their business. Trade flourishes. As usual, the more market based trade, the higher the level of technology.

As a result, the Chinese Empire was much wealthier and had a higher level of technology than feudal Europe. The Roman Empire also was much wealthier and had a higher level of technology than feudal Europe. Even the Old Kingdom in Egypt, which existed 3000 years prior to the European Middle Age, may have used more technology as part of their daily routine than feudal Europe.

The second part to your first question asks: why did the Chinese lose their technology lead over Europe in the 1700s? The answer is fairly straightforward. Western Europe began changing from feudal aristocratic society to market economy, nation-state society in the 1600s. It took a while for this new kind of society to rev up and show its potential, but in the 1700s and 1800s it clearly surpassed the Chinese in productivity, wealth, and technology.

Your second question is: what was so special about Europe that it fostered liberal, pluralistic capitalism? Frankly, I don't see that there was anything particularly special about Europe, and I would not say that Europe fostered liberal, pluralistic capitalism. Market capitalism has been around for thousands of years. It was big in the Roman Empire, in China, and in the medieval

Italian city-states. But, until 400 years ago in the Netherlands, aristocrats were stronger.

I think the triumph of market capitalism over aristocratic command economy society was due to special conditions in the Netherlands. From there it spread very slowly and fitfully to the rest of Western Europe. Most countries have been dragged kicking and screaming into the modern world, protesting all the way. Europe was no exception. If there was anything special in Europe fostering market capitalism, why was it necessary to have the French Revolution?

Third question: what is the next great movement of history after capitalistic democracy? Tribal society lasted for 140,000 years or longer, depending on how you want to define it. Aristocratic society lasted for at least 6000 years. I expect democratic market society to last at least 10,000 years and probably much longer. But I also expect massive change. I believe that the democratic capitalism that exists today is a primitive, pale shadow of the democratic capitalism that will exist in a few hundred to a few thousand years.

Last question: do I believe in the Fukuyama school of thought? I haven't read Fukuyama, but as I understand, he seems to think that there was a titanic struggle between capitalism and communism for control of the world. Capitalism won, and that is the last really important event in the foreseeable history of the world. I very much disagree with this thesis. I believe that communism was a simple attempt to find a better form of capitalism. It would still feature investment in farms and factories with the intention of producing food and manufactured goods. The difference was that the process would be controlled by a state bureaucracy rather than the markets. The Soviet Union, China, and a few other countries ran an experiment to see if communism would work. The results are in, it didn't. I looked at the preliminary results 35 years ago and came to the same conclusion. It was a very useful thing that this experiment was run and that we have a definitive answer. There was no need to fight about it.

The worldwide transition from traditional societies to democratic market society really is a gigantic important event, and it is not yet over. Communism was never more than a small part of this transition. The continuation of this revolution and the future development of capitalist democracy will provide plenty of excitement in the years to come.

Blake, July 25, 2002

Thank you for your response, however I am still unconvinced that democracy will sweep over the Earth in a massive transition. I think that Europe was more suited to free-market capitalism than China. Over millennia, China has

evolved into the most massive, bureaucratic, imperial state in all of human history. There is a reason for this; China's situation, i.e: overpopulation, geography, religion, etc, dictate its' historical form of government. China has evolved the system best suited for it, just as Europe evolved into dozens of small, feuding, competitive states.

Also, I think you fail to appreciate a coming challenge to democracy; the technologies of cloning, genetic enhancement, and artificial intelligence. If such technologies go unregulated, humanity will be in great peril, but to regulate them may require draconian methods. Walking the tightrope will prove quite a challenge to the democracies of the world.

On a final note you criticize U.S. involvement in Korea, indeed you seemed to reject the notion of combating Communism at all. What would you have preferred the U.S. to do, simply allow Communism's rampant expansion, secure in the knowledge that their ideology was doomed to failure? Surely you are not so naive?

David Maurer, August 2, 2002

You are certainly correct that some countries have an easier time developing into democratic market societies than others, but Europe was not at the top of the list. The group of countries that had the easiest transition is the United States, Canada, Australia, New Zealand, and Israel. The Europeans who settled these countries took a short cut into the modern world. They did not go through the slow and painful process of changing an existing society. Instead, they left their old countries behind and made a fresh start in a new place. They cleansed the small weak populations that had previously inhabited their new homes. The citizens of these new countries started out with a relatively high degree of social, economic, and political equality, which led to the relatively rapid development of a successful market economy and democracy.

Europe gave rise to the first market economy nation-state, but that was something of a special case. In general the European aristocracy fought tooth and nail to maintain their exclusive hold on political power. When they lost that battle, they merged with the wealthiest commoners to form an oligarchic class that still fought to maintain control of the government and the economy. I have to wonder if you have read much European history of the 17th, 18th, and 19th centuries.

You are quite right to believe that the modern revolution in China was always going to be one of the most difficult in the world. The same basic type of imperial Chinese society lasted for 3000 years. It was a true giant in size, population, wealth, and power. The ancient regime in China probably had more

force of tradition and inertia behind it than in any other country on Earth. But the necessity for revolution was equally strong.

Between 1842 and 1945 China was attacked and defeated a dozen times by all the major powers including Great Britain, France, Germany, Russia, Japan, and on one occasion even the United States joined in. Around the turn of the century one of the world's favorite sports was attacking China. The worst was the attack launched by Japan in 1933 that continued till 1945 and included the Rape of Nanking and many other atrocities. All of these attacks happened because China was too weak to defend itself. China was weak because it was not a modern nation-state.

By 1945 it was obvious to the Chinese people that this problem had to be remedied. They had to become a modern industrial nation-state, and they had to do it fast. The emperor and mandarins were gone, but they had been replaced by warlords, anarchy, and chaos. In 1945 the average Chinese peasant village was still very similar to what it had been a thousand years earlier. The local aristocrats, the landlords, were still there. The peasants were still a subservient underclass, and the country was still light years away from being a modern nation. The necessity for revolution was an irresistible force. The inertia of the peasant village and the ancient rhythms of life was an immovable object. The collision between them would inevitably be on a gigantic scale.

This was the reason for the communist revolution in China. Communism was the strongest form of revolution known. The property of the landlords was nationalized, but they still thought of themselves as a special class. A million of them were executed. Sure it was brutal, but as you pointed out bringing China into the modern world was always going to be difficult. The Great Leap Forward and the Cultural Revolution were also brutal, but within two generations there was no such thing as peasants and aristocrats in China. Most of the revolution has now been accomplished. In one more generation China will be a modern democratic market society.

You clearly recognize that the modern revolution in China would be very difficult, but when they chose to use communism you seem to think that the United States must intervene to stop them. Why? Do you think China should be forced to remain in some kind of limbo between aristocrat peasant society and modern society? How is it America's business to choose what kind of revolution should be used in China?

