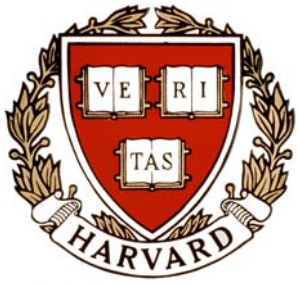

HIER

Harvard Institute of Economic Research

Discussion Paper Number 2125

The Political Economy of Warfare

by

Edward L. Glaeser

December 2006

HARVARD UNIVERSITY
Cambridge, Massachusetts

The Political Economy of Warfare

by

Edward L. Glaeser*

Harvard University and NBER

November 22, 2006, Second Draft

Abstract

Warfare is enormously destructive, and yet countries regularly initiate armed conflict against one another. Even more surprisingly, wars are often quite popular with citizens who stand to gain little materially and may lose much more. This paper presents a model of warfare as the result of domestic political calculations. When incumbents have an edge in fighting wars, they may start wars even if those wars run counter to their country's interests. Challengers are particularly likely to urge aggression when they are unlikely to come into power and when the gains from coming to power are large. Leaders who start wars will naturally try to create hatred by emphasizing the threat and despicable character of the rival country. Wars will be more common in dictatorships than in democracies both because dictators have stronger incentives to stay in power and because they have greater control over the media.

* I thank the Taubman Center for State and Local Government for financial assistance. Giacomo Ponzetto and other members of fight club provided helpful comments. Charles Nathanson provided superb research assistance and is responsible for most of proofs and many of the propositions.

I. Introduction

Why do countries, both democracies and dictatorships, engage in massively self-destructive wars? As Mansfield and Snyder (2005) make quite clear, wars are often pursued by democracies and are often enthusiastically supported by the population as a whole. Given the enormous amount of destruction caused by armed conflict, it is remarkable that countries enthusiastically enter into wars when negotiated settlement is presumably always an option (Fearon, 1994).

This paper follows Marx (1859), Fearon (1994) and Hess and Orphanides (1995) and presents a model of warfare where leaders benefit from conflict even though the population as a whole looses.[1] Warfare creates domestic political advantages, both for insecure incumbents like Napoleon III and for long-shot challengers, like Islamic extremists in the Middle East, even though it is costly to the nation as a whole. Self-destructive wars can be seen as an agency problem where politicians hurt the nations but increase their probability of political success. This problem becomes more severe if the population can be falsely persuaded that another country is a threat.

The model in this paper considers three different cases. First, I assume that ability at warfare is known only for current leaders.[2] As a result, current leaders with above-average skills in making war will have an incentive to start wars because, once these wars begin, voters won't want to switch horses in mid-stream for a leader of unproven ability.

[1] While the core idea in this paper is in Fearon (1994) and in the work of earlier analysts such as Karl Marx, this paper differs from most of its predecessors in providing a political micro-foundation for the electoral gains from combat. Hess and Orphanides (1995) is a prominent exception as it shows war resulting from well-described electoral competition.

[2] This is a primary difference between this model and Hess and Orphanides (1995). In that paper, leaders go to war to show their war-making ability. In this model, leaders go to war so that their war-making ability becomes relevant to re-election.

While the model relies on asymmetric knowledge of incumbents and challengers, any assumption that wars increase the costs of switching leaders can generate similar results. In this "wag-the-dog" version of the model, leaders will be more likely to support wars when their war-making ability is higher, when the war is less costly to the nation, and when the benefits of office are higher. Popular incumbents are less likely to start wars.

While this version of the model can explain why incumbents might favor warfare, it cannot explain why wars would ever be popular. In the second variant of the model, war can beneficial because another country poses a future threat.[3] In this model, both challengers and incumbents may be too pacific relative to the needs of the nation because they bear some costs of war and few future benefits. There is a strategic complementarity between incumbent and challenger decisions about war. If a challenger is bellicose then an incumbent may declare war first to reduce the challenger's electoral support.

This second version of the model can't explain why countries would ever start wars that have higher costs than benefits. To address the existence of extremely popular yet costly wars, I allow the possibility that political leaders can send false messages incorrectly depicting another country as a threat. This model follows Glaeser (2005) and assumes that people can be misled by political entrepreneurs who vilify outsiders as a means of increasing support for their own policies. Wars become popular because the population has been convinced that the outside nation is a threat, but since the people have been falsely informed, the wars are ultimately costly to the nation.

[3] Wars can serve a country's interest because countries lack the ability to commit to long run contracts, where one country promises never to exploit another in the future. If one country thinks that the balance of favor is increasingly favoring a neighbor then pre-emptive war may be attractive. Although, in a world with complete contracts both nations would happily commit never to start a conflict.

In this version of the model, incumbents can again be moved to war by the threat of a bellicose incumbent. Outsiders who are unlikely to come into power otherwise support war as a strategy of political desperation. They may gain politically but are unlikely to pay the costs since they are unlikely to be elected. This result helps us to understand why out-groups in countries like Saudi Arabia and Egypt are today the strongest voices for an incredibly costly conflict with the U.S. and Israel. This version of the model also suggests that information costs are important. Trust in the government also makes war more likely. Dictatorial control over information may also help understand a dictatorial penchant for welfare.

While there is some debate about the facts (Mansfield and Snyder, 2005), most political science work following Bueno-de-Mesquita (1981) finds a robust negative effect of democracy on war (Russett and Oneal, 2001, Rousseau, 2005). This model predicts this relationship both because dictators have a greater ability to mislead the public due to their control over the media and because the gains from staying in power are much higher for a dictator than for a leader in a democracy. As I discuss in the case studies, there are many examples of nineteenth century leaders like Napoleon III and Bismarck who were willing to go to war to stay in power, but that there is little evidence of any 20th century American or British incumbents going to war for political purposes.

The first case study looks at nineteenth century Europe where both Napoleon III and Bismarck used wars for domestic political purposes (Mansfield and Snyder, 2005). Napoleon III's foreign adventures rallied support for his wobbly regime and for understandable reasons. Given the unrest he faced in 1870, even the Franco-Prussian war doesn't seem like an irrational gamble. Bismarck also undertook three wars to create

both Prussian hegemony within Germany and to silence the critics of the Hohenzollern monarchy within Prussia. These wars helped ensure Hohenzollern authority in Germany until 1918.

I then turn to entry into World War I—a collectively disastrous act for the European powers. Austro-Hungarian action against Serbia was certainly motivated by internal politics, as they were fighting to suppress an ethnic uprising, and to reaffirm the primacy of the Hapsburg regime. German and Russian belligerency also had much to do with internal politics. The Kaiser and his ministers had regularly justified large army budgets (which funded a force used to eliminate internal opposition) by emphasizing foreign threats from England and Russia. The Czar similarly tried to build support by pushing Russian interests in the Balkans. In 1914, both Romanovs and Hapsburgs faced tremendous internal unrest, and it is unsurprising that both leaders sought popular support through a war that could be depicted as defense against outside aggression.

Finally, I turn to American wars between 1896 and 1975. During this period, there is no solid evidence on incumbents acting in a particularly bellicose way to further their own electoral chances. Entry into World War I and World War II seem to have been decisions made out of conviction with little or no political motivation. Cuba, Korea and Vietnam fit a pattern of bellicose outsiders raising the costs for the incumbent. Nationalistic outsiders pushed war with Spain in 1898 and McKinley was forced to act before he lost control of his own foreign policy. In 1950, Truman faced a drumbeat of Republican hostility to his supposed weakness in Asia. Likewise, in Vietnam, the Johnson tapes show a leader who acted aggressively in part because he feared Republican opponents would use any weakness towards Russia against him.

The phenomenon of incumbents using war to shore up their power is quite real, but the case studies and the model suggest that is primarily a feature of dictatorships rather than democracies. If anything, the tendency in democracies has often been for incumbents to be warier of conflict than opposition groups or the public at large. Both in democracies and in dictatorships, the strongest voices for conflict are often outsiders that have little chance of having to lead a war torn country, but that stand to gain politically by pushing warfare.

II. Aggressive Wars and Political Survival—Wagging the Dog

This model of warfare hinges on the fact that war can increase popular enthusiasm for a leader. There are abundant examples of leaders who saw their support increase dramatically after declaring war (Napoleon III, Czar Nicholas II, Kaiser Wilhelm II and Gamal Nasser and even American Presidents). The popular enthusiasm for war-making leaders is hard to understand given the track record that wars have had in causing misery. The model explains this enthusiasm with two effects. First, war makes it costly to switch leaders. Second, people on both sides of a conflict can be enthusiastic about the war because of different beliefs about the threats posed by the other nation.

The first effect—war decreases opposition to the incumbent— stems from the fact that internal strife is costly in the face a common enemy. Cooperation against a common enemy is quite rational. Since opposing the current leader is an extreme form of non-cooperative behavior, we should expect this behavior to decrease during times of conflict. Failure to stand by one's monarch could easily lead to defeat; after all it was the Duke of

Burgundy's dispute with the King of France that led to Henry V's conquest of France.[4] The first variant of the model presents a simple model of warfare where the crucial assumption is that changes in leadership are costly in a wartime setting. The complementarity between continuity of leadership and wartime success creates an incentive for incumbents to start wars even if those wars are detrimental to their countries

I assume two countries: the home country and the rival country. I will only concern myself with the events in the home country; the rival country will merely fight back in the case of a war. In this first model, I assume that the rival will not start a war itself (this possibility is addressed in the next section). Within the home country, there is an incumbent leader and an opposition. The incumbent leader and his citizens know his quality as a war leader; no one knows the opposition's quality as a war leader.

In this first version of the model, the incumbent leader only makes one decision: at time one, he decides whether or not to start a war against the rival country. After the incumbent makes this decision, the opposition makes an announcement of his policy which can also be war or peace. This policy is assumed to be binding so that if the opposition comes into power, it must carry out its proposed policy.

After the incumbent and the opposition have both declared their policies, during period two, people vote (or in a non-democratic society, decide whether to support the incumbent or the opposition). Votes have exogenous preferences for the two candidates and they also make their decisions based on the costs to the country of the war or of changing leaders. We do not solve the voter's paradox, but rather just assume that each

[4] There are times when this logic is probably understood by all participants, but the tendency to cooperate and support current leaders in the face of a threat also seems emotionally hard-wired The tendency to band together against outsiders has been shown in many experiments, like the famous Smuggler's Cove experiment where boys were given artificial identities and they then fought on the basis of these identities (Sherif, 1961).

voter has an intrinsic preference, denoted η_i (which may well be negative) and will vote for the incumbent if and only if η_i is greater than the net war related benefits that would be created by switching to the opposition. Formally, the utility if the incumbent stays in power is $\eta_i - D_A(Incumbent)$ and the utility if the challenger gets into power is $-D_A(Challenger)$, and voters therefore support the incumbent if and only if: $\eta_i > D_A(Incumbent) - D_A(Challenger)$, where $D_A(Incumbent)$ represents the war damages if the incumbent stays in office and $D_A(Challenger)$ reflects the war damage if the challenger takes office.

