

# American Omen

Garet Garrett knew where FDR's policies—and Bush's—would lead.

By Justin Raimondo

IN AN AMERICA in which a Republican administration has nationalized the financial sector and both Left and Right call on the government to save them, the authentic conservative is a stranger in his own country. The old signposts are missing, and he travels on roads he's never seen.

Conservatives looking for direction, for some clue as to how to get out of their present conundrum had best look to where they've been. One who has traveled that way before can tell them what lies ahead and how best to face it. In the case of the road we are now traveling, there was a wayfarer who knew this trail by heart: his name was Garet Garrett.

One of the first financial journalists in the country, a writer of nonfiction and sometime novelist, a polemicist and prose stylist without equal, Garrett was born on a farm in the Midwest in 1878, the year Edison patented the gramophone. Apprenticed at 16 to a printer, he fell into the business of journalism and made his way to the big cities, winding up in New York. There he joined the staff of Adolph Ochs's *New York Times*, where he served on the editorial board. He specialized in business and became the chronicler of the Roaring Twenties. In the heyday of untrammelled individualism and capitalism untamed, he was the chief celebrant of the New Era of prosperity and seemingly unlimited economic ascent. Later he became the historian of its betrayal and decline at the hands of its own defenders.

The stock market Crash of 1929 augured the end of the world he had known and the beginning of something new in American history: what Garrett called "a revolution within the form." Reading of his agony at the victory of Franklin Delano Roosevelt, a chill of déjà vu crawls up the spine of today's conservative: "Our fighting base is gone. Formerly we could say the people had voted for the New Deal. Now they have voted for it in a positive, overwhelming manner. Then what? ... Where is the new base? I don't see it. Where is the fighting position? I haven't any. No one else seems to have one. Hearst and [Al] Smith and Rockefeller embrace it. The Republicans are saying they must reorganize the party on a liberal platform."

Garrett, then at the height of his journalistic prominence and influence as chief editorial writer for the *Saturday Evening Post*—America's premier weekly magazine—reached the nadir of despair. The Republicans had come to him for advice, but as Garrett said of the hapless Alf Landon, "it is like dropping it down a well. There is no splash."

Recalling "a dreary weekend with Hoover," Garrett advised the president to rein in spending, adjust to the new price structure, and refrain from keeping wages high. Hoover acted instead on his belief that high wages, rather than greater productivity, create prosperity. Confusing cause and effect, Hoover sought to cajole and intimidate business into maintaining the bubble rather than liquidating malinvestment and redirecting capital to productive uses.

The response of the Bush administration to the economic meltdown is eerily similar to Hoover's, which was not a program of laissez faire as popularly misconceived but a program of deflation. Hoover not only instituted public works, but also introduced measures to prop up real estate prices and give subsidies, in the form of "loans," to failing businesses.

Some were adjusting to the new reality in spite of the New Deal's best efforts, and Garrett publicized their lonely struggle in a series on entrepreneurs bucking the tide: "In nearly every community," he reported, "no matter how deeply it may be sunk in depression, you will find a plant working night and day to fill orders." Giving us new perspective on the phrase "too big to fail," Garrett wrote that the owners were mostly small businessmen, the sort "whose attack upon adversity has carried [them] into some new ground of opportunity."

As the Depression swept away the illusion of prosperity, Garrett could feel the craving for a savior blowing like an ill wind, a premonition of the collectivism that filled the streets of Europe's cities with men in colored shirts—black, red, and brown. As Obama-worship sweeps the land and the media swoons over his every utterance, it seems like Garrett caught a glimpse of our world torn out of time. He saw "People wishing for some power to descend upon them from above and make everything right by edict ... the right thing must be done. How can people themselves think what the right magic is? How could they

perform it if they could think of it? Therefore, let the Government think of it and do it.”