At the time these events occurred it was not really possible to understand them. Only by studying history can we piece this stuff together. 20/20 hindsight is needed to understand that communism was part of the revolution

that is bringing about democracy and successful capitalist economies. I do not blame the United States for misinterpreting communism 50 years ago. This country, and the rest of the Western world, made an honest mistake. But now it is possible to understand what really happened. The Cold War was an unfortunate misunderstanding.

here is an old saying that those who fail to learn from the past are doomed to repeat it. This is sometimes true. The United States is presently repeating its mistake by opposing Islamic fundamentalism and revolution in the Middle East. It is now evident that tribal societies and mixed tribal aristocratic societies also have a very difficult time making the transition into the modern world. Islamic fundamentalism may not be a great solution, but the United States does not have anything better to offer. It is time to learn from the past rather than have another Cold War between the United States and the Arabs.

As for cloning and genetic engineering they may or may not become problems in the future. If they become problems, we will have to deal with them. I prefer to worry about problems that already exist.

Blake, August 2, 2002

I did not mean to imply that America and its' allies should keep China in an imperial bureaucracy, but the Korean War was necessary to America's long term interests. If Korea had fallen, Taiwan would have been invaded and Japan would never have it's economic miracle. China would gain military superiority in Asia, etc. You seem to think that NATO was the antagonist in the Cold War. I can assure you that the CCCP and the PRC were equally violent in the pursuit of hegemony.

The Cold War was no more a misunderstanding than other conflicts between superpowers. Were the Punic Wars misunderstandings? Could the issues behind World War I be sorted out by level-headed intellectuals? PS: What would you suggest we do about Islamic Fundamentalism in the future? PPS: I may have overlooked it but, I don't believe you mentioned the Civil War in your essay. It is an excellent example of the conflict between agrarian and industrial societies.

Blake, August 3, 2002

I just wanted to thank you for responding to my posts and answering my questions I really appreciate the effort you have put into your answers.

Blake, August 5, 2002

It's me again. I know that you purposely wrote a short essay, but have you considered writing a longer one, which would include technology and religion

in the theory? Also, what do you do for a living; do you teach history in addition to writing it? If so where? I ask because I'll be needing to pick a college soon, and you explain your theory better than most historians I have read.

I also have trouble accepting the fact that the USSR would inevitably lose the struggle for hegemony. Of course I've always had trouble seeing history as a process. To me, it's a wonder that many things you see as inevitabilities even happened. Western civilization wouldn't exist if not for a narrow victory over the Persian Empire. If Greece were conquered, do you still think democracy would exist?

Blake, August 6, 2002

While I hate to give you four of my posts to answer, I noticed that you said you "had to wonder if I " had read much European history of the 17th, 18th, and 19th century. I'm surprised I missed this INSULT in my first read of your reply. Indeed I have, at least I have read as much as possible in my nine years of literacy (I'm 14). While I certainly have not read the amount of history you have, I have amassed a great deal of information in my pubescent mind. My conclusions are not the same as yours, but I have seen the same information.

Yes, Europe had a difficult transition. BUT IT HAD THE TRANSITION, which is more than I can say for China, India, the Americas, or anywhere else. Also you dogged my question about the special conditions that led to the transition. You said that Holland, not Europe, had the special conditions. You still didn't say why. And market capitalism was not present in ancient societies. At least, not the way I think of capitalism. My version has companies, protection of merchants by law, etc.

PS: While I enjoy our discussion, I don't enjoy it to the point where I'm willing to put with insults.

David Maurer, August 6, 2002

OK, OK, you are getting way too far ahead of me. Sorry if you feel insulted, but I was starting to wonder. For over 300 years the history of Europe was the story of aristocrats and oligarchs stomping and destroying revolutionary movements.

You say that you don't see the inevitability of the revolution. Look at the data. The German aristocrats stomped all over rebellious peasants in the 16th century. They did it again during the 30 Years War in the 17th century. In the 17th and 18th centuries the French aristocrats were busy taking back reforms

that had previously been won by their peasants. From 1600 to 1800 the aristocrats in Spain and Portugal were becoming more powerful every year and the merchants less powerful. There were 10,000 little battles between the forces of aristocracy and the forces of modernity. The aristocrats won nearly all of them, but it didn't matter, the battle would go on.

Just before the French Revolution it looked as if aristocrats and monarchs were in total control in Europe. But a new kind of world without peasants and aristocrats was waiting to be born. Revolution blew up in France in 1789. It burned brightly for two decades and was carried around Europe by Napoleon, but then it was snuffed out by aristocrats again.

In 1820 every government in Europe was run by triumphant aristocrats. In Britain and the Netherlands a few wealthy merchants and lawyers were also included. But the common man was universally excluded. Revolutions continued in 1830, 1848, and the early 1870s. Mostly they were crushed. But the world was changing. Marketing, manufacturing, and farming kept growing and becoming more productive and more important. Commoners were better at these things than aristocrats. No matter how many times the aristocrats pounded the commoners back into their place the revolution kept coming back stronger and stronger.

The society had changed. It was no longer a command economy society run by aristocratic command. It had become a market economy society, and the higher the level of political, economic, and social equality, the better the markets work. It did not matter how many times the aristocrats and oligarchs kept pounding the commoners into the ground, the markets needed them. Finally two massive wars destroyed the old society, and the ordinary common citizen came to power in Western Europe.

Now the same process is happening in pretty much the same way in the rest of the world. Why was Europe first? I don't know. There was probably dozens of contributing factors. Can we ever track them down and determine for sure just what they were? I don't know. It is a project that requires comparing one society to another. I do this all the time, but I am the only historian that does. All the rest are specialists. They study only one society. They cannot compare the events in their society to similar events elsewhere.

Somebody had to be first. As it turned out, it was Western Europe. If there is ever a revolution in the way that historians study history, we will know more.

Is it inevitable that the modern revolution will eventually succeed everywhere? I think that it is. Remember the word eventually can cover an awful lot of time.

Market economies have become dominant everywhere. In their early stages, they can be very exploitative, and there is often a lot of resistance. But there is no alternative. Aristocratic command economies are less than 1% as productive as a successful market economy. Communist command economies are less than 10% as productive.

There is no such thing as a FREE market economy. Depending on how the word free is intended, it is either redundant or wrong. The word market already includes the concept that price must move freely according to the law of supply and demand. If the word free is supposed to imply unregulated, it is nonsense. If the markets are not regulated, they will be manipulated. It is necessary to have a strong nation-state government to regulate the markets. Otherwise people with wealth and power will manipulate the markets and steal the money. We have recently found out that corporate executives in the U.S. have been fudging the books and brazenly manipulating the markets. This is incredibly detrimental to a market economy and must be stopped. Good, sound, quality regulation is a necessity for a successful market economy.

In order to work best, the regulatory authority must be responsible to everyone. It must accept input from everyone. Those countries that get it right become wealthy. Those countries that have not yet gotten it right, remain poor. This will continue in the future.

