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REFLECTIONS

Imperialism and the Logic of War Making

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JOSEPH T. SALERNO

Commentaries on war stretching back more than two millennia to the Peloponnesian War have enshrouded the fundamental causes of war in an almost impenetrable fog of myths, fallacies, and outright lies. In most studies, war is generally portrayed as the inevitable outcome of either complex historical forces or accidental events generally beyond the human combatants' understanding or control.

Fortunately, we can draw on a science of human action—*praxeology*—that is applicable to all purposeful activities. Although economics is the most developed branch of this science, its basic principles can also be applied to the analysis of violent action, including warfare. Murray Rothbard wrote: “The rest of praxeology [besides economics] is an unexplored area. Attempts have been made to formulate a logical theory of war and violent action, and violence in the form of government has been treated by political philosophy and by praxeology in tracing the effects of violent intervention in the free market” ([1962] 2004, 74).

As Rothbard suggests, what we might call the “logic of war making” is a relatively undeveloped area of the science of human action. Its elaboration is therefore necessary if we are to dispel the mythology of war and elucidate its true origin and character. The basic axiom of this praxeological discipline is that war is the objective outcome of the human endeavor of *war making*. As a human endeavor like any other, war making is the product of reason, purpose, and choice. Therefore, a proper analysis of war must take into account the war makers' goals, the means at their disposal, the

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benefits they anticipate from the war, and the costs they expect to incur in executing it. The analysis must also distinguish in a general way between the individual beneficiaries and the victims of war. These victims include not only the vanquished war makers and the residents of the territory they control, but also the productive inhabitants of the region that the victorious war makers control.

The Meaning of Imperialist War

At this point, because not all violent conflict constitutes war making, it is necessary to define war and to distinguish it from other forms of interhuman violence in order to circumscribe the bounds of the logic of war making within the general praxeological system. *War* is defined here as violent interaction between two groups of humans, one or both of which is a state. I adopt the definition of the state given by the anthropologist and historian of primitive warfare Lawrence H. Keeley: “States are political organizations [that] have a central government empowered to collect taxes, draft labor for public works or war, decree laws, and physically enforce those laws. Essentially states are class-stratified political units that maintain a ‘monopoly of deadly force’—a monopoly institutionalized as permanent police and military forces” (1996, 27).

Precivilized social groups such as bands, tribes, and even chiefdoms are not states because, according to Keeley, “a chief, unlike a king, does not have the power to coerce people into obedience physically” (1996, 27), but instead employs economic means or exploits a belief in magic to enforce his decrees. Although Keeley refers to “prestate warfare” or “primitive war,” for the purposes of praxeological analysis I restrict the term *war* to violent conflicts involving at least one state.

Combat between looser social groupings was motivated most commonly by vengeance for previous homicides or by economic objectives, especially access to natural resources and crude capital goods. For example, in Minnesota the Chippewa and Dakota Sioux tribes battled one another for more than 150 years over access to hunting territories and wild rice fields, whereas tribes in the Pacific Northwest frequently fought over frontage on the ocean and rivers with access to the salmon run (Keeley 1996, 115). Anthropological studies show that although most of these conflicts involved savage violence and extreme cruelty, often resulting in the expropriation, enslavement, expulsion, or annihilation of the vanquished tribe, their purpose was never to establish a hegemonic relationship and to exact regular tribute from the foe. As Keeley explains, “Polities that lack the physical power to subjugate their own populations or to extract involuntary tribute or taxes from them are extremely unlikely to make war against others for these purposes, since they lack the institutional and administrative means to convert victory into hegemony or taxation” (116).

Thus, although both nonstate social groups and states have historically engaged in the violent annexation of territories to acquire natural resources, only states possess the institutional means necessary to pursue a policy of imperialism—the ongoing

subjugation and economic exploitation of other peoples. Imperialist wars waged by states in every epoch of history are not accidental; they are the outcome of the powerful tendency to war making that is inherent in the very nature of the state.

War Making and Class Conflict

All governments past and present, regardless of their formal organization, involve the rule of the many by the few. In other words, all governments are fundamentally oligarchic, for two reasons. First, governments are nonproductive organizations and can subsist only by extracting goods and services from the productive class in their territorial domain. Thus, the ruling class must remain a minority of the population if its members are to extract resources continually from their subjects or citizens. Genuine “majority rule” on a permanent basis is impossible because it would result in an economic collapse as the tribute or taxes expropriated by the more numerous rulers would deprive the minority engaged in peaceful productive activities of the resources needed to sustain and reproduce itself. Majority rule would therefore eventually bring about a violent conflict between factions of the ruling class that would terminate in one faction’s establishment of oligarchic rule and economic exploitation of its former confederates.