In period three after the election, the payoff from the war is realized. These payoffs impact both citizens and the leaders, and people base their votes on the expected payoff from the war. The basic timing of the model is:

(1) Incumbent decides whether or not to start a war,

(2) The challenger decides whether or not to have a pro-war policy,

(3) An election occurs and the winning politician becomes leader, and

(4) The war is completed and utilities are fought for both the politicians and the citizens.

I rule out the possibility that the leader may suffer in some future election for initiating a costly war; this is not one stage of a repeated game. If leaders did have longer time horizons, that would deter warfare in this case (but not in later versions of the model).

The war will create damages to each citizen of country A that are equal to $\theta R_B - \mu_A - I(peace) * p$, where θ is a constant, R_B represents the resources of country,

μ_A and represents the quality of country A's leadership, I(peace) is an indicator function that takes on a value of one if a challenger who seeks peace is elected and p is a constant less than θR_B. The leadership parameter is meant to capture the full range of abilities that a leader can use to improve his country's well-being in time of war, including strategic sense, diplomatic skills and charisma.

Implicitly, I have assumed that the quality of leadership in country B equals zero. The damage to country B, denoted D_B, equals $\theta R_A + \mu_A - I(peace) * |p|$. The effect of moving towards peace is always to reduce the damage to country B, but country A may actually be hurt by moving towards peace if p<0. The value of μ_A depends on whether the incumbent or challenger is in power. I assume that a leader's value of μ is revealed in office but not before, and that the incumbent knew his value of μ before declaring war. As such, the decision of whether to go to war depends on the realized value of μ, which I denote μ_I. The value of μ is unknown for the incumbent and the expected value of μ is zero.

Given these assumptions, if the incumbent doesn't declare war, then the expected net war related advantages from supporting the challenger are zero if the challenger also doesn't declare war and $-\theta R_B$ if the challenger supports war. If the incumbent declares war and the incumbent says he will continue the war, then the net advantage from supporting the challenger is $-\mu_I$. If the incumbent declares war and the challenger opts for peace, then the net advantage from supporting the challenger is $p - \mu_I$.

To close the model, I assume that $\eta_i = \xi + \varepsilon_i$ where ε_i is an idiosyncratic preference distributed symmetrically around zero, and ξ is common across the

population. The shock ξ is realized only on the eve of the election only after war related decisions have been made and ξ is distributed uniformly on the interval $[\hat{\eta} - .5q, \hat{\eta} + .5q]$. The incumbent is kept in power if he receives at least 50 percent of support which requires that ξ plus the war related support from endorsing the incumbent must be greater than zero. I further assume that q is sufficiently large so that both candidates always have a chance of being elected. While this framework is specifically democratic, I mean this to also capture the desire of dictators to retain some form of popular support.

The politicians choose their actions to maximize expected payoffs. Being out of leadership generates utility of zero. If a leader is in power during peace, his utility is $B_0 > 0$, and if a leads during war, then his utility is $B_0 - B_1$, where $B_1 > 0$. The term B_1 reflects the fact that it is less pleasant to be the leader of a war-ravaged nation, and I assume that this is paid whether the leader initiated war himself or inherited a country at war and is trying to lead towards peace. The political equilibria are characterized by Propositions 1 and 2:

Proposition 1: If the incumbent declares war, then the challenger will support the war if and only if p<0. If the incumbent doesn't declare war, then the challenger will never support war.

If the incumbent doesn't declare war, then there is no reason for the challenger to declare war since it will be socially costly and unpopular. If the incumbent does declare war, then the challenger is forced to always face the incumbency advantage that his opponent enjoys, but he can potentially reduce the costs of war by following a peace policy. The challenger has an incentive to follow the peace policy if and only if p>0 and peace will reduce the costs to the country of the war.

Proposition 2 characterizes the incumbent's behavior under the assumption that the incumbent believes that the challenger will react rationally to his decision of war vs. peace. As long as $\mu_I > 0$, the incumbent faces a tradeoff when deciding whether or not to go to war. He compares the advantage that comes from increasing his probability of staying in power with the disadvantage that comes from leading a country at war.

Proposition 2: There exists a value of $\mu_I > 0$, denoted μ_I^*, at which the incumbent is indifferent between declaring war and not declaring war. At values of μ_I above μ_I^*, then incumbent always prefers to declare war and at values of μ_I below μ_I^* the incumbent prefers peace. The value of μ_I^* is falling with B_0, and rising with B_1, q, $\hat{\eta}$ and and rising with p, if p>0.

Proposition 2 emphasizes that warfare which hurts the country is attractive to the incumbent if the incumbent has a comparative advantage in defending the country. Even though the country would have been better off if the incumbent had not declared war to begin with, voters will continue to support the current leader if the gap between the leader's ability as a war leader is sufficiently large.

The comparative statics can be interpreted by noting that μ_I^* determines the range of values of c for which a war will be started, so that factors which increase μ_I^*, narrow that range and make a war less likely. Increases in B_1 make war less likely because this variable makes the war more painful to the incumbent if he stays in power. Increases in p decrease the attractiveness of war (when p>0) because higher values of p will make it more likely that the incumbent will lose to an opponent who offers to improve the country's welfare by decreasing the scope of the war. Increases in q make it less likely that declaring war will sway the election.

Increases in B_0 make war more likely because this variable determines how attractive it is to remain a leader of even a war-torn country. This result can explain why wars seem to be more popular in dictatorships than in democracies. A central feature of most democracies is that the ability of the chief executive to expropriate rents for himself is limited. As a result, staying in power in a democracy (especially given the pain of being a leader during a costly war) may not be worth all that much. Staying in power in a dictatorship may be worth much more and may be worth the costs of starting a war.

As $\hat{\eta}$ rises the probability of war falls. If the leader is going to stay in power anyway because he is extremely popular, then he is likely to stay in power anyway and the costs of fighting the war become quite appealing. Since the benefit of wars is increasing the probability of staying around and the cost is an unpleasant time as leader, those leaders who expect to survive anyway will not engage in warfare. As in Downs and Rocke (1994), war is most politically appealing for the desperate. One interpretation of this comparative static is that leaders with a high value of μ_1 but low values of $\hat{\eta}$ are good at war, but not otherwise popular (presumably because they are ineffective). The model echoes Hess and Orphanides (1995) in predicting that those leaders who are good at war and bad at domestic policy will engage in external aggression.

III. Appeasement at Munich: Preventative Wars

In this section, warfare creates nothing but costs to the country and is only followed by incumbents who seek to use foreign conflict to create an incentive to avoid changes of leadership. Many wars, both in the past and today, have been in favor as

much by challengers as by incumbents. In many cases, like Sparta and Athens at the start of the Peloponnesian War or all the great powers at the start of World War I, war is people among all combatants. One explanation of this phenomenon is overconfidence, which might be the result of steady political indoctrination where leaders have regularly trumpeted the vast power of even the tiniest nation. The Iraqi reporting on the U.S. invasion is a particularly clear example of overoptimistic propaganda.

A second explanation, which I rely upon here, is that wars are supported because of the perceived threat and misbehavior of the enemy. The population thinks that while war may be bad, the alternative is worse. As such, when Germany invades Belgium or Iraq invades Kuwait, war on the part of the British and Americans respectively is justified because the enemy has violated a social norm, and this violation distinguishes the enemy as a potential threat. Indeed, no major war has been fought in the past 185 years without claims that the enemy is potentially quite dangerous.

In this second model, I introduce defensive wars by assuming that there is some probability that the other country will start a war at some future date. In this case, after the end of the third period in the model above, I assume that there is a final period where the rival country may attack the home country. This period occurs after the leader has realized his utility from leading the country, but the citizens expected welfare includes the expected losses from this war. When they consider the pros and cons of war policy in the election, they will take into account the impact of this future war. As such, the timing of the model is now:

(1) Incumbent decides whether or not to start a war,

(2) The challenger decides whether or not to have a pro-war policy,

(3) An election occurs and the winning politician becomes leader, and

(4) The leaders receive their payoffs

(5) With some probability, the rival country starts a war against the home country and the citizens receive their payoffs.

I assume that the citizens believe that this ultimate war in Period 5 will occur with probability π, and that this probability is independent of whether there is a first war. This assumption is surely counter-factual, as a war in period 5 may be more likely following a pro-war policy in period (2). Still the assumption captures the idea of a preventive war where the people in one country believe that regardless of their actions, some other country will attack them in the future. The formation of this belief will be addressed in the next section, but at this point it is treated as an exogenous.

The damage done to the home country in this new war equals, which is denoted D'_A equals $\theta R'_B$ where R'_B denotes the resources of the rival country in this final period. These resources equal $g_B(R_B - D_B)$, or a country level growth rate g_B, times the country's initial resources R_B minus the damage potentially done to the country in the first war D_B. I assume that in the home country, citizens discount the damage done in the fourth period by a discount factor β. There is a cost from suffering the war today, but a benefit because weakening country B will reduce the damage from the next war.

The expected benefit to citizens from the home country of a preventive war is $\beta\pi g_B \theta D_B - D_A$. The country pays costs today in terms of war damage, but receives benefits because by destroying country B, country A ensures that country B will be less effective in a future war. Thus, warfare is more attractive to the citizenry if (1) their

country is strong relative to country B, (2) the discount factor is high, (3) they believe that the other country will start a war, (4) the elasticity of damage with respect to country resources (θ) is high, and (5) the growth rate of country B is high. Preventive wars make most sense for powerful countries that are in the process of losing their dominance over a rival that seems quite likely to start a new war.

Given these adjusted war related benefits, people will vote taking into account not only the impact of the current war on their well-being but also the impact that their current war has on the damage in the next war. The voting rule is now to support the incumbent if and only if:

(1) $\eta_i + \beta\pi g_B \theta\left(D_B(Incumbent) - D_B(Challenger)\right) > D_A(Incumbent) - D_A(Challenger)$

To embed this in the previous model, I assume that nothing else has changed and that the leader receive their final payments in period 3 so that they are not impacted by the potential fourth period war, except insofar as the possibility of that war changes voting behavior. I do however consider only the case where $p \geq 0$ to focus on the case where peace would be attractive to the challenger except for the possibility of preventive war. Proposition 3 characterizes the behavior of the opposition:

Proposition 3: If the incumbent does not initiate a war, then the challenger will propose a war if and only if $\beta\pi g_B \theta^2 R_A - \theta R_B > \dfrac{B_1(.5q - \hat{\eta})}{B_0 - B_1}$. If the incumbent does initiate a war, then the challenger will propose to continue the war if and only if $\beta\pi g_B \theta > 1$.

There exists a value of μ_I, denoted μ_I^*, at which the incumbent is indifferent between declaring war and not declaring war. If μ_I is greater than μ_I^*, then incumbent always prefers to declare war and if μ_I is less than μ_I^* the incumbent prefers peace.

Proposition 3 describes the two conditions under which the challenger will support war. In both cases, the conditions are that the ratio of the increase in electoral support from supporting war divided by a baseline level of electoral support must be greater than the change in utility (conditional upon being elected) divided by a baseline level of utility. These formulas follow from the fact that the leader's utility equals the probability of being elected times the utility conditional upon being elected.