This wasn't what the people had voted for. Roosevelt campaigned against deficits, vowed to cut spending and gut bureaucracy. He criticized the Republicans for being spendthrifts. When he got into office, however, he unleashed the infamous “Hundred Days,” which was Hooverism on steroids. At the end of it, Garrett and the *Post* brought out the heavy artillery and commenced firing: “The country,” he declared, had “embraced a dictatorship, with no conscious intention, no serious debate about it, by implied consent.”

The candidate who had campaigned for a “sound dollar” seized the nation's gold in the name of national emergency and repudiated the pledge printed on every dollar until that fateful moment: “Redeemable in gold on demand.” Thus was government freed from all constraints, as the phrase “we owe it to ourselves” lilted through the airwaves and into the popular consciousness. The government printing presses went into overdrive, yet they still couldn't match the pace of the economic collapse. Dr. New Deal's medicine was making the economy sicker, as it sank further after a fitful burst of contrived vitality. The pain would not end until Dr. New Deal morphed into Dr. Win the War—and then we graduated into a different level of pain.

In the meantime, in their frenzy to stop prices from falling and “stabilize” the economy, the New Dealers promoted a state of “equilibrium” as the ideal. This meant stasis, a state naturally reached only in death, but a perfect goal for those who had eagerly exchanged liberty for security. They tried to establish minimum prices and cartelize the economy—that was the purpose of the National Recovery Administration with its Blue Eagle ban-

ners and militaristic parades, meant to signal a show of force and beat business into submission.

The Supreme Court turned back the NRA's army, led by a general, appropriately enough, one Hugh Johnston, who drafted the Selective Service Act instituting conscription and ran Woodrow Wilson's War Industries Board. Yet the court capitulated in the end, paving the way for the rest of the Rooseveltian program, which worsened economic conditions in precisely the fashion Garrett expected: stultifying innovation, raising gigantism to sacred principle, and paying farmers to dump their crops and accept “resettlement,” like the Tartars under Stalin.

In 1936, Garrett took a trip to Detroit, where the automakers, led by Ford, were making a recovery. What was the source of their success? They were competitive, making new models with all sorts of new features, and prices had dropped since 1929. Ford rejected the NRA, defied the government, and soared ahead as his profit margins swam against the tide of national trends. Today, his epigones go hat in hand to Washington to beg for a bailout.

In the mythology of modern liberalism, the New Deal is Olympus and Roosevelt is Zeus, yet not a single one of his thunderbolts hit its mark, as Garrett reminds us in *The American Story*. The New Deal “never did restore employment. It never did restore the national income,” and it took the “miraculous timeliness” of a military build-up before the Depression was banished from our shores. Peacetime work projects were in short supply because local governments didn't want the maintenance costs of more schools, stadiums, and airports. But a huge national defense program was all right with conservatives and delighted liberals, who were agitating for war with Germany and Japan. The money spigot was opened, as all

welcomed a boondoggle with a patriotic gloss that provided jobs and maintained an inflationary “equilibrium.” As Obama's New Deal crashes and burns on these same peaks, one can't help but think that military Keynesianism might well be his last resort, on the grounds that anything—including war—is preferable to deflation.

In the end, Garrett had to conclude that the Rooseveltian program wasn't about economic recovery. The New Deal was a grand experiment carried out for its own sake as much as for impoverished Americans, and the Brain Trusters exuded an improvisational enthusiasm that masked the purpose of the revolutionaries in power: “Like a hagfish,” Garrett wrote, “the New Deal entered the old form and devoured its meaning from within. The revolutionaries were inside: the defenders were outside. A government that had been supported by the people and so controlled by the people became one that supported the people and so controlled them.”

Garrett concluded, “much of it was irreversible” because “once the government ... has assumed the power to provide people with buying power when they are in want of it.” The political culture, he dourly observed, “will never be the same again.”

He was correct, and now, after being forgotten for these many years, Garrett is making a comeback: he's the subject of a new biography by Bruce Ramsey, *Unsanctioned Voice: Journalist of the Old Right*, and his books are being reprinted. Rather than heeding the counsel of Republican moderates, those modern day Hoovers and Landons, conservatives must recover their wits—and rediscover the lost legacy of Gareth Garrett's America. ■

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*Justin Raimondo is editorial director of Antiwar.com.*

# Off Base

Is the future of the GOP Scots-Irish or Indian-American?