Second, oligarchic rule is rendered practically inevitable by the law of comparative advantage. The tendency toward division of labor and specialization based on the unequal endowment of skills pervades all areas of human endeavor. Just as a small segment of the population is adept at playing professional football or dispensing financial advice, so a tiny fraction of the population tends to excel at wielding coercive power. As Arthur Livingston sums up this Iron Law of Oligarchy: “[In] all human groups at all times there are the few who rule and the many who are ruled” (1939, x; see also Rothbard 1996, 45–69). The inherently nonproductive and oligarchic nature of government thus ensures that all nations under political rule are divided into two classes: a productive class and a parasitic class, or, in the apt terminology of the American political theorist John C. Calhoun, “taxpayers” and “tax consumers” (1992, 15–21).

The king and his court, elected politicians and their bureaucratic and special-interest allies, the dictator and his party apparatchiks—these people are historically the tax consumers and, not coincidentally, the war makers. War has a number of advantages for the ruling class. First and foremost, war against a foreign enemy obscures the domestic class conflict in which the minority ruling class coercively siphons off the resources and lowers the living standards of the majority of the population, who produce and pay taxes. Convinced that their lives and property are being secured against a foreign threat, the exploited taxpayers develop a “false consciousness” of political and economic solidarity with their domestic rulers. An imperialist war against a weak foreign state—Grenada, Panama, Haiti, Iraq, Afghanistan, or Iran, for example—is especially enticing to the ruling class of a powerful nation such as the

United States because it minimizes the likelihood of losing the war and being displaced by domestic revolutionaries or by the rulers of the victorious foreign state.

A second advantage of war is that it provides the ruling class with an extraordinary opportunity to intensify its economic exploitation of the domestic producers through emergency taxes, monetary inflation, conscription of labor, and the like. The productive class generally succumbs to these increased deprivations on its income and wealth with some grumbling but little real resistance because it is persuaded that its interests are at one with those of the war makers. Also, at least in the short run, modern war appears to bring prosperity to much of the civilian population because it is financed in large part by money creation.

We thus arrive at a universal, praxeological truth about war: it is the outcome of class conflict inherent in the political relationship—the relationship between ruler and ruled, parasite and producer, tax consumer and taxpayer. The parasitic class—the rulers; their police, military, and civil servants; and their supporting special-interest coalition(s)—makes war with purpose and deliberation in order to conceal and ratchet up its exploitation of the much larger productive class. It may also resort to war making to suppress growing dissension among members of the productive class (libertarians, anarchists, and others) who have become aware of the fundamentally exploitative nature of the political relationship and who threaten to propagate this insight to the masses as communication grows cheaper and more accessible (via desktop publishing, AM talk radio, cable television, and the Internet, for example). Furthermore, the conflict between ruler and ruled is a permanent condition. This truth is reflected—perhaps only half consciously—in the old saying that equates death and taxes as the two unavoidable features of the human condition.

Thus, a permanent state of war or preparation for war is optimal for the ruling elite, especially one that controls a large, powerful state. Consider the current U.S. government as an example. It rules over a relatively populous, wealthy, and progressive economy from which it can extract ever larger amounts of loot without destroying the productive class. Nevertheless, it is haunted by the real and abiding fear that sooner or later productive Americans will come to recognize the continually increasing burden of taxation, inflation, and regulation for what it really is—naked exploitation. So the U.S. government, the most powerful megastate in history, is driven to pursue a policy of permanent war by the very logic of the political relationship. From the “war to make the world safe for democracy” to the Cold War and on to the current war on terror, the wars that U.S. rulers have fought in the past century have progressed from episodic engagements restricted to well-defined theaters and enemies to a war without spatial or temporal bounds against an ill-defined and incorporeal enemy—“terror.” A more appropriate name for this latest war involves a simple change in the preposition to “a war *of* terror”—because the U.S. state is terrified of productive, work-a-day Americans who may someday awaken and put an end to its massive predations on their lives and property and maybe to the ruling class itself.