It is possible for a challenger to want to go to war even if the incumbent does not go to war but this requires the war to be quite popular. According to this variant of the model, challengers are unlikely to be excessive pro-war, but they can be too pro-peace. Challengers will only support wars if they are attractive to the citizenry for war and if the gain in votes offsets any natural advantage the incumbent has at war and the utility costs from leading a country at war.

Given the behavior of the challenger, the incumbent then decides whether or not to got to war. Proposition 4 parallels Proposition 2, and again, an incumbent will initiate war if he has a sufficient comparative advantage in war. The appendix details the four conditions that determine whether the incumbent will choose to initiate a war. Because these conditions are somewhat arduous algebraically, Proposition 4, I now assume here and throughout the rest of the paper that p=0.

Proposition 4: (a) μ_I^* discontinuously falls when the challenger decides to support the war (at the point $\beta\pi g_B\theta^2 R_A - \theta R_B = \frac{B_1(.5q-\hat{\eta})}{B_0 - B_1}$), and at this point the value of μ_I^* becomes negative if and only if $\frac{.5qB_1}{2B_0 - B_1} > \hat{\eta}$.

(b) μ_I^* increases with q, B_1 and R_B and decreases with β, π, g_B, B_0 and R_A; the impact of these variables is discontinuous where $\beta\pi g_B\theta^2 R_A - \theta R_B = \frac{B_1(.5q-\hat{\eta})}{B_0 - B_1}$. The value of μ_I^* decreases with θ. The value of μ_I^* increases with $\hat{\eta}$ everywhere except where $\hat{\eta} = .5q - \frac{(B_0 - B_1)(\beta\pi g_B\theta^2 R_A - \theta R_B)}{B_1}$ where μ_I^* discontinuously falls with $\hat{\eta}$.

Part (a) of Proposition 4 describes the impact of the challenger's behavior on the incumbent's behavior. If parameters are such that the challenger will declare war if the incumbent doesn't, this will push the incumbent towards being more bellicose. In this version of the model, the challenger only supports the war when the citizens also want the war, so the challenger's bellicosity is not suboptimal from the citizen's point of view, but it increases the costs to the incumbent of remaining at peace. There is a strategic complementarity across the candidates in their decisions about warfare.

For parameters values where war is on the margin of optimality for the challenger, the incumbent may declare war even if he has a comparative disadvantage at warfare. Even though the incumbent is bad at warfare, because the challenger will benefit from the war in the election if the incumbent doesn't move first, the incumbent has a strong incentive to start a war. This situation is most likely to come about when the incumbent is inherently unpopular.

The comparative statics in part (b) combine two effects. First, there is the impact on the returns to the incumbent from declaring war. Second there is the impact on the challenger's behavior. If the incumbent knows that the challenger will become warlike, even if he isn't, then this will increase the incentives for the incumbent to declare war himself. In most cases, parameters that increase the returns to the incumbent from declaring war will also increase the returns to the challenger from declaring war. In this

case, these parameters have a monotonic impact on warfare, but one that is discontinuous at the point where the challenger decides to war.

For example, as prevention becomes more valued by the electorate (which will be the result of increases in β, π g_B, and R_A and decreases in R_B), then war is more likely because of both effects. As the country becomes more patient, preventive wars become more appealing. As the country believes that war in the future with country B is more likely, then preventive wars become more likely and as the growth rate of country B increases then war becomes more appealing. Finally, as country A's resources go up or country B's resources go down, then warfare becomes more appealing because prevention comes on the cheap. These comparative statics relates to a political science literature that associates the start of war with changes in the relative power of nations (Organski and Kugler, 1980, Gilpin, 1981, Levy, 1987)

The two preference parameters B_0 and B_1 have the expected signs. As the innate returns to leadership rise, both incumbents and challengers want to stay in power more, which makes war more likely since the fundamental advantage of warfare to the leaders are to increase electoral support. Increases in B_1 deter both challengers and incumbents from pursuing war because this increases the utility costs of leading a war-torn notion. Increases in θ both raise the damage that country A will suffer in the first war, but also increase the damage in the second war and the expected benefits from a preventive war. At the margin of going to war, the second effect dominates.

Finally, the comparative static on $\hat{\eta}$ is non-monotonic. Almost everywhere, a more popular incumbent is less likely to engage in warfare because he expects to be in power with a higher probability and doesn't want to pay the personal costs of leading a

war. The countervailing force is that increases in $\hat{\eta}$ also make it more likely that the challenger will declare war if the incumbent doesn't. If the incumbent is entrenched, then the challenger is unlikely to end up being a war leader (since he is unlikely to win) and it makes sense to trade off a greater probability of success in the election with a lower utility once elected. Greater entrenchment of incumbents makes the incumbent less willing to risk war because he is going to be elected anyway, but it makes war more likely because the challenger is more willing to risk war when he has a low probability of being elected otherwise.

IV. The Formation of Hatred

In the previous model, challengers might be bellicose, but they only support wars when those wars are actually beneficial to the citizenry. This result seems hard to square with the bellicosity in many countries when external threats seem objectively small. Kaiser Wilhelm and Hitler and much of the German public saw their wars as justifiable acts of German self-defense. In 1898, Americans argued that Spain was not only evil, but also a threat to American liberties in the Western Hemisphere. These beliefs are not random. Governments have often gone to great length to depict the atrocities and threats posed by their opponents and these seem generally to have been successful, even when false. To capture this phenomenon, the model follows Glaeser (2005) and allows politicians to send misleading signals about the extent of an external threat from external enemies. I refer to this belief in an external threat as hatred for reasons outlined in my prior work. .

To allow the spreading of hatred, I assume at the start of the model, citizens in the home country believe that people in the rival country will start a war-prone with probability π_0, and with this probability they will start a war probability one. With probability $1-\pi_0$ the rival country will not start a war. If the rival is war-prone, with probability one, the citizens of the home country will receive a signal indicating the warlike nature of the rival country. In the absence of any false signals the citizens will accurately assess the risk from the rival country.

To allow the spreading of hatred against the rival country, I allow either one of the politicians to disseminate a false signal that the rival country is in fact a threat. They choose to spread these stories at the same time that they make their policy decisions and everything else in the structure of this model follows the subsection directly above. The cost of spreading this story is k_I for the incumbent and k_C for the challenger. The incumbent makes this decision when he decides his policy, and before the challenger decides his policy. The challenger decides whether to spread the story after he has decided his policy and after the incumbent has decided his policy. I assume that once the incumbent has spread the story, the challenger can neither attack the story nor spread additional confirming rumors. The citizens of the home country believe that with probability ϕ, the story that has been spread about the rival country is false. In Glaeser (2005), I determined an equivalent ϕ parameter endogenously so that individual's beliefs were always completely rational. Here I will treat ϕ as an exogenous parameter reflecting general distrust in society.

The citizens of the home country therefore believe that the rival country will start a later war with probability $\frac{\pi_0}{\pi_0 + \phi(1-\pi_0)}$. If country B is in fact war-prone, then the model is exactly the same as that discussed immediately above with $\pi = \frac{\pi_0}{\pi_0 + \phi(1-\pi_0)}$. I assume that country B is inherently peaceful and focus on the waging war against an inherently peaceful country. In this case, warfare against country B is unproductive to the citizens of country A, although they will believe that it is productive.

As I assume that p=0, the only policy choice by the challenger is whether to declare war if the incumbent doesn't. The challenger also needs to decide whether or not to spread signals of the war-like nature of the rival country, if the incumbent hasn't already sent such a signal, and this decision is made simultaneously to the decision about policy. First, I turn to the decision to spread false stories:

Proposition 5: The incumbent will spread false stories if and only if he is initiating a war and $\frac{\beta g_B \theta \pi_0 (B_0 - B_1)\mu_I}{q(\pi_0 + \phi(1-\pi_0))} > k_I$. The challenger will always send false stories when he is initiating a war. When $\mu_I < 0$, k_C is small, R_B is large, $\theta \approx R_B / R_A$, and $\beta \pi g_B > 1$, the challenger will spread false stories after the incumbent has declared war without spreading false stories.

Proposition 5 emphasizes that hatred in this case, as in Glaeser (2005) appears when it is a complement to political policies. Neither politician spreads stories about the rival country unless they are going to war. The challenger won't go to war unless he spreads false stories about the rival. The condition on $\frac{\beta g_B \theta \pi_0 (B_0 - B_1)\mu_I}{q(\pi_0 + \phi(1-\pi_0))} > k_I$ just describes whether the benefits of spreading hatred to an incumbent outweighs those costs. This

condition may imply that spreading hatred is more common in dictatorial regimes where the government has control over the media.

It is harder, presumably, for leaders in a democracy to falsely portray an external threat. Still, there are also forces that continue to make this feasible. First, the government, through its intelligence agencies, may be seen as having particular knowledge about the threat posed by outsiders. Second, once there is a widespread belief in the danger of an external threat, the media may fear looking either foolish or unpatriotic by challenging this threat.[5] Proposition 6 describes the challenger's willingness to spread hatred and endorse warfare:

Proposition 6: If the incumbent declares peace and does not send a signal, then there exists a value of k_C, denoted k_C^*, at which the challenger is indifferent between sending and signal and supporting war and not sending a signal and not supporting war. If k_C is less than k_C^*, then the challenger both sends a signal and supports war, and if k_C is greater than k_C^*, then the incumbent neither sends a signal nor supports war. The value of k_C^* is falling with q, B_1, R_B and ϕ, rising with β, π_0, g_B, R_A, $\hat{\eta}$ and B_0.

The challenger will be more prone to be pro-war when he has the ability to spread stories about the threat posed by the rival country. The value of k_C^* captures the range of propaganda costs which would lead to warfare where higher values suggest that the war-prone opposition is more likely to occur. The comparative statics tell us that a peaceful incumbent is more likely to face a bellicose opponent when trust is high (ϕ is low), because in that case the opponent will find it easier to convince the population that the other country is a threat. A bellicose opposition is more likely when the returns to

[5] Both Mullainathan and Shleifer (2005) and Gentzkow and Shapiro (2006) provide models of media bias where the media may be unwilling to challenge widely held views.

office (B_0) are higher and when the costs of being a wartime leader (B_1) are lower. The challenger is also more likely to support war when his home country is strong relative to the opponent, when the population cares about the future more, when the other country is growing more quickly or when wars are more destructive.

As in the previous version of the model, incumbent entrenchment makes it more appealing for a challenger to endorse warfare. This effect makes it particularly likely that challengers in non-democratic regimes will be warlike. In those cases, the returns to leadership are huge, and outsiders have intrinsically a small chance of being elected.

Proposition 7 describes a sufficient condition for the incumbent to wage war. The full set of conditions under which an incumbent finds war optimal is described in the appendix.

Proposition 7: The incumbent will always prefer to declare war if μ_I is greater than μ_I^*, where μ_I^* decreases with β, π_0, g_B, and B_0 and increases with q, B_1, and ϕ.

