

## **Happy Warriors**

by Justin Raimondo

The War Lovers: Roosevelt, Lodge, Hearst, and the Rush to Empire, 1898 by Evan Thomas New York: Little, Brown & Company 480 pp., \$29.99

READERS OF THE WAR LOVERS, a fascinating account of the dawn of America's imperial age by Newsweek reporter Evan Thomas, are bound to feel a twinge of déjà vu as they put down the book. Focusing on three men—Theodore Roosevelt, Henry Cabot Lodge, and William Randolph Hearst—Thomas shows how they collaborated to usher in America's age of empire. Revolving each around the other like spiders spinning interlocking webs, they ensnared a nation in their shared delusion, occasioning a bout of mass hysteria that culminated in the Spanish-American War.

No three men were more dissimilar. Roosevelt hated Hearst, considered him the very height of vulgarity, and routinely denied making comments attributed to him in the Hearst press, yet they were brothers in spirit, fellow ideologues committed not only to war with Spain but to an explicitly imperialist doctrine promulgated by a man very unlike either the bombastic Roosevelt or the uniquely eccentric Hearst. Lodge, a fastidious and studied patrician, was nervous and prone to melancholia. While Hearst was the publicist and Teddy the politician, the Waspish Lodge was the theoretician.

Lodge was widely disliked in the elite Boston circles from which he sprang. The

Boston Brahmins, stalwart anti-imperialists, gave rise to the Anti-Imperialist League led by Edward Atkinson and his fellow New England "mugwumps"—the primary opposition to the expansionist policies advanced by the Lodge-Roosevelt-Hearst troika.

The anti-imperialists were mostly libertarians who believed—or, rather, fore-saw—that the acquisition of an overseas empire would irrevocably change the character and complexion of the nation and lead to the abolition of our republican form of government. Lodge, however, was made of sterner stuff: He extolled war as an end in itself, a means to moral and cultural revitalization, a kind of tonic that had to be imbibed periodically in order to keep the nation in good health. As a member of the House, and then as a senator, his hobbyhorse was what he and his supporters called "the Large Policy."

As Thomas describes it, Lodge "wanted to sprinkle the globe with American territorial possessions that would protect and open up trade." In other words, he wanted mercantilism, a foreign policy run by and for investment bankers and their corporate vassals. You've heard of Lenin's theory of imperialism, of course—that capitalism means constant warfare as a result of competition for overseas markets—but what you've probably not heard is that the Marxists got their theory from the "progressives" associated with Teddy's brain trust. As Murray Rothbard pointed out in A History of Money and Banking in the

United States,

By the late 1890s, groups of theoreticians in the United States were working on what would later be called the "Leninist" theory of capitalist imperialism. The theory was originated, not by Lenin but by advocates of imperialism, centering around [sic] such Morgan oriented friends and brain trusters of Theodore Roosevelt as Henry Adams, Brooks Adams, Admiral Alfred T. Mahan, and Massachusetts Senator Henry Cabot Lodge.

According to these early theoreticians of American imperialism,

the ever lower rate of profit from the "surplus capital" was in danger of crippling capitalism, except that salvation loomed in the form of foreign markets and especially foreign investments. . . . Hence, to save advanced capitalism, it was necessary for Western governments to engage in outright imperialist or neo-imperialist ventures, which would force other countries to open their markets for American products and would force open investment opportunities abroad.

Feeding into this fear of impending de-

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cline were other notions, such as that given expression by Frederick Jackson Turner, a young college professor, in a speech to the American Historical Association called "The Frontier in American History." With no more land to conquer and settle, Professor Turner averred, the race would fall into an inevitable senescence, spiritual as well as economic.

This fear permeated the circles in which Roosevelt and Lodge traveled. Roosevelt tried to alleviate it by becoming a caricature of the insecure male with something to prove. His obsession with actually getting into the fighting, as war with Spain loomed large, reveals a man clearly not at home with himself: The psychological roots of his bloodlust give off more than a whiff of Kraft-Ebbing. Weak and girlish as a child, as a man he "yearned for conflict," writes Thomas, "the ultimate conflict of war." Here was someone clearly out to prove the unprovable—with disastrous consequences for the nation.

LODGE'S BLOODLUST was more intellectualized, yet no less strident: If Teddy, embodying the bluster and braggadocio of early 20th-century American nationalism, was the Mussolini of the movement, Lodge was its Lenin. He was prepared to grasp any idea that advanced his concept of America as an emerging empire, particularly the theories of Adm. Alfred Thayer Machan, whose Influence of Sea Power on History was the key text of the expansionist canon. Machan's book caused a sensation when it came out, receiving accolades not only from the Roosevelt brain trusters but from Kaiser Wilhelm, who declared he was "trying to learn it by heart."

Machan's thesis was simple: Sea power is the key to military dominance. He took as his prime example the British Empire, a vast domain that extended its trade routes—by force—around the globe. Utilizing the crudest sort of Social Darwinism then in vogue, Machan raised the banner of the Anglo-Saxon race as the savior and

civilizer of mankind: *Via* sea power, the Anglo-Saxons would fan out across the Pacific and into the Indian Ocean, carrying with them the Anglo-Saxon seed. It was manifest destiny with a naval twist.

Lodge helped Roosevelt to get appointed assistant secretary of the Navy. Along with their faction in Congress, they pushed for a massive military buildup, with special emphasis on maritime "preparedness." What they were preparing for was war with Spain, and they got it—with the invaluable assistance of the third member of the warmongering trio, Hearst.

THE LEGENDARY NEWSPAPER publisher was an odd character, antisocial and introverted. His singular talent as a vulgarizer and spinner of tall tales masked yet another twisted psychological tangle of displaced passions and pathology masquerading as ideology. He was the pioneer in the art of journalism-as-narrative, which is not so much about reporting the news as it is creating a story line that simultaneously arouses the masses and serves some ulterior purpose.