History clearly shows that the process of getting it right is long and hard. It took more than three centuries for Western Europe to get it right. The rest of the world will shorten that to between one and two centuries. But it will happen.

Most of the political groups out there that reject Western style market economics are actually participating in the revolution that will bring about democratic market society. Communism helped to destroy aristocrats and oligarchs. Fascism helped to destroy aristocrats and oligarchs. Islamic Fundamentalism is helping to destroy aristocrats and oligarchs. It doesn't matter what these political groups intend. The unintended consequences of their actions are much more important than what they intend. The more destructive they are, the faster they destroy the old society in their countries.

I am enjoying this conversation and would like it to continue, but I am a slow writer. You ask 3 or 4 questions in a single paragraph, but they need many pages for a decent answer. Right now you have outstanding questions about the Netherlands, Korea, and the communist struggle for hegemony, which by the way never happened. It was made up by the Western media.

Let's start fresh from here. Ask one question at a time and give me a week to answer it. I will try to be faster than that, but I can make no promises. We can keep going for as many years as it takes to answer them all. Please sign your next question with at least your first name.

Blake, August 6, 2002

Thank you, Blake

## **24. List of current countries by social system**

August 2003

panderson Subject: List of current countries by social system.

Posted in the forum section: 10/31/2002

Mr. Maurer ... it's really a pleasure to read your logical, clear and detailed answers.

Another BIG request... I suppose that is quite tedious to fulfill this request, but the result should be REALLY informative. Could you give the list of CURRENT nations divided by social system? Just to know ... Maybe just the big countries. Just an indicative division, for a first approach.

Many questions arise...1-US, Canada and Western Europe are DMS, but what about Eastern Europe and the Balkans?

2-Are Russia and China disguised oligarchies?

3-What about Mexico, Brazil, Chile and Argentina?

4-Are the Congo, Somalia and Afghanistan tribal societies?

5-Is South Africa a DMS?

6-Are Saudi Arabia and Iran fundamentalist societies?

7-What is Turkey?

8-What about India and Sri Lanka?

9-Is Taiwan a DMS?

10-Is it possible to have different social systems in one nation?

And so on...

I suppose that oligarchies can be divided in two sub-groups. A) Stagnant - "dangerous" oligarchies. B) Developing - "wise" oligarchies. Is it possible to identify these two sub-groups in the list?

Is fascism always equivalent to dictatorship?

Ciao.

Replies

davidmaurer Subject: Re: List of current countries by social system.

Posted on: 11/06/2002

Since the end of World War II almost the entire world has become organized into nation-states. There are a few exceptions, some principalities and city-states, but most of the world has coalesced into sovereign nations. The easiest way to look at it is to say that these nations are either oligarchic societies or democratic market societies.

Oligarchic society is a catchall category. Its official definition is all societies that are in the transition period from traditional forms of society to democratic market society. For example, when Papua New Guinea became an independent nation it also became an oligarchic society, but it is a country at the beginning of the transition into modernity. Therefore, it still looks a lot like the tribal society that it used to be. As it passes through oligarchic society it will gradually become less tribal and more modern. This will take at least a century and probably longer. Eventually it will become a democratic market society.

The point is that at the beginning of its oligarchic experience a country looks a lot like whatever traditional society that it started as—tribal, aristocratic, or colonial. One or two centuries later, towards the end of its oligarchic period the society will look like something close to democratic market society, which is what it will soon become.

During the middle of the oligarchic experience, most countries are similar, but there is room for a large amount of variation. For the most part they are ruled by a small class of people with some degree of wealth, power, education, and family connections. This is often called the political class. These people own most of the businesses; they form most of the governments, and they control most of the power and wealth.

Oligarchic governments are usually weak. They are often greedy and corrupt, and the majority of the population quite often does not like them. In response, some oligarchic governments become brutal and authoritarian in order to survive. Others collapse on a regular basis and are continuously reformed only to collapse again.

In many countries the oligarchic government is so disliked that the people are continuously looking for some kind of alternative. In some cases they are desperately unhappy and will grasp at anything that looks sufficiently different from the corrupt oligarchs. This has led to the development of socialism, communism, fascism, religious fundamentalism, and the rise of various dictators.

Unfortunately, these attempts to bypass oligarchic society always fail. In theory communism was supposed to be the exact opposite of oligarchic society, in practice it turned out to be remarkably similar. The same is true for fascist dictators and fundamentalist religious leaders. They always start out emphasizing how different they will be from the hated oligarchs, but in the end they usually become very much like the oligarchs.

I really don't see much point in making a distinction between oligarchic society and communism, fascism, and religious fundamentalism. After Russia had its communist revolution you could say that it was no longer an oligarchic society, it was now a communist society. But it had been an oligarchic society, and it would be one again. Over the years, the communist government became more and more like an oligarchic government. So why bother to make a distinction. When a country is in the middle of the transition to democratic market society, we might as well just call it an oligarchic society even if it has temporarily adopted communism or religious fundamentalism in a deliberate attempt to be something other than an oligarchic society.

The sub-categories of oligarchic society that I use are early stage oligarchic society, late stage oligarchic society, and the middle of oligarchic society. Early stage oligarchic societies still look a lot like their previous traditional form of society. They do not yet have many successful modern companies that create wealth and jobs. Late stage oligarchic societies do have a modern economy with corporations and jobs. They just need to spread the wealth and power more widely to become democratic market societies. Countries in the middle of their oligarchic experience have come a long way toward modern development but still have a long way to go.

Now back to your questions.

1-US, Canada and Western Europe are DMS, but what about Eastern Europe and the Balkans?

Parts of Central Europe including Slovenia, Estonia, Hungary, and Poland are in the late stage of oligarchic society. The rest of Central Europe, Eastern Europe, and the Balkans are still in the middle of oligarchic society.

2-Are Russia and China disguised oligarchies?

Russia is in the middle of oligarchic society. China is in the late stage of oligarchic society.

3-What about Mexico, Brazil, Chile and Many questions arise...Argentina?

Mexico, Brazil, and Argentina are all in the middle of late stage oligarchic development. Chile is very close to graduating from oligarchic society to democratic market society.

4-Are the Congo, Somalia and Afghanistan tribal societies?

These are early stage oligarchic societies that still retain much of their tribal past.

5-Is South Africa a DMS?

South Africa is in the middle of its oligarchic experience.

6-Are Saudi Arabia and Iran fundamentalist societies?

Saudi Arabia is in the early stage of oligarchic society. It is still ruled by its pre-modern royal dynasty, which from the beginning identified itself with Islamic fundamentalism. Iran is in the middle of oligarchic society. It used Islamic fundamentalists to overthrow its ruling monarch. Those fundamentalists are still in overall control, but they share power with an elected government.

7-What is Turkey?

Turkey is in the middle of oligarchic society.