The basic comparative statics are the same as in Proposition 4 above and for the same reasons. One new comparative static on ϕ concerns the level of trust. A sufficiently trusting population is more likely to be lied to and more likely to be taken to war.

In this case, the incumbent is more likely to go to war if parameters are such that the challenger will push war even if that incumbent doesn't. Indeed, the incumbent won't declare war unless he has a comparative advantage at warfare or if he believes that the challengers will declare war if he doesn't. This feature of the model, a peaceful incumbent pushed to war by bellicose challengers, will turn out to be a regular feature of the case studies that follow.

V. Napoleon III, Bismarck and the Wag-the-Dog Strategy

In 1848, both France and Germany had revolutions that appeared to augur a new era of democracy and limits on executive power. But in the decades that followed, both nations got empires before they got republics. In both cases, warfare was an intrinsic element of domestic politics. Both Napoleon III and Bismarck used warfare to further a domestic agenda that consisted mainly of executive authority. I follow Mansfield and Snyder (2005) closely in my discussion of Napoleon III, who is particularly interesting because he admitted that he used warfare as a means of gaining domestic popularity.

There are at least four reasons why Napoleon III was particularly prone to warfare. Three of these reasons are captured by the model, and one is not. First, by virtue primarily of his famous name, Napoleon III was understood by the French public to have a comparative advantage at military activity (i.e. a high perceived value of μ_1). Louis Napoleon's hold on power was never all that secure (i.e. he had a low value of $\hat{\eta}$). He had neither the monarchical legitimacy of the Bourbon's nor the authority of a real constitution. Napoleon III lived in extraordinary luxury as Emperor and might well have lost his life if he lost his power (which means he had a high value of B_0). The factors behind Napoleon III's penchant for war, a high value of staying in power (B_0), combined with a reputation for military competence (μ_1) and a high degree of instability ($\hat{\eta}$) have been features of many of the war-prone dictatorship of the 20th century.

Napoleon III fought five wars over 22 years. His first war was a haphazard military operation against the Roman Republic. Louis Napoleon initially abstained from

supporting this war, but when he was elected President, he sent troops to fight the Republicans. In this war, Louis Napoleon, not yet emperor, tried to steer a middle course, but ended up supporting war to gain support from the politically dominant conservatives who supported war to protect the Papacy.

In 1852, Louis Napoleon made himself emperor and he spent the next 18 years working hard to keep himself in power. Napoleon III's first went to war in Crimea. This war began in a dispute over Catholic rights in Bethlehem and Jerusalem, where Napoleon III continued his interest in appearing to be a protector of the faith. After this dispute led to a full war between Turkey and Russia, Napoleon III joined with England in a full scale conflict with Russia that would run from 1854 to 1856. Popular enthusiasm for war was stoked by stories of Russian atrocities (the "massacre of Sinope"), and the belief that Russia presented a real threat to English interests in the East.

Karl Marx and others have long argued that Napoleon III fought in Crimea to further his domestic political agenda. Wawro (2000, p. 51) writes that "to marginalize this ineradicable opposition [wealthy English-style liberals… red republicans], Napoleon III embased on a series of foreign adventures" (Wawro, 2000, p. 51). A. W. Kinglake, a member of Parliament during Napoleon III's life argued that the Emperor must "distract France from thinking of her shame at home, by sending her attention abroad … if Prince Louis … were to continue quartered upon France instead of being thrown into prison and brought to trial, it was indispensable that Europe must be disturbed" (Kinglake, 1874, p. 210, cited in Gooch, 1956).

In 1859, Napoleon III joined forces with Piedmont to fight Austria in Northern Italy. In this case, the Emperor admitted the political advantages of the war, he told his

cabinet "On the domestic front, the war will at first awaken great fears; traders and speculators of every stripe will shriek, but national sentiment will [banish] this domestic fright; the nation will be put to the test once more in a struggle that will stir many a heart, recall the memory of heroic times and bring together under the mantle of glory the parties that are steadily drifting away from one another day after day" (Plessis, 1985, ppp 146-147, cited in Mansfield and Snyder, 2005, p. 184). Emile Ollivier, a republican opponent declared, "Italian independence is only a pretext .. Basically the Emperor is only concerned to strengthen his dynasty and silence the slowly emerging internal opposition" (Mansfield and Snyder, 2005, p. 188).

The war started with vilification of the Austrians and popular enthusiasm ensued "townsmen and villagers who had ignored the brewing crisis in the winter went berserk in the spring, rushing to join crowds and bellowing slogans like'long live war' and 'death to the Austrians' when mobilization was annuanced" (Wawro, 200, p. 67). The Emperor's popularity soared. One contemporary observer describes how "it is impossible to give any idea of the enthusiasm with which [Napoleon III] was greeted when in field uniform, with tunic and kepi… An overwhelming acclamation of ''Long Live the Emperor!'" Case, 1972, p. 75). France's mediocre performance in the war was transformed by the Emperor's celebration into another great victory—"the celebrations and illuminations after Solferino were even more extensive than those in 1855" (Wawro, 2000, p. 70).

Napoleon III's penultimate military adventure was his support for the Emperor Maximilian in Mexico. The official cause of Napoleon's intervention was the Juarez regime's failure to pay its debts to France, but there is little doubt that he was once again seeking any military glory that would strengthen his regime.

Napoleon III's final war was his fight against Prussia in 1870. French entry into this war is typically described as a trap laid by Bismarck. The precise cause was a Hohenzollern candidate for the Spanish throne. After initially supporting Prince Leopold of Hohenzollern-Sigmaringen, King Wilhelm of Prussia withdrew his support from contention but refused to promise the French that there would never be another Hohenzollern claim on the Spanish throne. The German threat was real (after all, Germany would invade France three times over the next 70 years), and newspapers allied with the government were quite able to depict Germany as a hostile power. Napoleon III declared war and personally led the French troops against Germany.

Napoleon III again saw that "the war would represent a displacement of internal into external politics." After public opinion was strongly built against Germany, the political gains from war were obvious; the Foreign Minister Gramont declared that "the government will not survive in the Chamber tomorrow unless it is able to present definite Prussian concessions." But why did Napoleon III take this gamble?

First, Germany was a real and perceived threat which made a "preventive" war popular. Second, Napoleon's popularity and hold on the government had continued to sag throughout the 1860s. In 1870, the Emperor's nephew had shot a journalist and "the journalist's funeral on 7 March was the occasion for tumultuous anti-imperial demonstrations in Paris. Barricades went up, buses were overturned and great bonfires roared throughout the night" (Wawro, 2000, p. 106). Without a war, Napoleon III would probably have been removed from power and either exiled or imprisoned. Third, it was far from clear that the Prussians would be capable of defeating the French. The French

had better small arms (the Chassepot rifle), and their army had historically been more than a match for their German rivals.

Of course, Napoleon III came up against Bismarck, who had been skillfully using foreign wars for domestic political purposes throughout the 1860s, and Bismarck had, it turned out, a far more formidable army at his disposal. Bismarck became Minister-President and Foreign Minister of Prussia in 1862 after the Prussian Diet had rejected Kaiser Wilhelm's budget. His first two years were marked by distinct unpopularity and the House of Deputies called for his resignation: "During the Prussian Constitutional Conflict of 1862-6, a defeat of the crown did not seem impossible when the Progressive Party, representing the liberal bourgeoisie, gained a majority in the Diet and refused to approve the military budget" (Bergahn, 1973, p. 11). Bismarck personally had a low probability of survival, and the Hohenzollern monarchy as a whole looked pretty shaky.

In Bismarck's first war, Prussia was allied with Austria and the target was Denmark. Before the war, Bismarck "was beginning to see, in the foreign field, possibilities of confounding and, eventually, reconciling the parliamentary opposition" (Craig, 1955, p.167). While the conflict was initially unpopular with some, the victory strengthened the regime: "Bismarck had long held that, if they were given a foreign success sufficiently striking to inflate their self-esteem, the Prussian people would forget their internal grievances; and this now proved true" (Craig, 1955, p. 170).

Bismarck pushed his second war against Austria as a fight for "the establishment in Frankfurt of a German Parliament elected by universal suffrage," because "he believed that universal suffrage would have a conservative effect." Moltke's victory over the Austrians at Sadowa did change Bismarck's domestic position enormously, and "within

two months of the battle, the Prussian legislature voted budgetary credits to cover the government's expenses during its four-year breach of the constitution" (Mansfield and Snyder, 2005, p. 199).

Bismarck's 1870 war with France also had political benefits: "throughout North Germany swept a flame of impassioned patriotism fed by and reflected in the Press" (Howard, 1961, p. 59). The enthusiasm for the Kaiser, Moltke and Bismarck, grew even greater after the stunning defeat of Napoleon III at Sedan. Unification of Germany under Prussian leadership was accomplished in a way that denigrated rather than supported the power of popular democracy. Bismarck's triumph ensured enough popularity that he was able to govern Germany in peace for almost another two decades. Finally, the enormous success of Moltke's general staff ensured that the Diet could no longer try to starve the army of resources without courting popular disfavor. Since the army was the bulwark of the *ancien regime* against popular discontent, funding for the army ensured political survival, at least until 1918.

VI. The European Powers and World War I

In 1914 every major European power chose to engage in an enormously destructive conflict that would destroy three ancient regimes (Hohenzollerns, Hapsburgs and Romanovs) and lead every incumbent government in those powers to lose control. Not only was World War I a spectacularly bad decision for Europe as a whole, none of the leaders in 1914 can possibly be said to have benefited ex post from the decision to go to war. Can the model shed some light on this seemingly irrational conflict?

Austro-Hungary was the first nation to start hostilities against a neighbor in 1914, and its actions are most clearly dictated by domestic political concerns. Serbian nationalists had shot the Hapsburg heir and "street demonstrations insisted that Belgrade be punished and took up the cry Serbien muss sterbien, a play on words that meant 'Serbia must die'" (Wawro, 2000, p. 213). The Serbian killers "had been supplied with weapons from a Serbian military arsenal and helped to cross the border by Serbian frontier guards," and this "information was sufficient to confirm Austria's rooted belief in Serbian malevolence and to arouse its equally ready desire to punish the small kingdom for its disturbance of order within the empire" (Keegan, 1998, p. 50). The incident, stoked up by the press, ensured that both Foreign Minister Berchtold and Army Chief of Staff von Hotzendorf were eager for war.

The Emperor Franz Joseph knew that the war would be popular, and if successful would both strengthen the regime and discredit ethnic separatists within the Empire. He also correctly feared defeat and change more generally, and he sought support from Germany before moving ahead. Indeed, the remarkable thing about Austrian intervention was the reticence of the Emperor given the strong domestic incentives for war.

The Romanov regime faced considerable internal opposition; there had been a revolution in 1905 and the first half of 1914 were marked by widespread strikes. Russian expansion into the Balkans was one means of gaining domestic support; acting as protector of the Orthodox Christians in the region was an attractive role for the Czar. According to Pipes (1990, p. 200), this foreign entanglement eventually produced the need for military action:

> In several previous confrontations in the Balkans, Russia had yielded to the outrage of her conservative nationalists. To have done so again in the crisis that developed in July 1914 following the Austrian ultimatum to Serbia, worded with deliberate insolence and backed by Germany, could have spelled the end of Russia's influence in the Balkan Peninsula and

> possibly domestic difficulties. St. Petersburg, therefore, decided, with French concurrence, to support Serbia.