By Sean Scallon

SAMUEL “JOE” WURZELBACHER didn’t plan on becoming famous. Or getting a book deal. Or being offered a Nashville recording contract. When Barack Obama came to his Holland, Ohio neighborhood during the fall campaign, Wurzelbacher simply asked the candidate an honest question about his tax policy, and Obama gave him an honest answer about “spread[ing] the wealth around.”

But from that moment on, “Joe the Plumber” became the symbol of John McCain’s presidential campaign, a cultural totem that Republican strategists hoped would energize white, working-class voters—“Average Joes,” you might say. McCain’s handlers knew what they were doing when they had their candidate repeatedly invoke Joe, and his question about Obama’s tax policy, in the last presidential debate. They also knew what they were doing when they elevated Joe from local plumber to campaign surrogate.

That McCain only excited the Republican base when other people were campaigning with him—Joe the Plumber or running mate Sarah Palin—testifies to his weakness as a candidate. But it also suggests how important identity politics has become within the Republican Party and shows that the core constituencies for the GOP are white and working or middle class—Scots-Irish, Appalachian, Southern Baptist, “hockey mom,” and “Joe Six-Pack.” These are the party’s most loyal voters, and they helped McCain avoid an election rout of Mondale proportions. The question for the GOP going forward is whether this cur-

rent of identity politics will persist or whether Obama’s presidency will create conditions that will require playing to different identities in 2012.

Not since 1968 or 1972—possibly not since 1928—had a presidential campaign delved so deeply into the composition of the white middle class. Before the 2008 election, the term “Scots-Irish” was bandied about primarily by demographers and League of the South members. But Kevin Phillips, whose 1969 book *The Emerging Republican Majority* taught the party to build a winning coalition of Sunbelt whites and urban Catholics, has had his eye on this group for years. His 1999 book, *The Cousins’ Wars*, described the settlement patterns of Scots-Irish emigrating to the U.S. from Ulster. The course of their migration neatly tracks the map of states and counties that McCain hoped to win. The Scots-Irish often settled first in south-central Pennsylvania and then moved south along the Appalachian Trail into western Virginia and the western Carolinas, then moved west into Kentucky, Tennessee, northern Georgia, Alabama, and Mississippi, or north into southern Illinois, Indiana, and Ohio and across the Mississippi River into Arkansas, Missouri, Texas, and Oklahoma. Most of these states McCain carried by sizeable margins, and even in Obama’s home state of Illinois, the southern portion—known as “Little Egypt”—voted for McCain.

Phillips’s 2006 book, *American Theocracy*, detailed how this Ulster-colonized heartland sent its surplus population westward and northward to mining

camp and dam projects in the mountain West, auto plants and other factories in the industrial Midwest, all the way to the oilfields and mines of Palin’s Alaska. In the wake of these waves of internal migration came the Southern Baptist Convention and other Southern-based Christian denominations. Over the generations, the Scots-Irish white, Christian, middle- and working-class identity that seeded much of the country broadened enough to allow other whites like Joe Wurzelbacher (who comes from a German-settled area of northwest Ohio) and Governor Palin (whose married name is Norman in origin and whose maiden name, Heath, is Scots-English) to identify with it.

Phillips gave the GOP a blueprint for turning these demographics into a political base with *The Emerging Republican Majority*. But it wasn’t Karl Rove who built the machine—it was William Brock, the former Tennessee senator who headed the Republican National Committee from 1977 to 1981. Republicans were in even worse shape at the beginning of Brock’s tenure than they are now, not just thanks to Watergate but because the old patronage system that traded government jobs for votes and campaign work had collapsed. In order for the GOP to remain competitive with the Democrats, the party needed to align itself with special-interest groups and single-issue voters that could provide organizational and financial muscle to compete with the Democratic interest blocs that emerged in the 1960s and early 1970s. Brock found what he was