In the meantime, the war on terror is an open-ended imperialist war the likes of

which were undreamed of by infamous war makers of yore, from the Roman patricians to German National Socialists. The economist Joseph Schumpeter was one of the few non-Marxists to grasp the idea that the primary stimulus for imperialist war is the inescapable clash of interests between rulers and ruled. Taking an early megastate, imperial Rome, as his example, he wrote:

Here is the classic example . . . of that policy which pretends to aspire to peace but unerringly generates war, the policy of continual preparation for war, the policy of meddling interventionism. There was no corner of the known world where some interest was not alleged to be in danger or under actual attack. If the interests were not Roman, they were those of Rome's allies; and if Rome had no allies, then allies would be invented. When it was utterly impossible to contrive such an interest—why, then it was national honor that had been insulted. The fight was always invested with an aura of legality. Rome was always being attacked by evil minded neighbors, always fighting for a breathing space. The whole world was pervaded by a host of enemies, and it was manifestly Rome's duty to guard against their indubitably aggressive designs. They were enemies who only waited to fall upon the Roman people. [No] attempt [can] be made to comprehend these wars of conquest from the point of view of concrete objectives. (1966, 51)

Thus, Schumpeter recognized that the “scrutiny of domestic class interests, the question of who stood to gain” (51–52), is the only way to understand the Roman state's seemingly pointless propensity to make imperialist war. He argued that the very existence of a large and politically important “Roman proletariat” was the result of the same “social process” that gave rise to the policy of conquest. The “causal connection” between the two was the ruling elite's systematic “robbery of peasant land” that underlay the extensive system of large estates, or *latifundia*, operated primarily by slave labor. As a natural consequence, the dispossessed peasantry streamed into Rome, and demobilized soldiers had no access to land or employment on the large estates. Schumpeter concluded:

The latifundian landowners were, of course, deeply interested in waging war. . . . The alternative to war was agrarian reform. The landed aristocracy could counter the perpetual threat of revolution only with the glory of victorious leadership. [I]t was an aristocracy of landlords, large-scale agricultural entrepreneurs, born of struggle against their own people. It rested solely on control of the state machine. Its only safeguard lay in national glory. . . . An unstable social structure of this kind merely creates a general disposition to watch for pretexts for war . . . and to turn to questions of foreign policy whenever the discussion of social problems grew too troublesome for comfort. The ruling class was always inclined to declare that the

country was in danger, when it really was only class interests that were threatened. (52–53)

Democracy and Imperialist War Making

Schumpeter's analysis explains democratic states' particularly strong propensity to engage in imperialist war making and why the Age of Democracy has coincided with the Age of Imperialism. The term *democratic* is being used here in the broad sense that includes "totalitarian democracies" controlled by "parties," such as the Nationalist Socialist Workers Party in Germany and the Communist Party in the Soviet Union. These political parties, as opposed to purely ideological movements, came into being during the age of nationalist mass democracy that dawned in the late nineteenth century.¹ Because the masses in a democratic polity are deeply imbued with the ideology of egalitarianism and the myth of majority rule, the ruling elites who control and benefit from the state recognize the utmost importance of concealing its oligarchic and exploitative nature from the masses. Continual war making against foreign enemies is a perfect way to disguise the naked clash of interests between the taxpaying and tax-consuming classes.

In this vein, it is noteworthy that the first instance of sustained global imperialism in the Western world was that of the democratic city-state Athens. Victor Davis Hanson has emphasized this point in his path-breaking work on the Peloponnesian War, where he writes: "'Athenianism' was the Western world's first example of globalization. There was a special word of sorts for Athenian expansionism in the Greek language, *attikizô*, 'to Atticize,' to become like or join the Athenians" (2005, 14). By the standards of the time, the expanse of the Athenian empire was breathtaking. By the outbreak of the Peloponnesian War, the empire had swelled to "nearly two hundred states run by seven hundred imperial overseers." According to Hanson, "To maintain such an empire, in the fifth century [B.C.] Athens had fought three out of every four years, a remarkable record of constant mobilization, unrivaled even in modern times" (27). Moreover, unlike its openly oligarchic rival Sparta, which led a loose voluntary coalition of states that genuinely feared a "proselytizing and expansionary" Athenian democracy, Athens unilaterally formulated and imposed a single strategy on its imperial subject-states and allies (13, 29).