8-What about India and Sri Lanka?

They are in the middle of oligarchic society.

9-Is Taiwan a DMS?

If Taiwan were an independent nation-state, I would say that it has recently become a democratic market society. But its official status is still uncertain.

10-Is it possible to have different social systems in one nation?

Yes, Brazil is an oligarchic society, but the Yanomami and a few other Amazonian Indians have retained their tribal society. The Roman Empire was mostly aristocrat peasant, but it contained some tribes, and many of the large cities functioned very much like oligarchic societies. Author's note August 2003. This statement is technically correct, but not a good answer. In modern times it is difficult to impossible to have two different social systems within a single nation-state.

I suppose that oligarchies can be divided in two sub-groups, A) Stagnant - "dangerous" oligarchies. B) Developing - "wise" oligarchies. Is it possible to identify these two sub-groups in the list?

I wouldn't use the term stagnant. Most oligarchic societies experience periods of slow change mixed with periods of fast change. The most dangerous oligarchic countries today are ones that used to have a mixed aristocrat tribal social structure. Most oligarchic countries develop slowly. In East Asia and Southeast Asia there have been some exceptions that have developed much more quickly. I'm not sure that wise is a good term either. It might be appropriate in the case of Hong Kong and Singapore. In South Korea, it was the Korean War that shook the country awake and propelled it into the modern world. In Taiwan, it was the communist revolution in China that accelerated land reform and rapid development.

Is fascism always equivalent to dictatorship?

Fascism is a reaction against weak oligarchic government. The quest for a strong government that can lead the nation to greatness usually results in a dictatorship.

panderson Subject: Re: List of current countries by social system.

Posted on: 11/07/2002

Thanks for the long and detailed answers. It's all much clearer. One more question... Are there statistical variables which can discriminate with precision the three oligarchic classes + DMS (Ex: per capita income or average life span)? Otherwise what could be the guidelines? I ask this because I'd like to create nice world map of current and past times (with nations grouped by your social system) and maybe send them to you to enrich your website.

davidmaurer Subject: Re: List of current countries by social system.

Posted on: 11/14/2002

Like you, I believe that mapping history is a very valuable tool. It would be really great to be able to look at a series of maps and watch the countries

change from one type of society to another. On the surface it would seem like it should not be that difficult to do, but when you get into the details it becomes much more complicated.

In the 1970s and 80s I worked hard on devising a quantitative data system that would show how societies change over time. It concentrated primarily on differentiating tribal, aristocrat peasant, oligarchic, and democratic market societies. The idea was to ask a series of questions about each society that all had numerical answers. For example: What is the percentage of the population that is dependent on purchasing food through a market system? What percentage of the population has some say in the government? Etc. etc.

There were two problems. First, it was very difficult to find good answers to the questions. Second, even after finding numerical answers, the results still did not give a clear picture of social change. The image was fuzzy. For some countries it worked reasonably well, but for others it was misleading. Each time I tried to fine tune the questions, it brought some countries into sharper focus but made other countries fuzzier. I could not find a single set of questions that worked equally well everywhere.

In order to do what you propose, we need a method of distinguishing when a country changes from its traditional form of society to early stage oligarchic society. Next we need to identify the change from early to middle oligarchic society. Then we have to locate the change from middle to late oligarchic society, and finally the transition from late oligarchic society to democratic market society. Let's take these one at a time.

The change from traditional society to oligarchic society always begins with the slow process of market development. For a long time nobody realizes that anything new or different is happening, and the political institutions continue as before. But the traditional rulers, mostly monarchs, are not able to properly control and encourage the developing market economy. Eventually, the society gets out of kilter. It needs a new form of government that is competent to regulate the market economy.

Oligarchic society begins when the political institutions start to change as required by the growing market economy. In the Netherlands this happened in the late 16th century. The people revolted against their Spanish monarch, fought and won a massive civil war, and established a government made up of city oligarchs and local aristocrats. This gives us a clear date for the beginning of oligarchic society in the Netherlands.

In Britain the political response happened between 1640 and 1714 as the monarch became less powerful and Parliament seized control of the government. In France the political change started in 1789. In the rest of

Western Europe political change began in response to the French Revolution and the conquests of Napoleon. In Central Europe oligarchic society began with the rebellions of 1848, and in Russia with the freeing of the serfs in 1861.

Outside of Europe it is relatively easy to pick a date for the start of oligarchic society. Most non-European countries were caught up in the wave of imperialism. They became oligarchic countries when they gained their independence. In China it happened when the last emperor was deposed in 1911. In Japan it happened in the 1860s.

The change from one stage of oligarchic society to another is harder to pin down. Early stage oligarchic society lasts as long as the country looks more traditional than modern. In this kind of society most people do not have regular jobs. The capitalist corporate economic structure is not well developed. A large part of the commerce that exists is carried on by individuals. In some cases monarchs, aristocrats, or tribal leaders still hold political power. Just looking at economic statistics alone can be deceptive. Resource rich countries like Saudi Arabia may look very modern, with a high gross domestic product, when in fact they are still very traditional.

I am having a hard time finding words that uniquely describe the middle stage of oligarchic development. The early stage and late stage are much more obvious. If an oligarchic country is not in either of these, than it is in the middle of its oligarchic experience. There is a dozen different things that are going on. The first successful capitalists have already become wealthy and are expanding their businesses into new fields. Elite business families and elite political families have intermarried. In most cases there is an elected government, but the real power is still tightly held by a relatively small group of elite families. Half the population have formal jobs, but most of them are low paid.

As generations pass the modern capitalist economy gets bigger and broader. It moves out from the primary commercial centers and penetrates into small towns and villages. Subsistence farmers begin to disappear. Most of the population is educated and either has a regular job or is looking for one. The country's borders become stable. Ethnic minorities are merging with the mainstream.

As the country begins to look and act fully modern it enters the late stage of oligarchic development. There is a small class of very wealthy business owners, a middle class that makes up 20-30 percent of the population, and a working class that is the majority. The middle class earn enough to own a

modern home and be active consumers. The working class are just trying to put food on the table and make ends meet.

At this point what the country needs is, more business owners, higher productivity, more competition for workers, and higher pay. This moves more people from the working class to the middle class where they become consumers and property owners. As the number of consumers increases, businesses have more customers and expand to meet the demand. The economy goes into high gear.

Once the majority of the population have become middle class consumers and property owners, they insist on taking an active role in government. Politicians must work hard to maintain economic growth or they are kicked out of office. The country is now a democratic market society.

You asked for a statistical quantitative method to distinguish these different variations of society. I tried but was unable to accomplish the task. You will have to settle for this qualitative description instead. Someday there will be thousands of very bright people working on this kind of analysis. They may be able to find the quantitative data system that you and I are looking for.

Russ Subject: Re: List of current countries by social system.

