



**Rosella Cappella Zielinski.** *How States Pay for Wars*. Ithaca: Cornell University Press, 2016. 208 pp. \$45.00, cloth, ISBN 978-1-5017-0249-5.

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*How States Pay for Wars* is a much-needed overview of the policy decisions and forces that shape the innocuous but significant concept of war financing. It delves into the complexity of domestic versus international funding of military campaigns and the assorted political costs and payoffs. The book's principle argument is that political leaders face a challenge in balancing the total cost of a war with the state's ability to obtain the resources to sustain it. Those resources include taxation, printing money, borrowing from domestic or international sources, and plunder. Excluding the latter as a rarely used policy in the modern era, the author creates a model for when and how these options are exercised in war funding based on citizen awareness, currency reserves, public support for the conflict, and inflationary fear. A set of cases taken from 1853 to 1970 explores the theorized methods of funding by analyzing conflicts that include colonial holdings and great power transitions among several countries, namely, the United States, the British Empire, Russia, and Japan.

Why states chose a particular option, or suite of options, for war financing depends on the domestic support for the war and the ability of the state to procure funding from domestic or foreign sources. Compounding the decision-making process, however, are myriad exogenous variables,

including domestic and global economic capability and limits, and a state's access to raw materials and manufacturing capacity. The variances between Harry S. Truman's finance strategy for the Korean conflict, driven by domestic taxation, and Lyndon B. Johnson's for Vietnam, driven by public debt, resulted from domestic factors. Weathering fears of inflation and successfully implementing a tax for the Korean conflict, Truman was able to keep his domestic programs intact. Conversely, facing no inflationary fear, an unpopular war, and concerns for continued funding of his domestic initiatives, Johnson chose debt over taxes.

In the cases of UK war financing, external debt financed by the United States became the chosen strategy for World War II, as Britain desperately needed weapons and materials immediately after the evacuation of Dunkirk. Yet Britain's funding for the Crimean War relied on the state's currency reserves, since the pound was the international reserve currency and material not readily available domestically was easily purchased abroad. Japan and Russia funded their early twentieth-century conflict with a mix of domestic taxation and international loans. Both countries enacted a series of reforms in the decades leading to the conflict which produced divergent outcomes in each state. Japan created a modern tax system, reformed land use, and created modern economy.

Still struggling to fully realize reform after the abolishment of serfdom, Russia also enacted land reform and tax modernization but was imperiled by poor bureaucratic capability. Consequently, the Japanese state enjoyed sustained tax revenue and easily accessed international credit at favorable rates. The Russian state struggled to properly access or effectively collect taxes and was forced to accept unfavorable international financing for the war effort. The nuances and complexities of domestic and international constraints are well articulated in these cases.

This work's accessibility is its greatest strength. The model is elegant in its simplicity and is explained succinctly. Those with no formal training in political economy will find this an easily digestible primer on the complexity of war finance. The diversity of cases presented in the book make it an ideal work for cross- or interdisciplinary courses or research, spanning conflict studies, political economy, and comparative political science. Further, the research presented in this study, especially for the United States and United Kingdom, is meticulous and illustrates highly competent archival work. While the examples of Russian and Japanese war funding represent more of an analysis of existing work on the subject, the book nevertheless rounds out an inquiry of state war financing, across geographical space, time, regime type, and domestic political considerations. The author's final chapter presents an initial effort at quantifying war finance by presenting exploratory findings from an original dataset. There is little doubt that more will come on this topic, and the political science community should welcome it.

While this study presents a valuable contribution in both substance and method to an overlooked subfield in the discipline, it is not immune to criticism on two fronts. First, the US and British case studies are well researched and synthesized within the context of the author's model, while the Russo-Japanese conflict receives sparser treatment. The US/UK case studies reference numerous

original sources, including personal correspondence between governmental leaders, internal policy memoranda, and economic and political analyses performed by various agencies and ministries. The Russo-Japanese cases, on the other hand, draw almost exclusively from secondary and tertiary sources, preventing the same level of understanding as the Western cases. This research choice is unfortunate, because the changing political and subsequent economic conditions in both Japan and Russia are well documented in available sources, including several collections at the Hoover Institute. The author concludes that financial constraints pushed the Russian government to negotiate conflict but fails to mention the devastating loss of Russian naval forces during the conflict that crippled its ability to wield power in the Pacific, resulting in forced capitulation. Second, while there is a clear lacuna in quantitative inquiries into this topic, the data portion of this study is highly perfunctory, to the point where the value of its inclusion in publication is questionable. Each variable seems appropriate and is adequately described, as is case selection. Two graphs included in the chapter illustrate points made in the analysis, but there are no attempts to test the author's hypotheses with the existing data. Hopefully, future work will expand these data parameters and model.

As an addition to a sparse literature, this book substantially develops several lines of inquiry into war financing across a diverse set of cases. The analysis fully incorporates the exchange between internal and external forces that shape the decisions state leaders make to fund wars. The bulk of the work focuses heavily on examples from the United States and the United Kingdom, with less emphasis on nondemocratic states. For an overview of a subfield of international conflict studies that suffered from a paucity of research, this is an excellent work.

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