Hanson does not shrink from noting the parallels between the imperialism of ancient Athens and that of the modern U.S. megastate:

Although Americans offer the world a radically egalitarian popular culture and, more recently, in a very Athenian mood, have sought to remove oligarchs and impose democracy—in Grenada, Panama, Serbia, Afghani-

1. On the concept of "totalitarian democracy," see Talmon [1951] 1970. My conception of totalitarian democracy differs from Talmon's because he applies it to "totalitarianism of the left," but not to "totalitarianism of the right" (Talmon [1951] 1970, 6–8).

stan and Iraq—enemies, allies, and neutrals alike are not so impressed. They understandably fear American power and intentions while our successive governments, in the manner of confident and proud Athenians, assure them of our morality and selflessness. Military power and idealism about bringing perceived civilization to others are a prescription for conflict in any age—and no ancient state made war more often than did fifth-century imperial Athens. (2005, 8)

Severing the Sinews of Imperialist War

Ernest Hemingway is supposed to have said, “The sinews of war are five—men, money, materials, maintenance (food), and morale.” In a modern market economy, Hemingway’s five Ms boil down in practice to one: money. A political oligarchy that rules and exploits a large and productive economy need only get its hands on sufficient funds in order to obtain the men, material, and maintenance necessary to carry out its war plans. Thus, Cicero spoke more truly when he said, “The sinews of war, a limitless supply of money.”

Furthermore, ever-expanding supplies of money and credit also boost the civilian population’s morale by distorting economic calculation and creating the temporary illusion that war brings prosperity. Explaining the connection between monetary inflation and civilian morale during wartime, Ludwig von Mises wrote in 1919: “In every great war monetary calculation was disrupted by inflation. . . . The economic behavior of the belligerents was thereby led astray; the true consequences of the war were removed from their view. One can say without exaggeration that inflation is an indispensable means of militarism. Without it, the repercussions of war on welfare become obvious much more quickly and penetratingly; war weariness would set in much earlier” (1983, 163).

The initial stages of war inflation, however, must eventually give way to crisis and depression because war entails a massive consumption of capital: a diversion of real resources from production for present and especially future civilian needs—that is, the maintenance and replacement of capital goods—to production for immediate military purposes. The productive class becomes aware of the enormous destruction of its real income and wealth only when inflation ceases and the ensuing crisis and recession reveal the war’s true costs in addition to its physical destruction of lives and property.² At this point, the bitterly disillusioned and demoralized producers begin to realize that their own interests are not identical with those of their imperialist rulers.

In the two world wars, the war makers on both sides were able to forestall this day of reckoning by suppressing the freedom to produce and exchange and by instituting in its place a more or less thoroughgoing command economy, featuring per-

2. For an explanation of how financing war through money creation distorts and conceals its actual costs, see Salerno 1995.

vative price controls and central direction of production and distribution by legal fiat.³ Things are different in contemporary imperialist wars, such as those the United States has fought since the end of the Cold War, because the vast disparity in military and economic might between the imperial state and the state it wishes to subjugate obviates recourse to massive monetary expansion.

For example, the current U.S. war on Iraq is estimated to have cost roughly \$346 billion from its inception in 2003 until the time of this writing (National Priorities Project 2007). During this time, the change in the Adjusted Monetary Base (MB)—which is completely controlled by the Fed and represents the “seignorage,” or inflation tax, that the government realizes from money creation—has been about \$137 billion. But the rate of growth of the MB has declined steadily, from 10 percent in mid-2002 to less than 5 percent in mid-2007. This decline is reflected in a decline in the rates of growth of broader monetary aggregates, such as MZM, M2, and M3. Yet, at the same time, U.S. federal government debt has ballooned by nearly \$2 trillion since March 2003, expanding the total debt accumulated since the inception of the American republic by more than 30 percent! How has this flood of new debt been financed if not by money creation? The answer: by borrowing from foreigners. In March 2003, foreign investors held about \$1,286.3 billion of federal government debt. By June 2006, they held \$2,091.7 billion, an increase of \$805.4 billion, or more than 40 percent of the increase of the total debt since March 2003.⁴ In other words, foreigners have by and large financed the U.S. imperialist adventure in Iraq, greatly mitigating the war’s economic burden borne by U.S. taxpayers and consumers—at least until foreigners refuse to absorb any more U.S. debt. At that point, the U.S. government will have to resort to increased taxation and more rapid money creation in order to continue to finance the war as well as to make the interest payments on the outstanding debt.