Certainly, the Czar's domestic troubles quieted immediately after the outbreak of war as the nation rallied to his banner.

The Kaiser's decision to back Austro-Hungary and then to declare war on Russia (after Russian mobilization) was also related to internal politics. Starting in the 1890s, the Kaiser began a costly and belligerent naval arms race that was "nothing less than an ambitious plan to stabilize the Prusso-German political system and to paralyze the pressure for change" (Bergahn, 1973, p. 29). The Germans and the English accompanied greater naval expenditures with an ongoing program of vilification that emphasized the threat posed by the other power.

Over time, the Kaiser's and his Chancellor Behtman Hollweg's domestic position weakened and "by the spring of 1911, the temptation to conduct 'domestic policy with the steam power of diplomacy' had become so great for Bethmann Hollweg and Kiderlen that they decided to act" (Berghahn, 1973, pp. 93-94). The Kaiser then approved sending a gunboat, Panther, to challenge the French in Morocco which resulted in an "upsurge of imperialist enthusiasm" (Bergah, 1973, p. 94). After the 1914 Zabern incident, the government faced a vote of no confidence from the Reichstag and in early 1914 "the majorities in the Reichstag and the reactions of the press showed that large section of the population had become alienated from the monarchy" (Bergahn, 1973, p. 178). In this atmosphere, the government encouraged conflict with Russia, because "new enemies had to be found all the time … without them … the monarchy as a whole would suffer a severe setback" (Bergah, 1973, p. 181).

All of the three more dictatorial regimes, Austro-Hungary, Germany and Russia had clear internal political reasons for entering into World War I. The Emperor, the Kaiser and the Czar all had strong incentives to stay in power and all of them faced declining political support. The imperial houses all were perceived as having a special role leading the country in time of war. Finally, in all countries, vilification of their outsiders (Serbia, England and Austro-Hungary respectively) made the war popular as a seemingly necessary piece of pre-emptive defense.

Entry into the war by the more democratic nations—France and England—seems far less driven by internal politics. Support for war in France reflected both an immediate cause—the Franco-Russian alliance—and the long-standing post-1871 hostility towards Germany. When Russia got itself into war with Germany over Serbia, the French stood by this commitment, even when it certainly would have been possible to abstain or at least council the Russians against war. Instead, "Messimy, the Minister of War, and Joffre, the Chief of Staff, were pressing the Russians to achieve the highest possible state of readiness" (Keegan, 1997, p. 61). Decades of French discussion of the dangers of German aggression meant that pacifism was sure to be wildly unpopular, and after all, given German actions at the time, French fears were hardly inappropriate.

The British entered the war to stand by an 1839 treaty where they pledged the neutrality of Belgium, but even this treaty only gave Britain the right, not the duty, to act militarily if Belgium was attacked. Entry into the continental war was chosen by the British liberal party, and this entry probably had more to do with the Liberal Foreign Minister Sir Edward Grey's belief in what was right than any political calculation. Still, political concerns certainly supported Grey's (and the Liberal cabinet's) decision.

Decades of anti-German stories and sympathy for "neutral Belgium" encouraged vast pro-war public demonstration. The opposition Conservative party was sure to be more hawkish on the issue, and if the liberals failed to act, a pro-war opposition party and strong public feelings seemed to ensure that the incumbents would have shortly lost power if they hadn't supported war.

VII. American Wars 1898-1975

Between 1898 and 2000, the United States has fought six wars with more than 100 battle deaths: the Spanish-American War, World War I, World War II, the Korean War, the Vietnam War, and the Gulf War. The Spanish-American war and the Gulf War were wildly one-sided wars that involved less than 400 American battle deaths (and less than 2,500 deaths overall). The Korean War, the Vietnam War and World War I were quite significant, involving 34,000, 47,000 and 53,000 battle deaths respectively. Finally, World War II involved 292,000 battle deaths.[6]

The precipitating event leading to the Spanish-American War was the Cuban revolution against Spain led by Jose Marti. Spain's harsh suppression of that revolution, led by Valeriano Weyler, provided grist for journalists and politicians seeking to vilify Spain. Support for American intervention in Cuba was never led by President. Cleveland who was robustly non-interventionist and McKinley who only went to war under considerable outside pressure.

Support for the war came from a set of journalists and Cubans who vilified Spain and a set of domestic politicians outside the government who pushed for war. One set of

[6] Battle deaths are from http://web1.whs.osd.mil/mmid/casualty/WCPRINCIPAL.pdf

vilifiers were Cuban exiles who started their own newspaper (Patria) and steadily spread anti-Spanish, pro-war propaganda: "Aided by skillful propaganda churned out by the Cuban Junta in New York and Washington, the insurrection gained wide public sympathy, which the administration could not ignore" (Musicant, 1998, pp. 79-80).[7] Joseph Pulitzer, William Randolph Hearst and Hearst star reporter Richard Harding Davis, aided in the vilification by depicting the insurrection as a just uprising against a villainous Spanish regime. Weyler was described by Hearst's New York Journal as "a fiendish despot … a brute, the devastator … pitiless, cold, an exterminator of men" (Musicant, 1998, p. 75). As Mullainathan and Shleifer (2005) write, sharp categorization makes better stories than subtle discourse.

Political support for the war came from Republican outsiders like the Assistant Secretary of the Navy Theodore Roosevelt, Congressman Joe Cannon and Senator Henry Cabot Lodge. In the wake of the destruction of the American Ship, the Maine, Cannon pushed through a $50 million defense appropriation in the "Cannon Emergency Bill" and Roosevelt leapt to the forefront of Naval Recruiting. Enthusiasm for war in Congress was so strong that McKinley faced the very real prospect that if he didn't take action, Congress would declare war without his support. Faced with great popular enthusiasm for war, and a profound threat to his authority as President, McKinley finally put an ultimatum to Spain to quite Cuba and this ultimatum led to war. Outsiders saw great

[7] Their incentives were obvious. One member of the "Junta," Palma, became the first President of independent Cuba.

gains from belligerency, and just as the model suggests, the incumbent went ahead and declare war first.[8]

Outsiders were also more enthusiastic about American intervention in World War I that was President Woodrow Wilson. . Theodore Roosevelt became one of the strongest voices for American preparedness and involvement on the allied side.[9] Still, between 1914 and 1916, neither Woodrow Wilson nor the Republican leadership firmly committed themselves to engagement. Like the Cuban Junta before them, both English and German agents worked to get favorable publicity for their side and build hatred against their opponents. The English proved far more capable than the Germans at building hatred, and in the face of changing public opinion and increasing German attacks on American shipping, Wilson moved towards preparedness.

Still, in the election of 1916, Wilson ran as the more pro-peace candidate with the slogan "he kept us out of war." The Republican Party was slightly more bellicose, declaring that "we must have a coherent continuous policy of national defense, which even in these perilous days the Democratic Party has utterly failed to develop, but which we promise to give to the country."[10] The public was not yet convinced that a preventive war was necessary, and neither political party was inclined to go against public opinion.

Wilson's decision to lead America into war came only in April 1917 after the German navy had pursued unrestricted submarine warfare against both allied and U.S. shipping for two months. During this period, the Zimmerman telegram was also

---

[8] Roosevelt would, of course, become President largely because of his role in the war. Cannon would become Speaker of the House of Representatives, and Lodge secured a long career as the foreign policy leader of the Senate.

[9] As the model predicts, Theodore Roosevelt was deeply hawkish when he wasn't in power and didn't need to bear the consequences of his bellicosity, but during his time in office, he was moderate enough to even win a Nobel Peace Prize.

[10] Party platform test is from http://www.presidency.ucsb.edu/showplatforms.php?platindex=R1916.

published, exposing a German effort to bring Mexico into war against the U.S. In the face of this German activity, Wilson finally moved. There is not great evidence that he was acting to secure re-election in 1920, nor is it the case that congressional support for war was so strong that Wilson had little choice but to go to war. If anything, Wilson's calculation seems to have been an apolitical, idealistic decision.[11]

World War II seems almost unique among America's 20th Century conflicts. Franklin Roosevelt was more interventionist than some of his Republican opponents (with the notable exception of Wendell Willkie), but his actions prior to Pearl Harbor were fairly modest considering the scale of world-wide carnage. War only came about after a direct attack on the U.S., and as such, it is hard to see much of the model at work in the decision to go to war against Japan, especially since, even after Pearl Harbor, the U.S. did not declare war against Germany. Intervention into the European war came only after Nazi Germany itself declared war on the U.S.

The wars in Korea and Vietnam harken back to the pattern preceding 1941 where the strongest voices for war were outsiders. Both wars were led by Democrats whose opponents were more hostile towards the communist threat. After a North Korean attack on South Korea on June 25, 1950, the next day President Truman authorized General MacArthur to evacuate Americans and defend Seoul. Those orders were later extended to attacking any North Korean troops south of the 38th parallel. Truman eventually committed the U.S. to a full-scale war against both the North Koreans and eventually the Chinese to defend South Korea.

[11] The only way in which the model is vindicated is the remarkable work of the U.S. government to vilify Germans after war was declared. This was the first war where an explicit agency, the Committee on Public Information, worked hard to convince the public of the evil of their wartime opponent.

Truman was almost surely motivated by a strong sense of what was right, but he did face political incentives to intervene. Like McKinley in 1898, Truman faced a solid group of political opponents who had been attacking him for military weakness towards the Soviet Union and specifically for his failure to stop Mao Zedong's establishment of a communist China.in 1949. After Mao's victory, Senator Styles Bridges called for a vote of censure against the Truman administration and Senator Knowland called for Acheson's resignation (Acheson, 1969, p.358). Joseph McCarthy made his first assault on the administration in Wheeling, West Virginia, on February 9, 1950. Truman (and Acheson's) Republican opponents consistently called for a more aggressive policy against communism, particularly in the Far East.

A failure to defend South Korea in 1950 would have cost Truman politically. His Republican opponents immediately claimed that Acheson had invited aggression in Korea by a failure to affirm the U.S. commitment to Asia. The American public was convinced of a communist threat and many people thought that Truman had already shown weakness on this issue. As in 1898, a strong pro-war group outside of power increased the costs of peace for the incumbent.

The basic pattern of Democratic support for Vietnam mirrored Truman in Korea and McKinley in Cuba. As opposed to Truman, there is clearer evidence that Johnson's actions were motivated partially by a desire to reduce the ability of his Republican opponents to argue that he was soft. He was "especially worried about keeping Lodge mollified because Republicans are waging a Lodge-for-President write-in campaign in New Hampshire. He does not wish to give his Ambassador in Saigon a pretext for resigning in protest, coming home and running against him for President, complaining to

Americans that LBJ is doing too little to save South Vietnam" (Beschloss, 1997, p. 259). In the 1964 election against Goldwater, Johnson ran a campaign emphasizing that Goldwater was too pro-war, but at the same time, he saw commitment to Vietnam as a means of combating the view that he was himself too pro-peace.