Posted on: 11/23/2002

Good question(s) and good answer(s) here, also this is where the "Artificial Intelligence Engine" I proposed in an earlier thread could help in digesting some of this stuff. Bunches of little tiny databases group together to make a "data warehouse", for some "mining".

DavidMaurer Subject: Re: List of current countries by social system.

Posted on: 11/23/2002

You are absolutely right Russ. If historians used scientific methodology, my theory of history, and standard definitions, each specialty could have its own database that would contain everything needed to plot the course of social change. Those databases could be combined into a data warehouse. Panderson would then have everything needed to create his maps. Unfortunately, it looks like that day will be a long time in the future.

anonymous Subject: Re: List of current countries by social system.

Posted on: 11/25/2002

Well, the categories are rather subjective, more general ideas than specific standards. And history is not a science, it is more of an, and this is not the best word, "art".

anonymous Subject: Re: List of current countries by social system.

Posted on: 12/26/2002

Hello, great web site, it is very informative. It is nice to finally see something that makes you think. I have many questions however I will ask only this: Why, in your opinion, do systems such as communism, fascism, or religious fundamentalism, appear only in response to an oligarchy? I understand that an absolutely free democratic market society cannot be conformed by the restraints of communism, socialism, etc. However socialism, for example, seems to be more in line with an aristocrat peasant society. Perhaps the evolution of society should be a socialist aristocrat oligarchy. But it is clear that it is not, as history communicates. So how can democratic market society be right if the stages to reach it are often overthrown and rejected by the people, as you have documented. The oligarchs and aristocrats will always control the wealth, even in a democratic market society. They will never come to the realization that they need to serve the poor and wealthy. They only realize that they need to serve themselves and make themselves more money at the expense of the poor.

So I would be desperately interested to hear your very informed opinion on why society does not evolve from aristocrat peasant society to a socialist society, then a democratic communist market society.

Thank you for your time,

Mike

davidmaurer Subject: Re: List of current countries by social system.

Posted on: 12/26/2002

Hi Mike, always glad to have a new contributor, thanks for the compliments.

You said that, "The oligarchs and aristocrats will always control the wealth, even in a democratic market society. They will never come to the realization that they need to serve the poor...."

In a sense you are correct. Even in the most modern democratic market society a small group of very rich families controls a disproportionately large amount of the societies wealth. Most of these very wealthy people are businessmen, or they are doctors, athletes, entertainers, etc. The point is that

they get their wealth by selling something, either their product or their skills. By definition, sellers must have buyers. If most of the people live in poverty; they cannot buy things; they cannot be consumers.

If there are few consumers, there will be few wealthy people, and their wealth will be limited. That is why the rich and powerful in democratic market societies must ensure that most ordinary people have a decent income. The more money those average citizens have, the more they can spend to buy goods and services from businessmen and talented people. This allows the wealthy to get even richer. It is a symbiotic relationship.

This also explains why socialism, communism, fascism, and religious fundamentalism have very little appeal in democratic market society. Most people are middle class consumers. They are not desperately poor, and they are not desperate to find an alternative form of society.

There may come a time in some democratic market society when the rich and powerful will get too greedy and take all the money. If that happens, there will be a massive depression and business will collapse for want of demand. Many of the wealthy will go broke, and the country will fall back into oligarchic society. This has never happened, but if it does, the wealthy will have only themselves to blame.

You ask, "why society does not evolve from aristocrat peasant society to a socialist society, then a democratic communist market society." There is a serious problem with socialism and communism. They don't know how to create wealth. Instead of the market controlling the economy, the government controls the economy. Many countries have tried to do this in some fashion, but it has never worked. That is because governments have never been able to learn how to organize the wealth creation process. Every time it has been tried, it fails, and everyone is poor.

Much of Western Europe and especially Scandinavia have a system that is essentially market capitalist, but the people pay high taxes and the government distributes about half of the society's wealth. For some countries, usually those with a very homogeneous population, this seems to work fairly well. That's great for any country that can do it. But it is not socialism. It is a form of capitalism.

anonymous Subject: Re: List of current countries by social system.

Posted on: 12/27/2002

Hello David, thank you for the quick response. However I am afraid the old adage, the more you know the less you know applies here, for I have a question in response to your response.

Do you believe Western Europe and Scandinavia will become full market societies, despite the fact that year after year they are ranked as the top countries to live in the world? And if so, how will the change occur? What will be the turning point where they shift from a socialist, capitalist society (my description only, you may disagree) to a full market orientated society? ... It is not a stretch, but rather a fact to say that workers are treated better in Europe than in North America. In my opinion this is because of the fear that the oligarchs and aristocrats have of the workers; 1) as you explained to me, not being able to afford the services or products being offered by skilled workers, and talented businesspeople, therefore forcing the oligarchs and aristocrats to raise the standard of living of the peasant because the level of enlightenment and truth of the peasant had also risen 2) before the above mentioned fear gripped the oligarch and aristocrat societies, the immediate fear they had of a workers' state is the quite natural fear of survival. They would lose power ( and did lose power) in a workers' state. Power would be transferred from the aristocrats to the peasants.

These fears never gripped North American oligarchic powers the way they gripped European oligarchic powers. So, perhaps the natural evolution process that you believe in has been enlightened, or put backward (depending on your political viewpoint), or perhaps simply changed by the power of the people?

David Maurer Subject: Re: List of current countries by social system.

Posted on: 12/27/2002

Mike, I believe that Western Europe and Scandinavia are fully market societies. To me, market economy society is a large category. It is big enough to contain a lot of variety. In the United States all government budgets together amount to about 35 percent of the gross national product, maybe a little more. In Scandinavia they are about 50 percent, maybe a little more. This certainly makes them different, but it still falls into the category of a market economy.

The reason I say that is because they use market capitalism as the primary means of wealth creation. If they had collectivized farms, or if half the industries were government owned, that would be different. The voters elect governments that charge more taxes and provide more services. I don't have a problem with that. Most of those services have to do with health care, child day care, better schools, and a little more generous unemployment and

welfare benefits. As someone who has very seldom had health insurance, I can see certain advantages to that.

The problem they face is that some of their most talented people are leaving and establishing residence elsewhere where the taxes are lower. I can also sympathize with that. People who earn millions of dollars a year as music stars or tennis players really don't want to pay more than half of it in taxes. There are a lot of tradeoffs in this world. More tax and more services versus less tax and less services is one of them. It is up to the voters in each country to decide.

It is a bit disconcerting to me when you refer to ordinary people in democratic market society as peasants and wealthy people as aristocrats. Peasants are people with no political rights who work the land and deliver a large percent of the harvest to their aristocratic lords. This is a very different thing from the modern middle class.

Aristocrats are a hereditary ruling class who take food from their peasants and distribute it to non-food producers. This is very different from modern wealthy capitalists. Oligarchs are a ruling class of wealthy capitalists who monopolize nearly all wealth and political power. Wealthy capitalists in some democratic market societies have more than their fair share of political power, but they certainly do not monopolize it. When you use standard definitions it is a lot easier for everyone to know what you are talking about.