Does an aroused and disgruntled taxpaying class have any means at its disposal short of violent revolution for putting an end to the imperialist wars that suck the lifeblood (i.e., accumulated capital) out of the economy and consume its real wealth and income? Vladimir Lenin’s answer was, “[C]onvert the imperialist war into a civil war; all consistently waged class struggles in wartime and all seriously conducted ‘mass-action’ tactics inevitably lead to this” (1975, 195). The logic of war making, in conjunction with economics, its cognate praxeological discipline, reveals that Lenin’s dictum is indeed practicable and that a number of peaceful tactics are available to the productive masses to strike directly at the sinews of the imperialist war machine.

The first is the general strike, an *Atlas Shrugged* (Rand 1957) scenario writ large, in which the producers go on strike for lengthy periods and live off their accumulated

3. For a description of the process by which the U.S. economy was transformed into a command economy during World War II, see Higgs 1987, 196–236, and 2006, 3–123.

4. The data in this paragraph are drawn from Federal Reserve Bank of St. Louis 2006a and 2006b. Note that the Fed stopped calculating and reporting the M3 money stock series in March 2006.

savings. This tactic chokes off the current taxes that pay for the war, as well as the military supplies needed to execute it. Mass boycotts of goods and services produced by enterprises that profit directly from the war and of central government enterprises such as the monopoly of First Class mail in the United States strike directly at the revenues of the tax-consuming class. So do economic boycotts of the mass media, including establishment newspapers, periodicals, and major television broadcast networks. In the contemporary United States, the media, in particular the latter, are little more than legally licensed cartelists spewing forth government war propaganda.

Withdrawing all bank deposits and using only cash or barter arrangements in exchange would cause the fractional-reserve banking system to grind to a halt for a lengthy period because the monetary authorities would have to restrict withdrawals from all kinds of bank accounts until sufficient currency was printed and delivered to banks throughout the country. This undertaking might take months and would completely disrupt the monetary and financial system in the meantime, forcing the government to resort to the archaic and costly technique of literally printing and shipping new currency to pay for its war expenditures.⁵ Selling government bonds en masse, causing their prices to plunge, would wreak havoc with the balance sheets of banks and other financial institutions and make it extremely difficult for the government to issue war debt.

These mass-action tactics would yield a number of additional important benefits. First, they would cause a deep rift in the ruling class, which in a plutocratic democracy such as the United States is by no means monolithic because it includes significant elements of the big business and finance establishment that compete with one another for subsidies and special legal privileges from the state. This uneasy coalition of political interests can be readily destabilized by the radical change in the pattern of benefits and costs brought about by mass-action tactics that unevenly affect the revenues and subsidies of politically connected business firms. Thus, industrial firms and financial institutions that suffered significant hardships from these tactics would turn against the war, thereby shrinking and weakening the ruling class. When the prospect of civil war with former allies begins to loom, those in control of the state apparatus will have a strong incentive to halt the state's war-making activities. Second, other business firms completely outside the ambit of the tax-consuming, government-industrial complex—McDonald's, Wal-Mart, and Microsoft, for example—would also suffer losses as a result of the general strike and financial collapse, thus giving them an incentive to ally themselves with the renegade firms that formerly belonged to the political establishment. This newly emergent antistate coalition of business organizations might also strike peacefully at the enfeebled and demoralized imperial state by refusing to do business with it and by threatening to blacklist individual bureaucrats

5. As an indication of the enormous expense involved in printing Federal Reserve notes, a 2002 study by the U.S. General Accounting Office estimated that replacing \$1.00 notes by \$1.00 coins would save \$500 million annually (Hagenbaugh 2005).

and politicians as candidates for the lucrative jobs many of them anticipate in the private sector. Finally, the anti-imperialist alliance of large and powerful business interests brought into existence by the general strike and other peaceful mass-action economic tactics would naturally, if unintentionally, interpose itself as a protective shield between the economically debilitated but still dangerous and vindictive state and individual dissidents of the taxpaying class.

Conclusion

The praxeological method, which has been used successfully to elaborate the laws of economics, is also capable of yielding a systematic body of truths when applied to the analysis of war. Although the logic of war making has yet to be fully elaborated, it is clear that this praxeological subdiscipline is useful in dispelling long-entrenched myths and fallacies about war. Understanding the logic of war making also provides knowledge of how to end a war to those who have that goal.

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