Even in his second term, Johnson was afraid of appearing too weak to stay committed to the war in Vietnam or even to win it. He correctly anticipated that the Republicans would run a hawkish candidate in 1968, and that a Democratic failure to win the war would be used against the Democratic candidate.[12] His support for the war came not from a wag-the-dog attempt to distract from domestic weakness, but rather an attempt to pre-empt his domestic opponents from arguing that he wasn't sufficiently strong on national defense.

This history of American wars between 1896 and 1975 does not show an overwhelming pattern of political wars, perhaps because staying President for four more years isn't enough to make up for the terrible costs of war. If there is a political pattern, it is of less bellicose incumbents going to war to pre-empt pro-war opposition groups, which is one scenario suggested by the model. .

VIII. Conclusion

Does this model help us to understand conflict in the Middle East today? While the logic of the wag-the-dog section of the model has been used to explain American intervention in Iraq, if the war was meant to increase popularity, then this seems to have been a

[12] He did, however, underestimate the extent to which pro-peace forces within his own party would eventually upset his goals for second nomination.

profound miscalculation. It is hard to think that the change in the probability of staying in power (which in retrospect was probably negative) times the modest benefits of being president was even in expectation large enough to justify the difficulties inherent in leading the country through an unpopular war.

The one aspect of the model that is supported by recent events in the U.S. is that the supporters of the war, both in and out of the administration, worked hard to vilify Saddam Hussein. The fact that some allegations appear to be incorrect ex post is consistent both with the model and with almost every other example of wartime leadership. As Arthur Ponsonby said in 1928, "when war is declared, truth is the first casualty."

The model does better at explaining the political patterns in the Middle East. While previous Middle Eastern leaders, notably Nasser and Saddam Hussein, led their countries into wars, quite possibly to quiet domestic discontent, the current leadership of Islamic countries has not pushed towards war with Israel. Instead, it has been generally allied with the U.S. Egypt, Jordan, and Saudi Arabia and has frequently cooperated with the U.S. While the leadership of these countries has generally sought to avoid conflict (after all, any conflict would be immensely costly to them), dissident groups within these countries have been far more bellicose. These groups have worked to demonize the U.S. and Israel. For these political actors, who have little chance of coming into power, supporting conflict increases political support and there is little chance of having to actually lead the country in war.

Can the threat posed by these anti-U.S. and anti-Israel Arab leaders be reduced? The model suggests three parameters that might be changed and that might matter. First,

decreasing the returns to leading these countries, through checks on the power of the executive, should reduce the incentives to use military means to stay in power. Second, a greater rotation of leadership, where the current opposition has a higher probability of leading in the future, should reduce the attractiveness of promoting highly self-destructive policies. Third, policies that increase the costs of spreading hatred against the U.S. and Israel, will also make war less popular and war-mongering less attractive.

Appendix: Proofs of Propositions

Proof of Proposition 1: In the event that both candidates declare for peace, the probability of the incumbent remaining in power is $.5 + \hat{\eta} / q$ and the returns to being leader are B_0 for either leader, so the expected utility for the incumbent is B_0 times $.5 + \hat{\eta} / q$ and the expected utility for the challenger is B_0 times $.5 - \hat{\eta} / q$. If the incumbent is pro-peace, but the challenger declares for war, then the probably of the incumbent staying in power is $.5 + (\hat{\eta} + \theta R_B) / q$ and the expected utility of the incumbent is this probability times B_0. The expected probability of victory for the challenger is $.5 - (\hat{\eta} + \theta R_B) / q$ and the expected utility for the challenger equals $(.5 - (\hat{\eta} + \theta R_B) / q)(B_0 - B_1)$. This implies that the challenger will never declare war. because $\theta R_B > 0$.

If the incumbent declares war and the challenger supports the war, then the probability of electoral success for the incumbent is $.5 + (\hat{\eta} + \mu_I) / q$ and the expected benefits for the challenger are $(.5 - (\hat{\eta} + \mu_I) / q)((B_0 - B_1))$. If the incumbent declares war and the challenger promises peace, then the probability of electoral success for the incumbent is $.5 + (\hat{\eta} + \mu_I - p) / q$ and the expected benefits for the challenger are $(.5 - (\hat{\eta} + \mu_I - p) / q)(B_0 - B_1)$. The challenger will support peace if and only if $p > 0$.

Proof of Proposition 2: The incumbent receives expected utility of $(.5 + \hat{\eta} / q)B_0$ if he doesn't declare war. If p<0 so the challenger will support the war, then the incumbent's payoff from declaring war is $(.5 + (\hat{\eta} + \mu_I) / q)(B_0 - B_1)$. If p>0, so the challenger will support peace, then the incumbent's payoff from declaring war is $(.5 + (\hat{\eta} + \mu_I - p) / q)(B_0 - B_1)$. The incumbent's benefits from declaring war are therefore $(.5 + (\hat{\eta} + \mu_I - Max(0, p)) / q)(B_0 - B_1)$ which is greater than $(.5 + \hat{\eta} / q)B_0$ if and only if $\mu_I > \frac{B_1}{B_0 - B_1}(.5q + \hat{\eta}) + Max(0, p) = \mu_I^*$. The value of μ_I^* is falling with B_0, and rising with B_1, q, $\hat{\eta}$ and, when p > 0, p.

Proof of Proposition 3: If the incumbent doesn't initiate a war and the challenger also declares for peace, then for voters there are no net war related gains from supporting the challenger and the probability of the incumbent staying in power is $.5 + \hat{\eta} / q$. If the incumbent doesn't initiate a war, but the challenger declares for war, then for voters, the war related gains in supporting the challenger are $\beta \pi g_B \theta^2 R_A - \theta R_B$ and the probability of victory for the incumbent will equal $.5 + (\hat{\eta} - \beta \pi g_B \theta^2 R_A + \theta R_B) / q$. As such, the

challenger will benefit from initiating a war if and only if
$\beta\pi g_B \theta^2 R_A - \theta R_B > \frac{B_1(.5q - \hat{\eta})}{B_0 - B_1}$.

If the incumbent does initiate a war, and the challenger also supports the war, then the war related gains from supporting the incumbent are $(\beta\pi g_B \theta + 1)\mu_I$, the incumbent's prowess as a war leader makes him both an advantage in the current war and an advantage in the next war. As such, the probability of incumbent success is $(.5 + (\hat{\eta} + (\beta\pi g_B \theta + 1)\mu_I)/q)$. If the incumbent declares war and the challenger supports peace, then the war related benefits from supporting the incumbent equal $(1 + \beta\pi g_B \theta)\mu_I - p(1 - \beta\pi g_B \theta)$ and the probability of incumbent success is $(.5 + (\hat{\eta} + (\beta\pi g_B \theta + 1)\mu_I - p(1 - \beta\pi g_B \theta))/q)$. Putting these together, the challenger will support a war begun by an incumbent if and only if: $\beta\pi g_B \theta > 1$.

Conditions for the Incumbent to Support War: For the incumbent there are four cases to consider: (1) the challenger favors war in either state, (2) the challenger favors war in neither state, (3) the challenger supports whatever policy favored by the incumbent and (4) the challenger is strictly contrarian and supports war if and only if the incumbent favors peace.

If the challenger favors war in either state, then the incumbent favors war if and only if $(.5 + (\hat{\eta} + (\beta\pi g_B \theta + 1)\mu_I)/q)(B_0 - B_1)$ is greater than $(.5 + (\hat{\eta} - \beta\pi g_B \theta^2 R_A + \theta R_B)/q)B_0$ or
$\mu_I > \frac{B_1(.5q + \hat{\eta}) - B_0(\beta\pi g_B \theta^2 R_A - \theta R_B)}{(B_0 - B_1)(\beta\pi g_B \theta + 1)}$.

If the challenger does exactly what the incumbent does then the challenger favors war if and only if $(.5 + (\hat{\eta} + (\beta\pi g_B \theta + 1)\mu_I)/q)(B_0 - B_1)$ is greater than $(.5 + \hat{\eta}/q)B_0$ or
$\mu_I > \frac{B_1(.5q + \hat{\eta})}{(B_0 - B_1)(\beta\pi g_B \theta + 1)}$..

If the challenger declares peace in either case, then the challenger favors war if and only if $(.5 + (\hat{\eta} + (\beta\pi g_B \theta + 1)\mu_I - p(1 - \beta\pi g_B \theta))/q)(B_0 - B_1)$ is greater than $(.5 + \hat{\eta}/q)B_0$ or
$\mu_I > \frac{p(1 - \beta\pi g_B \theta) + \frac{B_1}{B_0 - B_1}(.5q + \hat{\eta})}{\beta\pi g_B \theta + 1}$

Finally, if the challenger always does the opposite of the incumbent then the challenger supports war if and only if $(.5 + (\hat{\eta} + (\beta\pi g_B \theta + 1)\mu_I - p(1 - \beta\pi g_B \theta))/q)(B_0 - B_1)$ is

greater than $\left(.5+\left(\hat{\eta}-\beta\pi g_B\theta^2 R_A+\theta R_B\right)/q\right)B_0$ or

$$\mu_I > \frac{p\left(1-\beta\pi g_B\theta\right)-\frac{B_0}{B_0-B_1}\left(\beta\pi g_B\theta^2 R_A-\theta R_B\right)+\left(.5q+\hat{\eta}\right)\frac{B_1}{B_0-B_1}}{\left(\beta\pi g_B\theta+1\right)}$$

In all four of these conditions, there is a cutoff point for μ_I that determines whether war is optimal for the incumbent.

Proof of Proposition 4: If $p=0$ so there effectively is no peace option once the war is started then, then the conditions collapse to: (1) the challenger declares war if the incumbent doesn't if and only if $\beta\pi g_B\theta^2 R_A-\theta R_B > \frac{B_1\left(.5q-\hat{\eta}\right)}{B_0-B_1}$, (2) if this condition holds, then the incumbent declares war if and only if $\mu_I > \frac{B_1\left(.5q+\hat{\eta}\right)-B_0\left(\beta\pi g_B\theta^2 R_A-\theta R_B\right)}{\left(B_0-B_1\right)\left(\beta\pi g_B\theta+1\right)}$ and (3) if the challenger's condition fails to hold, the incumbent declares war if the condition fails to hold if and only if. $\mu_I > \frac{B_1\left(.5q+\hat{\eta}\right)}{\left(B_0-B_1\right)\left(\beta\pi g_B\theta+1\right)}$.