## **25. Literacy and Knowledge**

August 2003

panderson

Subject: literacy and knowledge

Posted on: 02/02/2003

Hello Mr. Maurer ...

I would like (if possible) to understand better what is the role of literacy and knowledge in your historical model. I suppose that they have a huge influence over history, for example :

1) Illiterate peasants endure more suffering than literate citizens and can be cheated more easily.

2) People are less ready to revolt if there isn't an available convincing alternative model - ideology to the current system.

What's your opinion about this topic?

Thank you very much.

Replies

davidmaurer

Subject: Re: literacy and knowledge

Posted on: 02/04/2003

Hi Panderson, this is another very good question. In this explanation of history the switch to market distribution of food led to the development of modern society. I left out most of the details of how this came about, primarily because it would take hundreds of pages to include them. One of the most important is the affect of literacy and education. When the peasants become responsible for marketing their production, it becomes necessary for them to read and calculate. They must be able to add, subtract, multiply, and divide in order to figure prices and payments. They must be able to read in order to know what is happening in the markets and understand the many factors that effect prices. As the society becomes more market oriented, workers and consumers also need to know what is happening around them. This requires education.

Education is the kind of thing that tends to promote itself. The more people know, the more they want to know. Once curiosity is awakened, there is no telling where it will lead. When people are able to read all of the sudden they want to read the Bible or the Koran. They want to understand religion. They want to understand the government. It seems that at the beginning of the modern world, the more they understand, the less they like the way their world is organized.

Ordinary people start thinking for themselves, and they start protesting. They begin to demand changes and reforms. The Protestant Reformation was one result. Demands for political reform is another. The old forms of social organization are no longer satisfactory. The modern world slowly begins to develop. It is fairly easy to see that the spread of education is a very important factor in the origin of modern society. When you look for the

reasons for the increase in education that is slightly harder to see. It is the development of the market economy.

panderson

Subject: Re: literacy and knowledge

Posted on: 02/05/2003

Ok ... I would like to understand more ... 1)What is the role of classical heritage in your model (Greek democracy and Roman law)? This happened before the birth of market based societies. 2)What is the role of religions in your model? Islam and Confucianism seemed to favour narrow-mindedness. Protestantism seemed to favour innovation. Are religions independent variables or are they just subordinate to society? 3)Is it right to affirm that for centuries masses didn't dare to overthrow their societies simply because they didn't yet discovered or import from abroad the ideals of democracy, Marxism, French revolution, American revolution, nationalism, etc... (just for lack of knowledge)? Do you know super-hawk conservative editorialist Victor Davis Hanson? In his "Carnage and Culture: Landmark Battles in the Rise of Western Power" the realm of economy is a by-product of the realm of ideas. He has really different views from you about Palestine and Iraq too ...

Bye

davidmaurer

Subject: Re: literacy and knowledge

Posted on: 02/09/2003

1. Actually I do believe that classical Athens was a market economy oligarchic society. Most farmers were independent. They did not have to turn over their surplus to aristocrats and it was not all taken from them as taxes by the state. They sold their surplus food through a market system. Sparta was definitely aristocrat peasant. The Helots were the peasants and the Spartans were the aristocrats. Thebes was aristocratic. Some of the other city-states were probably also oligarchic. Some were probably in a gray area that was a little of both.

Phoenicians were always known for their commerce. I tried to find out if that included market distribution of food, but none of the books answered that question. Also I tried to nail down when or if Rome used market distribution of food and was unsuccessful. In any case the market economies of the classical age died out. The world was not yet ready for them.

2. In this world almost everything changes and evolves. That includes religions. During its glory days of the 9th to 15th centuries Islam was one of the most tolerant and open-minded religions. The Arabic Islam of today is different. The Arabs were conquered by the Turks. Hammered by the British and French, and totally humiliated by the Israelis. This kind of experience often leaves bad effects. Their religion seems to have closed in upon itself in a tight defensive ball. It is now close minded and intolerant. Eventually, the Arabs will flourish once again, and Islam will probably recover its openness.

Confucianism was specifically designed for aristocrat peasant society. It lays down the best and most successful rules of behavior for the different classes in this kind of society. It helped to make China the most prosperous of all aristocratic peasant societies. In a modified form, I think it could be successfully adapted to the modern world.

In the early modern world Protestantism definitely was a source of reform and innovation. I never really understood this. The ideology seems to be fundamentalist and close minded, but the results are undeniable. Protestants led the way in developing the modern world and especially the industrial revolution.

Are religions independent variables or are they just subordinate to society? You are asking a very difficult question here. I would say both, which just means that I don't have a good answer.

3. There were gigantic numbers of peasant revolts in aristocrat peasant societies. Sometimes they started out quite successful, but they never led anywhere. The aristocrats always reestablished control. Successful peasant leaders, some of whom were educated, could never institute a new form of society. I believe that this is evidence that new forms of society evolve slowly out of social and economic changes.

4. I never heard of Victor Davis Hanson until now. I once took a class titled The Intellectual History of Europe. The professor and I did not get along at all. He believed that ideas led the way in change and development. I read the books and listened to everything he had to say, but I just couldn't buy it. What he believed was cause and effect did not seem that way to me, and still doesn't.

I believe that real social change takes place slowly through an evolutionary process. As the society is changing thinkers will come up with new ideas and that is part of the continuing change. But no philosopher can expound new ideas to a stable society and have that society change its most basic form to reflective his thinking.

anonymous

Subject: Re: literacy and knowledge

Posted on: 02/09/2003

Thanks Mr. Maurer...

I have understood ... Realm of ideas is a by-product of realm of economy. That's it. Anyway It could be interesting to continue to explore the "human" factor (despite its subordination).

What about cultural differences? Do they have a substantial impact in the development and achievement of a successful DMS?

davidmaurer

Subject: Re: literacy and knowledge

Posted on: 02/11/2003 4:43 AM

I should probably clarify something here. My primary interest is when societies change from one category to another. I believe that kind of change is governed by population growth and economics. But societies change all the time. Most change happens within the same general category.

A gigantic amount of change occurred during the thousands of years of tribal and aristocrat peasant society. Oligarchic society is especially a time of change. Countries in the late stage of oligarchic society are very different than they were in the beginning stage. Democratic market society is so new that there hasn't been much time for change within this category yet, but I expect it to last for thousands of years. In that period of time there will be a massive number of changes. Many of them may well be linked to the economy in some way, but there are many other factors that are also important, family structure, religion, leadership, foreign relations, ecology, technology, new ideas, etc, etc, etc. I would never say that all social change is dependent on the economy.