Except, in Hearst's case, there was nothing ulterior about his designs on the Spanish in Cuba: He wanted them out, and the United States in. When a rebel Cuban spy, who just happened to be an attractive lady, was arrested by the occupation authorities, he hired a young adventurer to rescue her from prison, a task made easy by generous bribes, although no mention of this was made in the account published in Hearst's New York Journal. Instead, a fanciful tale of derring-do was invented, complete with drawings splashed across the front page of the damsel being abused by leering Spaniards. When the USS Maine went down, Hearst was truly in his element and—not for the first time—inspired to make up the news rather than report it. Hearst's newspapers claimed that a torpedo hole was found in the hull of the Mainea lie—and headlines screamed for American revenge. His editorial writers lambasted President McKinley for failing to rise to the occasion with sufficient bellicosity: The President was a "coward" who was "on his knees" before the Spanish. The speaker of the house, doughty old Thomas Bracket Reed, was "pro-Spanish" because he opposed the rush to war. If Hearst were alive today, his newspapers would be reporting that Saddam's "weapons of mass destruction" had somehow found their way into Iran, and only the faintheartedness of naysaying pacifists is preventing us from blowing them to smithereens.

Our road to empire was carpeted with corpses, and it wasn't long before the peoples we pledged to uplift turned on us with a righteous vengeance. The practice of waterboarding was first introduced into the U.S. military not in Iraq or Afghanistan, but in the course of the U.S. occupation of the Philippines, the prize Roosevelt had his eye on from the very beginning. This was the first living laboratory in which the "progressive" theorists and international do-gooders who rallied to Roosevelt's cause got to commit atrocities in the name of liberation and in the interest of social experimentation.

In the foreign-policy realm, their contemporary heirs are the neoconservatives, whose wars of liberation in Iraq and Afghanistan are rationalized in terms Senator Lodge and his cabal would find familiar. What was Lodge's enthusiasm for national vitalism through constant war but an earlier version of the neocons' "national greatness"? We can learn from the history of the War Party in this country only if we know it. Evan Thomas has performed a worthy service in presenting it in a new light.

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## **Back to Hamilton**

by William J. Quirk

How the Economy Was Lost: The War of the Worlds by Paul Craig Roberts Oakland, CA: AK Press 288 pp., \$15.95

THE CREDIT BUBBLE, which exploded in September 2008, exposed the fact that the U.S. economy has been devastated by globalism. Unemployment numbers—effectively close to 20 percent, about 25 million out of a workforce of 120 million—are near Depression levels. The figures have not moved despite the Bush and Obama administrations' policy of borrowing and printing money to defeat deflation.

The Federal Reserve, led by Ben Bernanke, views the economy in abstract terms. Bernanke entitled his 2002 speech to the National Economists Club "Deflation: Making Sure 'It' Doesn't Happen Here." Deflation, or falling prices, Bernanke found, "can be highly destructive to a modern economy and should be strongly resisted." The cause of deflation, he continued, is not a mystery—it is a collapse of aggregate demand, a drop in spending so severe that producers must cut prices to find buyers. The U.S. price level fell ten percent each year from 1930 to 1933. The two main troubles with deflation, according to Bernanke, are that it discourages borrowing, since the borrower must repay in more valuable dollars than those he borrowed, raising the real interest rate by the amount of deflation; and that existing debtors have to repay their debts in more valuable dollars.

Should the government encourage borrowing and debtor relief? An alternative approach would be to say that a little deflation now and then is necessary to maintain price stability over time. Prices were stable from the American Revolution until President Nixon took the country off its last tie to the gold standard in 1971. Prices have ballooned at least ten times since then—a 75-cent shrimp cocktail costs \$10; a \$100,000 townhouse costs at least \$1 million; a \$20,000 house sells today for \$200,000; a person earning \$16,000 then probably earns \$160,000 today, if he has stayed even. Of course, the only reason for creating the Federal Reserve in 1913 was to insulate the control of money from politicians. Politicians, it was reasonably argued, would print money to absorb any bump in the road. (The German inflation of 1923 is a good example.) But the past 40 years make clear that the discipline of the gold standard was more effective than that imposed by the supposedly independent Fed.

Did the United States face a deflationary threat in 2002? Bernanke said it was "remote" and reassured us that a "variety of policy responses are available should deflation appear." What are they? What is Bernanke's game plan?

The Federal Reserve, he said, will first reduce short-term interest rates to zero—punishing saving and encouraging borrowing and spending. If prices keep falling, Bernanke said, the government will just print money. Paper money has value only to the extent that supply is strictly limited.

"But the US government has a technology, called a printing press (or today, its electronic equivalent) that allows it to produce as many US dollars as it wishes at essentially no cost." Bernanke concludes,

Indeed, under a fiat (that is paper) money system, a government (in practice, the central bank in cooperation with other agencies) should always be able to generate increased nominal spending and inflation, even when the short-term nominal interest rate is at zero.

The Federal Reserve has been at it for a year and a half; they have lent two trillion dollars to our major financial institutions at zero or near-zero rates. Unemployment remains very high.

In his fascinating book, How the Economy Was Lost, Paul Craig Roberts, an assistant secretary of the Treasury under President Reagan, explains why financial manipulation will not help: There is no economy to revive. Mr. Roberts notes former Fed Chairman Alan Greenspan's unconcern with America's loss of manufacturing; Greenspan said there was a beneficial shift from "old" manufacturing (steel, cars, textiles) to "new" manufacturing (computers and telecommunications). But computer and telecommunications manufacturing was also quickly outsourced. Not only did the old manufacturing jobs—those that provided a decent middle-class liv-

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