When $\beta\pi g_B\theta^2 R_A-\theta R_B > \frac{B_1\left(.5q-\hat{\eta}\right)}{B_0-B_1}$, then $\mu_I^* = \frac{B_1\left(.5q+\hat{\eta}\right)-B_0\left(\beta\pi g_B\theta^2 R_A-\theta R_B\right)}{\left(B_0-B_1\right)\left(\beta\pi g_B\theta+1\right)}$, and when $\beta\pi g_B\theta^2 R_A-\theta R_B < \frac{B_1\left(.5q-\hat{\eta}\right)}{B_0-B_1}$ then $\mu_I^* = \frac{B_1\left(.5q+\hat{\eta}\right)}{\left(B_0-B_1\right)\left(\beta\pi g_B\theta+1\right)}$. At the point where $\beta\pi g_B\theta^2 R_A-\theta R_B = \frac{B_1\left(.5q-\hat{\eta}\right)}{B_0-B_1}$, μ_I^* drops discontinuously from $\frac{B_1\left(.5q+\hat{\eta}\right)}{\left(B_0-B_1\right)\left(\beta\pi g_B\theta+1\right)}$ to $\frac{B_1\left(.5q+\hat{\eta}\right)}{\left(B_0-B_1\right)\left(\beta\pi g_B\theta+1\right)}\left(1-\frac{B_0\left(.5q-\hat{\eta}\right)}{\left(B_0-B_1\right)\left(.5q+\hat{\eta}\right)}\right)$, which is positive if and only if $\hat{\eta} > \frac{.5qB_1}{2B_0-B_1}$.

To derive comparative statics in this case, it is necessary to consider both comparative statics holding challenger behavior constant and to then include the effects that come when parameters change challenger behavior. Holding challenger behavior constant, the variables, $\hat{\eta}$, q, and B_1 cause μ_I^* to rise and the variables B_0, β, π, and g_B cause μ_I^* to fall within region. Increases in R_A cause μ_I^* to fall and increases in R_B

cause μ_I^* to rise, when $\beta\pi g_B\theta^2 R_A - \theta R_B > \frac{B_1(.5q-\hat{\eta})}{B_0 - B_1}$. Increases in θ cause μ_I^* to fall unless $\beta\pi g_B\theta^2 R_A - \theta R_B < \frac{B_1(.5q-\hat{\eta})}{B_0 - B_1}$ and $2\beta\pi g_B\theta R_A < R_B$.

Increases in $\hat{\eta}$, β, π, g_B, B_0 and R_A and decreases in R_B, q and B_1 make the condition $\beta\pi g_B\theta^2 R_A - \theta R_B > \frac{B_1(.5q-\hat{\eta})}{B_0 - B_1}$, more likely to hold if this condition holds there is a discontinuous drop in μ_I^*. Increases in θ make the condition more likely to hold if $2\beta\pi g_B\theta R_A > R_B$, but this must always hold if the condition holds. As such, μ_I^* is smoothly increasing with q and B_1 and smoothly decreasing with β, π and g_B almost everywhere, but at the point where $\beta\pi g_B\theta^2 R_A - \theta R_B = \frac{B_1(.5q-\hat{\eta})}{B_0 - B_1}$, μ_I^* discontinuous jumps upward with q and B_1 and discontinuously jumps downward with β, π and g_B. Increases in $\hat{\eta}$ cause μ_I^* to rise almost everywhere, except at the point where $\beta\pi g_B\theta^2 R_A - \theta R_B = \frac{B_1(.5q-\hat{\eta})}{B_0 - B_1}$ at which point an increase in $\hat{\eta}$ causes a discontinuous jump downward in μ_I^*.

Proof of Proposition 5: If the incumbent has not declared war and has not sent a signal, then there are four options for the challenger: (1) no war/no signal, (2) no war/signal, (3) war/no signal and (4) war/signal. No war, no signal yields utility of $(.5-\hat{\eta}/q)B_0$. No war and signal yields expected utility of $(.5-\hat{\eta}/q)B_0 - k_C$, which is clearly dominated by no war/no signal. War/no signal yields utility of $(.5-(\hat{\eta}+\theta R_B)/q)(B_0 - B_1)$, which is also clearly dominated by no war/no signal, and finally war/signal yields utility of $\left(.5-\frac{1}{q}\left(\hat{\eta}-\beta\frac{\pi_0 g_B\theta^2 R_A}{\pi_0+\phi(1-\pi_0)}+\theta R_B\right)\right)(B_0 - B_1) - k_C$. This dominates no war/no signal if and only if $\beta\frac{\pi_0 g_B\theta^2 R_A}{\pi_0+\phi(1-\pi_0)} - \theta R_B > \frac{B_1(.5q-\hat{\eta})+qk_C}{B_0 - B_1}$.

If the incumbent has not declared war, but has sent a signal, then the challenger only needs to decide whether or not to declare war, and as before, he will benefit from war if and only if $\frac{\beta\pi_0 g_B\theta^2 R_A}{\pi_0+\phi(1-\pi_0)} - \theta R_B > \frac{B_1(.5q-\hat{\eta})}{B_0 - B_1}$. For the incumbent, the no war/no signal strategy is always preferable to the no war/signal strategy. Indeed, if $\frac{\beta\pi_0 g_B\theta^2 R_A}{\pi_0+\phi(1-\pi_0)} - \theta R_B < \frac{B_1(.5q-\hat{\eta})}{B_0 - B_1} < \frac{B_1(.5q-\hat{\eta})+qk_C}{B_0 - B_1}$, then the challenger will pursue no war/no signal in either case, so the incumbent has utility $(.5+\hat{\eta}/q)B_0$ if he chooses no war/no signal and utility $(.5+\hat{\eta}/q)B_0 - k_I$ if he chooses no war/signal. If

$\frac{B_1(.5q-\hat{\eta})}{B_0-B_1} < \frac{\beta\pi_0 g_B\theta^2 R_A}{\pi_0+\phi(1-\pi_0)} - \theta R_B < \frac{B_1(.5q-\hat{\eta})+qk_C}{B_0-B_1}$, then the challenger will pursue no war/no signal if the incumbent chooses no war/no signal and the challenger will pursue war if the incumbent chooses no war/signal. For the incumbent, the expected utility from no war/no signal is $(.5+\hat{\eta}/q)B_0$ and the utility from no war/signal is $\left(.5+\frac{1}{q}\left(\hat{\eta}-\beta\frac{\pi_0 g_B\theta^2 R_A}{\pi_0+\phi(1-\pi_0)}+\theta R_B\right)\right)B_0-k_I$, which is smaller than $(.5+\hat{\eta}/q)B_0$ because $\frac{\beta\pi_0 g_B\theta^2 R_A}{\pi_0+\phi(1-\pi_0)} - \theta R_B > \frac{B_1(.5q-\hat{\eta})}{B_0-B_1} > 0$ by assumption. Finally, if $\frac{B_1(.5q-\hat{\eta})}{B_0-B_1} < \frac{B_1(.5q-\hat{\eta})+qk_C}{B_0-B_1} < \frac{\beta\pi_0 g_B\theta^2 R_A}{\pi_0+\phi(1-\pi_0)} - \theta R_B$, then the challenger will choose war/signal if the incumbent pursues no war/no signal and war if the incumbent pursues no war/signal. The incumbent's expected payoff from no war/no signal is $\left(.5+\frac{1}{q}\left(\hat{\eta}-\beta\frac{\pi_0 g_B\theta^2 R_A}{\pi_0+\phi(1-\pi_0)}+\theta R_B\right)\right)B_0$, and his payoff from no war/signal is $\left(.5+\frac{1}{q}\left(\hat{\eta}-\beta\frac{\pi_0 g_B\theta^2 R_A}{\pi_0+\phi(1-\pi_0)}+\theta R_B\right)\right)B_0-k_I$. Thus no war/no signal is always preferable to no war/signal for the incumbent, and the incumbent will only send a signal if he is initiating a war.

For the incumbent, war/signal dominates war/no signal if and only if $\frac{\beta g_B\theta\pi_0(B_0-B_1)\mu_I}{q(\pi_0+\phi(1-\pi_0))} > k_I$. If the incumbent declares war without sending a signal, then the challenger will benefit from sending a signal if and only if $\left(.5-(\hat{\eta}+\left(\frac{\beta g_B\theta\pi_0}{\pi_0+\phi(1-\pi_0)}+1\right)\mu_I)/q\right)(B_0-B_1)-k_C$ is greater than $(.5-(\hat{\eta}+\mu_I)/q)(B_0-B_1)$ which is true if and only if $\frac{qk_C(\pi_0+\phi(1-\pi_0))}{(B_0-B_1)\beta g_B\theta\pi_0} < -\mu_I$. If this inequality holds, then the incumbent's utility for war/signal is k_I less than his utility for war/no signal, so war/no signal dominates. If $\frac{qk_C(\pi_0+\phi(1-\pi_0))}{(B_0-B_1)\beta g_B\theta\pi_0} > -\mu_I$, then the incumbent's utility for war/signal is $\left(.5+(\hat{\eta}+\left(\frac{\beta g_B\theta\pi_0}{\pi_0+\phi(1-\pi_0)}+1\right)\mu_I)/q\right)(B_0-B_1)-k_I$, and his utility for war/no signal is $(.5+(\hat{\eta}+\mu_I)/q)(B_0-B_1)$. War/signal dominates in this case if and only if $\frac{\beta g_B\theta\pi_0(B_0-B_1)\mu_I}{q(\pi_0+\phi(1-\pi_0))} > k_I$, and this inequality implies that $\mu_I > 0$,

so in particular $\frac{qk_C(\pi_0+\phi(1-\pi_0))}{(B_0-B_1)\beta g_B\theta\pi_0} > -\mu_I$. Thus war/signal dominates war/no signal for the incumbent if and only if $\frac{\beta g_B\theta\pi_0(B_0-B_1)\mu_I}{q(\pi_0+\phi(1-\pi_0))} > k_I$.

Now we turn to conditions under which the challenger will send a signal after the incumbent has declared war without sending a signal. As shown, the challenger will send a signal after the incumbent has gone war/no signal if and only if $\frac{qk_C(\pi_0+\phi(1-\pi_0))}{(B_0-B_1)\beta g_B\theta\pi_0} < -\mu_I$ (*), so we assume this inequality. Then $\mu_I < 0$, so we have $\frac{\beta g_B\theta\pi_0(B_0-B_1)\mu_I}{q(\pi_0+\phi(1-\pi_0))} < k_I$, which insures that war/no signal dominates war/signal for the incumbent. Assuming (*), the incumbent decides between war/no signal and peace/no signal. If $\frac{\beta\pi_0 g_B\theta^2 R_A}{\pi_0+\phi(1-\pi_0)} - \theta R_B < \frac{B_1(.5q-\hat{\eta})+qk_C}{B_0-B_1}$, then peace/no signal by the incumbent induces the challenger to go peace/no signal. In this case, the utility for peace/no signal for the incumbent is $(.5+\hat{\eta}/q)B_0$, while the utility for war/no signal is $\left(.5+(\hat{\eta}+\left(\frac{\beta g_B\theta\pi_0}{\pi_0+\phi(1-\pi_0)}+1\right)\mu_I)/q\right)(B_0-B_1)$, which is smaller than $(.5+\hat{\eta}/q)B_0$ because $\mu_I < 0$. So in this case the incumbent chooses peace/no signal. If $\frac{\beta\pi_0 g_B\theta^2 R_A}{\pi_0+\phi(1-\pi_0)} - \theta R_B > \frac{B_1(.5q-\hat{\eta})+qk_C}{B_0-B_1}$ (**), then peace/no signal by the incumbent induces the challenger to go war/signal. In this case, peace/no signal gives the incumbent utility $\left(.5+\frac{1}{q}\left(\hat{\eta}-\beta\frac{\pi_0 g_B\theta^2 R_A}{\pi_0+\phi(1-\pi_0)}+\theta R_B\right)\right)B_0$ and war/no signal gives the incumbent utility $\left(.5+(\hat{\eta}+\left(\frac{\beta g_B\theta\pi_0}{\pi_0+\phi(1-\pi_0)}+1\right)\mu_I)/q\right)(B_0-B_1)$, so war/no signal dominates if and only if $\frac{B_1(.5q+\hat{\eta})-B_0(\beta\pi g_B\theta^2 R_A-\theta R_B)}{(B_0-B_1)(\beta\pi g_B\theta+1)} > \mu_I$ (***), where $\pi \equiv \frac{\pi_0}{\pi_0+\phi(1-\pi_0)}$. Thus the challenger will send a signal after the incumbent has gone war/no signal if and only if (*), (**), and (***) hold, which is possible when $\mu_I < 0$, k_C is small, R_B is large, $\theta \approx R_B/R_A$, and $\beta\pi g_B > 1$.