I do believe that culture is very important. That is why we have different nations; we have different cultures. Italians are very proud of Italian culture, and so they should be. The same is true for the French, Chinese, Mexicans, and everybody else. All countries that are democratic market societies will have to follow the basic rules for how democracy works and for how a market economy works, or there will be problems. But those are very basic rules. They leave room for lots and lots of variation. This variety is culture.

Let me use food as an analogy. In this regard, all human bodies function pretty much the same. Everyone needs a similar amount of calories, vitamins, minerals, essential fatty acids, etc. If the body doesn't get what it needs, there will be problems. But there are lots of different foods and lots of different ways to get what is necessary. Different cultures have different cuisines. Different people have different tastes and preferences. So long as they get the basic requirements this is not a problem. Different people can eat different foods.

There are many different ways to run a democratic government. There are many different ways to operate a market economy. The same is true for health care, criminal law, marriage and divorce, religion, farming, immigration, etc. etc. As long as a country doesn't violate the requirements of the form of society that it is using, all of these things can be regulated according to their own culture.

Here is an example of the problems that can arise if the basic rules are broken. Aristocrat peasant society is characterized by a low degree of personal freedom. In accordance with this, they often had restrictions on marriage. Many aristocratic societies had arranged marriages. Others had rules where aristocrats were not supposed to marry commoners. Or there might be rules where a person was supposed to marry within their clan or whatever.

Democratic market society is characterized by a high degree of personal freedom. Consensual marriage to pretty much anyone is the general rule. In a small number of cases arranged marriages may work, but for the most part this system must be abandoned sometime during the oligarchic transition. In England it used to be that aristocrats couldn't marry commoners. This rule has now been pretty much abandoned except for the royal family, where it is still enforced. This has caused problems. If you don't believe me, just ask Prince Charles.

This does not mean that all democratic market societies have to have identical institutions of marriage. There is still room for cultural variations. But there cannot be a major systematic violation of the general requirement for a high degree of personal freedom.

Do cultural differences have a substantial impact in the development and achievement of democratic market society? I think it depends on how you define culture. Aristocrat peasant societies seem to be able to make the transition easier than tribal or aristocrat tribal societies. Although, it is still very difficult.

It would seem like countries whose traditional culture had a fairly large amount of market exchange should make the transition more easily, but I'm not sure that the data fully supports this. Aristocratic China had more buying and selling than aristocratic Europe, but its traditional society was so firmly entrenched that it was slower to change.

On a lower level, say the cultural differences between Germany, France, and Italy, I don't really see where it has had very much affect on the transition to modern society.

anonymous

Subject: Re: literacy and knowledge

Posted on: 02/12/2003

Thanks for compliments Mr. Maurer...

Anyway ... " My primary interest is when societies change from one category to another. I believe that kind of change is governed by population growth and economics."

I was thinking (in total humility) that "other" factors could have a big effect in delaying or freezing for centuries the social development. If the delay is really huge, what about considering in your model these factors as independent variables?

Example: Relation between sexes : if you forbid women to work, 50% of economic potential is gone (maybe more ...) The same reason can be applied to the past caste system in India (influence of religion). Natural environment can pose enormous bonuses or maluses to the social development: is it possible to develop a DMS in Tchad? And so on...

Now the real question ... What's the role of women emancipation in your model?

Bye.

davidmaurer

Subject: Re: literacy and knowledge

Posted on: 02/13/2003

In traditional societies, women usually did much more work than men. Cooking, cleaning, sewing, weaving, child raising, gardening, they did all the drudge work. The men went hunting and fishing. They also did the heavy

work in the fields, which was seasonal. Men liked this arrangement, and it became traditional. Men were dominant, and women were supposed to submit, just like aristocrats were dominant, and peasants were supposed to submit.

In modern society, the peasants have been liberated. Well, so have the women. I can't tell you the exact relationship between these two events, but I am sure that a connection exists. Probably it has to do with education, which we already talked about. The traditional roles became so entrenched that it takes a while for women's liberation to flower, but it seems to happen in all democratic market societies. Maybe that is why the Latin Americans, the Arabs, and the people of Central Asia are so dubious about making the transition.

Yes, Chad will eventually have a DMS. Although the men there are probably doubtful about the idea also.

## **26. Is democratic market society always the best?**

October 2003

panderson

Subject: Is a Democratic market society always the best ?

Originally posted on: 10/20/2002

Hello Mr. Maurer, I'd like to know your opinion about this subject.

Are there historical situations where a "low" social system is better than a "high" social system (Example: Oligarchy vs DMS)? Is a Democratic market society always the best solution? Isn't it better to have a strong authority during difficult times? Do aristocracy / oligarchy / fascism / communism /fundamentalism have intrinsic advantages?

Example 1 : ancient Poland with Sejm and "liberum veto" was swallowed up by autocratic Russia, Austria and Prussia.

Example 2 : current Chinese communistic government is providing at the same time economic growth and stability much better than "democratic" Russia.

Example 3: in Afghanistan Talibans brought back order.

Is DMS a "luxury" that a society can afford only if there is enough wealth/technology/literacy/stability?

Replies

Dedalus

Subject: Re: Is a Democratic market society always the best ?

Posted on: 10/20/2002

I think that it is a luxury, and in crises democratic governments often become more authoritarian to survive.

David Maurer

Subject: Re: Is a Democratic market society always the best ?

Posted on: 10/23/2002

None of the societies you mentioned were democratic market societies. However, I am glad you asked this question. It gives me a good chance to clarify some things.

"Is democratic market society always the best?" No, of course not. Every kind of society evolved to fit the conditions that existed in the time and place that it was used. If I went back in time 500 hundred years and visited the Iroquois Indians, I would not start explaining to them about how they should change to democratic market society. It would be silly. If I talked to Charlemagne or Chin Shi Wang Di and told them to switch to democratic market society, it would be foolish. Tribal society and aristocrat peasant society were not mistakes. They were right for their conditions.

Many people that are alive today might well be happier in tribal or aristocrat peasant societies. But that is no longer an option. The world now has more than 6 billion people. In order to return to tribal society about 95-98 percent of us would have to commit suicide. The rest could then feed themselves through hunting, gathering, herding, and gardening. In order to return to aristocrat peasant society 80-90 percent would have to commit suicide. The remainder could then live from peasant agriculture. If the Earth is hit by a large asteroid and most people are killed, something like this might happen. Otherwise, it is not practical.

A highly productive modern market economy is the only way that we can feed the present population. That leaves only two choices, oligarchic society or

democratic market society. If we could find a group of benevolent oligarchs, who were very wise and rule society for the benefit of everyone, that might be an excellent solution. Science fiction writers often portray this kind of world, but they are writing fiction. In the hundreds of oligarchic societies known to history, it has never happened. Oligarchs, like everyone else, tend to be primarily concerned with their own wealth and power. The majority of the population are poor and unhappy. Just go to any third world country to see for yourself.

Many thinkers and philosophers, like Karl Marx, have tried to come up with ideas for new kinds of society that would be successful in the modern world. So far, they have all failed. I tend to doubt that this kind of endeavor will come up with a workable new form of society. Successful social systems evolve slowly over a long period of time. They are not the result of some individual's brilliant idea.

That leaves democratic market society as the only realistic option for the modern world. This does not mean that democratic market society, as it exists today, is some kind of a wonderful modern utopia. It is not. There are crime, drugs, divorce, pollution, and all kinds of serious problems. We are still novices at dealing with these problems. In time, we should learn to do better.

In my opinion, the most serious problem with democratic market society is electoral politics. Politicians will do and say anything to get elected. Quite often it is the best liar that wins the campaign. Other electoral abuses are even worse.

In the 1820s Jacksonian Democracy swept America. All previous presidents had been from the Virginia or Massachusetts elite. Andrew Jackson came from a humble family and ran on a platform designed to appeal to the ordinary common people. They wanted national expansion, and they wanted the Indian lands. As president, Jackson sent his soldiers to cleanse the Cherokee Indians from their homes. This deliberate policy was continued until nearly all the Indian population was destroyed.

In the southern United States, politicians used to portray African-Americans as violent rapists and criminals who were determined to seize control and prey upon white people. But if you elect me, they said, I will protect you. This ploy worked in thousands of elections, and segregationists ruled supreme. It was devastating to the black community, but unscrupulous politicians were quite willing to tell malicious and outrageous lies to get elected. It worked like a charm.

For forty years from 1948 to 1988 most American politicians ran against communism. In reality, communism was not a threat to the American people,

but that is not the way politicians portrayed it. They continuously screamed that communism was an evil conspiracy that was determined to conquer the world. But if they were elected, they would fight back and defend America from the evil monsters. Millions of communists all over the world were killed so that American politicians could demonstrate to the voters that they were strong and forceful and able to defend America against the communist threat.

This kind of electoral abuse is still continuing. The current president of the United States, George Bush, is telling the voters that the Democrats are a bunch of wimps. He claims that only the Republicans can defend America from the evil Iraqi dictator Saddam Hussein.

The United States is not alone in using this type of political abuse. Adolph Hitler told the German people that the Jews were working to destroy their nation, but if he was elected, he would deal with the problem. In 1990 Franjo Tudjman of Croatia, Alija Izetbegovich of Bosnia, and Slobodan Milosevic of Serbia were all running for election. At the time these were all constituent republics of Yugoslavia. These politicians all told the voters that the other republics were their enemies, but they would protect them. They all three won election. The result was civil war, the dismemberment of Yugoslavia, and the violent deaths of a hundred thousand people.

There is another kind of electoral abuse that is common in many countries. Successful politicians use government revenues to provide jobs and contracts to their friends and supporters. Government offices and government owned corporations have thousands of politically connected, no-show employees on their payrolls. In some poor countries half of the government revenues are used to provide jobs to unproductive political supporters. Education, crime prevention, and infrastructure improvements are all neglected so that politicians can reward their supporters and keep them available to work on election campaigns. People all over the world have come to believe that government is the problem, not the solution.

Many democratic politicians lie, cheat, and steal. Others create unnecessary enemies so that they can crush them and pretend to be heroes. Considering all of this, how can I say that democratic market society is the only form of social organization that can succeed in the modern world? Believe me, it is a difficult conclusion to arrive at. Winston Churchill once said "Democracy is actually a poor form of government, its only advantage is that it is better than all the rest." We can only hope that, in the future, voters learn to recognize these political abuses and vote against them.

Does this mean that I believe all countries today should use democratic politics? No, it does not. Oligarchic society is a long period of transition from

traditional forms of society to democratic market society. The end result of this evolution and transition will be democratic market society. But that does not mean that every country should use electoral politics during the transition period.

Some early stage oligarchic societies are much too unstable for democracy to work. Iraq is an example of this. It has a tradition of tribal leadership and tribal feuding. It also has three different groups with separate identities—Kurds, Sunni, and Shiah. If they changed to electoral politics, there would probably be bloody civil war within a few years. Saddam Hussein is correctly described as a brutal dictator, but the brutality is not just for fun. It is probably the only way to enforce order and stability at the present time. After a few generations of this kind of brutal leadership, Iraqi society will change. Eventually, democracy will become a viable option.

Other oligarchic countries have developed their own forms of leadership that work reasonably well. The communist government in China is doing a fairly good job of leading its people and developing a modern economy and society. Sure there are problems, but all oligarchic societies have problems. If there is an abrupt change to electoral politics, as happened in Russia, there is no guarantee that it would be an improvement.

Iran is another example. The religious leaders that control the government are far from perfect, but they are enforcing stability and preventing many possible abuses while the democratic process matures. It is not up to me and it is not up to the United States government to tell these countries when it is time to change to full democracy. That decision should be made by the people of each country, according to their own schedule.

panderson

Subject: Re: Is a Democratic market society always the best ?

Posted on: 10/24/2002

Ok... Wonderful ... But ....

- 1) Who decides when people are ready for democracy?
- 2) When people are really ready for democracy?
- 3) Is national integrity always best? Maybe for Iraqi people is much better to be spilt into three.

4) Are there historical examples of non-market societies with a political system close to modern democratic standards (NO SLAVES, equal right between sexes etc...)?

davidmaurer

Subject: Re: Is a Democratic market society always the best ?

Posted on: 10/27/2002

These are excellent questions, Paolo. I wish I had answers that are equally good. Who decides when people are ready for democracy? The easy answer is to say that the people decide. That is all very fine, but what happens when some people are ready but others hold back. There is a force of social inertia that opposes change. There are always people whose personal interest favors a continuation of the status quo. Younger people and those who are more adventures and independent are usually the first to advocate change to democracy. When should society make the change, when 10% favor it, 20%, 40%, 50%? Nobody appointed me umpire. I can't give you an answer.

Is national integrity always a blessing? In this field there is not much that is always true. Changing national borders is usually accompanied by violence. This is a good reason to oppose it. But maybe a little violence now could save a major episode of ethnic cleansing or civil war later. The people involved should decide, but that just leads us back to the question, what happens when opinions differ?

Are there historical examples of non-market societies with political systems close to modern democratic standards? Primitive tribes are similar in some ways. Because they have no strong leadership, people are able to do what they wish, unless it breaks taboo or social norms. As the economy becomes more sophisticated it needs more organization and a mechanism to govern the transfer of economic goods. This can be a command economy, a market economy, or a combination of both. If command exchange predominates, it will require a hierarchical political system. You obey commands from those higher up, and you give commands to those lower down. If market exchange dominates, it will work better with a cooperative political system.

Dedalus

Subject: Re: Is a Democratic market society always the best ?

Posted on: 11/27/2002

Almost a cycle, then, the primitive democracy coming full circle.