Proof of Proposition 6: If the incumbent does not declare war, the challenger will if and only if $\beta\frac{\pi_0 g_B\theta^2 R_A}{\pi_0+\phi(1-\pi_0)} - \theta R_B > \frac{B_1(.5q-\hat{\eta})+qk_C}{B_0-B_1}$, or equivalently

$k_C > \frac{1}{q}\left(\left(\beta\frac{\pi_0 g_B \theta^2 R_A}{\pi_0+\phi(1-\pi_0)} - \theta R_B\right)(B_0 - B_1) - B_1(.5q - \hat{\eta})\right) \equiv k_C^*$. Comparative statics follow directly.

Proof of Proposition 7: First we assume $\beta \frac{\pi_0 g_B \theta^2 R_A}{\pi_0 + \phi(1-\pi_0)} - \theta R_B < \frac{B_1(.5q - \hat{\eta}) + qk_C}{B_0 - B_1}$.

Then if $\frac{\beta g_B \theta \pi_0 (B_0 - B_1)\mu_I}{q(\pi_0 + \phi(1-\pi_0))} > k_I$, war/signal dominates peace/no signal if and only if

$\mu_I > \frac{(B_1(.5q + \hat{\eta}) + qk_I)}{(B_0 - B_1)\left(1 + \frac{\beta g_B \theta \pi_0}{(\pi_0 + \phi(1-\pi_0))}\right)}$. If $\frac{\beta g_B \theta \pi_0 (B_0 - B_1)\mu_I}{q(\pi_0 + \phi(1-\pi_0))} < k_I$, then if

$\frac{qk_C(\pi_0 + \phi(1-\pi_0))}{(B_0 - B_1)\beta g_B \theta \pi_0} > -\mu_I$, war/no signal dominates peace/no signal if and only if

$\mu_I > \frac{B_1(.5q + \hat{\eta})}{B_0 - B_1}$, and if $\frac{qk_C(\pi_0 + \phi(1-\pi_0))}{(B_0 - B_1)\beta g_B \theta \pi_0} < -\mu_I$, war/no signal dominates peace/no

signal if and only if $\mu_I > \frac{(B_1(.5q + \hat{\eta}))}{(B_0 - B_1)\left(1 + \frac{\beta g_B \theta \pi_0}{(\pi_0 + \phi(1-\pi_0))}\right)}$, which is impossible because in

this case $\mu_I < 0$. Thus the incumbent goes to war if and only if

$$\mu_I > Max\left(\frac{(B_1(.5q + \hat{\eta}) + qk_I)}{(B_0 - B_1)\left(1 + \frac{\beta g_B \theta \pi_0}{(\pi_0 + \phi(1-\pi_0))}\right)}, \frac{(qk_I)}{(B_0 - B_1)\left(\frac{\beta g_B \theta \pi_0}{(\pi_0 + \phi(1-\pi_0))}\right)}\right) \text{ or}$$

$$\frac{B_1(.5q + \hat{\eta})}{B_0 - B_1} < \mu_I < \frac{(qk_I)}{(B_0 - B_1)\left(\frac{\beta g_B \theta \pi_0}{(\pi_0 + \phi(1-\pi_0))}\right)}.$$

Now we assume $\beta \frac{\pi_0 g_B \theta^2 R_A}{\pi_0 + \phi(1-\pi_0)} - \theta R_B > \frac{B_1(.5q - \hat{\eta}) + qk_C}{B_0 - B_1}$. If

$\frac{\beta g_B \theta \pi_0 (B_0 - B_1)\mu_I}{q(\pi_0 + \phi(1-\pi_0))} > k_I$, then war/signal dominates peace/no signal if and only if

$\mu_I > \frac{(B_1(.5q + \hat{\eta}) - B_0 P + qk_I)}{(B_0 - B_1)\left(1 + \frac{\beta g_B \theta \pi_0}{(\pi_0 + \phi(1-\pi_0))}\right)}$. If $\frac{\beta g_B \theta \pi_0 (B_0 - B_1)\mu_I}{q(\pi_0 + \phi(1-\pi_0))} < k_I$, then if

$\frac{qk_C(\pi_0 + \phi(1-\pi_0))}{(B_0 - B_1)\beta g_B \theta \pi_0} > -\mu_I$, war/no signal dominates peace/no signal if and only if

$\mu_I > \frac{B_1(.5q + \hat{\eta}) - B_0 P}{B_0 - B_1}$, and if $\frac{qk_C(\pi_0 + \phi(1-\pi_0))}{(B_0 - B_1)\beta g_B \theta \pi_0} < -\mu_I$, war/no signal dominates

peace/no signal if and only if $\mu_I > \frac{(B_1(.5q+\hat{\eta}))-B_0P}{(B_0-B_1)\left(1+\frac{\beta g_B \theta \pi_0}{(\pi_0+\phi(1-\pi_0))}\right)}$. Thus the incumbent goes to war if and only if

$$\mu_I > Max\left(\frac{(B_1(.5q+\hat{\eta})-B_0P+qk_I)}{(B_0-B_1)\left(1+\frac{\beta g_B \theta \pi_0}{(\pi_0+\phi(1-\pi_0))}\right)}, \frac{(qk_I)}{(B_0-B_1)\left(\frac{\beta g_B \theta \pi_0}{(\pi_0+\phi(1-\pi_0))}\right)}\right),$$

$$Min\left(-\frac{qk_C(\pi_0+\phi(1-\pi_0))}{(B_0-B_1)\beta g_B \theta \pi_0}, \frac{B_1(.5q+\hat{\eta})-B_0P}{B_0-B_1}\right) < \mu_I < \frac{(qk_I)}{(B_0-B_1)\left(\frac{\beta g_B \theta \pi_0}{(\pi_0+\phi(1-\pi_0))}\right)}, \text{ or}$$

$$\frac{(B_1(.5q+\hat{\eta}))-B_0P}{(B_0-B_1)\left(1+\frac{\beta g_B \theta \pi_0}{(\pi_0+\phi(1-\pi_0))}\right)} < \mu_I < -\frac{qk_C(\pi_0+\phi(1-\pi_0))}{(B_0-B_1)\beta g_B \theta \pi_0}.$$

I define μ_I^* as $Max\left(\frac{(B_1(.5q+\hat{\eta})-B_0P+qk_I)}{(B_0-B_1)\left(1+\frac{\beta g_B \theta \pi_0}{(\pi_0+\phi(1-\pi_0))}\right)}, \frac{(qk_I)}{(B_0-B_1)\left(\frac{\beta g_B \theta \pi_0}{(\pi_0+\phi(1-\pi_0))}\right)}\right)$ and comparative statics follow.

References

Acheson, Dean (1969) *Present at the Creation*. New York: W. W. Norton.

Bergahn, V. R. (1973) *Germany and the Approach of War in 1914*. New York: St. Martin's Press.

Beschloss, Michael (1997) *Taking Charge: The Johnson White House Tapes, 1963-1964*. New York: Simon and Schuster.

Bueno-de-Mesquita, Bruce (1981) *The War Trap*. New Haven: Yale University Press.

Case, Lynn (1972) *French Opinion on War and Diplomacy During the Second Empire*. New York: Octagon Books.

Craig, Gordon (1955) *The Politics of the Prussian Army*. Oxford: Oxford University Press.

Downs, George W. and David M. Rocke (1994) "Conflict, Agency and Gambling for Resurrection: The Principal-Agent Problem Goes to War," *American Journal of Political Science* 38(2): 362-380.

Fearon, James D. (1994) "Domestic Political Audiences and the Escalation of International Disputes," *American Political Science Review 88*(3): 577-592.

Gilpin, Robert (1981) *War and Change in World Politics.* Cambridge: Cambridge University Press.

Hess, Gregory and Athanasios Orphanides (1995) "War Politics: An Economic, Rational Voter Framework," *American Economic Review* 85(4): 828-846.

Howard, Michael (1961) The *Franco-Prussian War*. London: Routledge.

Gentzkow, Matthew and Jesse Shapiro (2006) "Media Bias and Reputation," *Journal of Political Economy* 114(2): 280-317.

Gooch, Brison (1956) "A Century of Historiography on the Origins of the Crimean War," *American Historical* Review 62(1): 33-56.

Keegan, John (1998) *The First World War*. New York: Vintage Books.

Kinglake, A. W. (1874) *The Invasion of the Crimea*. London: William Blackwood and Sons.

Levy, Gilat and Ronny Razin (2004) "It Takes Two: An Explanation of the Democratic Peace," *Journal of European Economic Association* 2(1): 1-29.

Levy, Jack S. (1987) "Declining Powers and the Preventive Motivation for War," World Politics 40(1): 82-107.

Mansfield, Edward and Jack Snyder (2005) *Electing to Fight*. Cambridge: MIT Press.

Marx, Karl (1859) "Quid Pro Quo" *Das Volk* (http://www.marxists.org/archive/marx/works/1859/quid-pro-quo/).

Mullainathan, Sendhil and Andrei Shleifer (2005) "Media Bias," *American Economic Review* forthcoming.

Musicant, Ivan (1998) *Empire by Default: The Spanish-American War and the Dawn of the American Century*. New York: Henry Holt and Company.

Organski, A. F. K. and JAcek Kugler (1980) *The War Ledger*. Chicago: University of Chicago Press.

Pipes, Richard (1990) *The Russian Revolution*. New York: Vintage Books.

Rousseau, David. L (2005) *Democracy and War: Institutions, Norms and the Evolution of International Conflict.* Stanford: Stanford University Press.

Russett, Bruce and John Oneal (2001) *Triangulating Peace: Democracy, Interdependence and International Organizations.* New York: W. W. Norton.
Sherif, N. (1961) *Integroup Conflict and Cooperation: The Robbers Cove Experiment*. Norman, OK: Institue of Group Relations.
Wawro, Geoffrey (2000) *Warfare and Society in Europe 1792-194*. London: Routledge.
.