

*American Identity and
the "Grand National Philosophy"*

The Shift of the United States from Republic
to Liberal Empire

Jonathan Hopkins

Under the duress of a prospective military intervention by the United States of America, beleaguered Dominican president Juan Isidro Jiménez resigned his post in May, 1916. Within a matter of weeks "U.S. warships were located off every major port city of the republic."¹ The U.S. initially deployed its armed forces to the Dominican Republic to provide security for its legation amid internal political unrest; however, this evolved into a stabilizing mission, taking the form of direct military rule.² A newspaper editorial aptly captures the overarching validation for the armed intervention by the U.S. in the affairs of this Caribbean nation: "[the military occupation] is to be done in the interest of peace...to enable the Do-

Jonathan Hopkins is currently finishing his third year at the University of Victoria. He would like to thank Professor David Western for his encouragement and suggestions on the original draft and the On Politics editorial board. Born and raised in Surrey, B.C., Jonathan has lived in Northern Ireland and the Dominican Republic. His academic interests include international relations, political philosophy, and Canadian politics. A record collector and rock n' roll enthusiast, outside of academic life Jonathan enjoys playing music, writing, and walking his dog Abe. Upon graduation he is planning on pursuing a career in journalism.

minican people to develop their industries."³ American military officials maintained control over the nation for eight years, and when the U.S. withdrew their forces they installed Generalissimo Rafael Molina Trujillo in their place. A ruthless despot, Trujillo would eventually leave behind one of the most notorious dictatorships in the history of Latin America. The events that transpired in the Dominican Republic during May, 1916, illustrate one of the many historical incidents that showcase the U.S.'s problematic role in the world as a liberal empire. On one hand, the principles that the U.S. was founded on—the rule of law, liberty, and equality—offer a model form of democratic governance in the eyes of many across the globe. On the other hand, the U.S. has often interfered in the affairs of sovereign nations in ways that seem to directly contradict the ideas and values that constitute its identity as a nation. This essay examines how an enlightened republic evolved into an empire. I argue that the seemingly contradictory nature of the U.S.'s role as empire is not contradictory at all: the central idea that has historically justified the U.S.'s imperial behaviour—liberal capitalism—also constitutes an essential part of its national identity.

The roots of the American empire can be traced back to the genesis of its statehood. The espousal of revolutionary ideas did not hinder the framers of the U.S. constitution from envisioning an American empire.⁴ In fact, they always had their sights set on expanding their territory. Thomas Jefferson, for instance, firmly held that Cuba would become the property of the U.S.; if not, he would acquire its territory "piece by piece."⁵ In a similar vein, American constitutionalists prophesied that their territory would expand into British North America, encompassing the entire North American continent.⁶ It is true that American forefather George Washington sought to direct the nation away from obtaining colonial possessions, based on his belief that foreign military ventures would raise taxes and be costly for domestic life; however, he also predicted that the U.S. would carry "some weight in the scale of Empires."⁷ Furthermore, although the Spanish-America War in 1898 is commonly referred to as America's first drive for territory outside its borders, it is important to note that, according to the U.S. State Department, there were over a hundred military interventions abroad between 1798 and 1895. Additionally, the American-Mexican War (1846-1848) saw the U.S. acquire half of Mexico's territory.⁸ Whether this early period constitutes imperialism or empire-building is a matter of semantics, but what is important is that the genesis of America's later imperial ambitions are found in the very origins of the U.S. as a nation-state.

How could the American revolutionaries—those celebrated in the annals of American history for their opposition to the British Empire—justify their advocacy of a future American empire? In their essay "Toward a Republican Empire: Interest and Ideology in Revolutionary America," Cathy Matson and Peter Onuf explain that the kernels of the U.S. empire are found in the way in which economic and political interests were radically redefined in the collective mindset of American society.⁹ In other words, the prevailing economic thought of eighteenth century America, mercantilism, originally viewed the mass accumulation of property as a deviation from republican values.¹⁰ However, it was only in light of reconceptualizing republican ideology that American thinking changed and popular opinion began to favour classical liberal economics. As Matson and Onuf write, the new liberal economic paradigm viewed "[c]ommercial enterprise [as]... directly linked with historical progress, [whereas] ... servitude and poverty were associated with the absence of 'wants' in a primitive, precommercial economy."¹¹ This crucial shift in thinking spawned powerful ideas that run throughout U.S. foreign policy to this day.¹²

This new way of conceiving political economy in the U.S. became the key ingredient in the ideological impetus of the American empire: freedom and political liberty became synonymous with liberal capitalism. Imperial expansion came to be seen as a beneficial policy that promised opulence.¹³ Venture capitalist merchants working abroad were no longer seen as thieves or swindlers as they had been in earlier republican thinking.¹⁴ Instead, they became mythologized, romanticized, and incorporated into American public life and discourse:

Merchants served the nation by venturing into a world that was usually at war and always infested by pirates, deceitful debtors, and ruthless competitors. As a result, the traditional conception of commercial enterprise as a means of "fraud upon strangers" began to give way to approval of the exchange of "refinements" which enriched and civilized the national community.¹⁵

Therefore, the roots of what might appear to be a contradiction would not have been in the minds of many Americans at the time. Spreading liberal economics was not imperialism, but rather travelling overseas to "freely" trade with backward parts of the world. These early capitalist merchants were beacons of civilization and ambassadors for America's freedom.

The powerful liberal idea that freedom meant the liberty to own property also had an immense impact on the structure of the U.S. government. For example, in its initial conception the dominant interpretation of the country's constitution impeded concerted efforts to colonize other territories.¹⁶ These barriers were removed, however, by American revolutionary James Madison in light of the country's need to expand its markets, a view clearly tied to liberal capitalism.¹⁷ Noteworthy American historian Walter Lafeber writes:

By 1829...an aged [James] Madison, soon to be known as the Father of the Constitution, concluded that regardless of how well the constitutional system had operated since 1789, its future was limited. In a century, he figured, the U.S. population would reach 192 million. The landed frontier would have ended, and its passing would mark the turning point in the nation's development. Without a frontier for further expansion, property holding would become difficult, especially for the crucial agrarian sector.¹⁸

James Madison's new interpretation of the constitution in the nineteenth century resulted in the U.S. shifting away from its traditional policies, buoyed by George Washington—that the United States should avoid taking part in foreign conquest and possess a small standing army so as to keep the perils of taxation to a minimum.¹⁹ But it was not simply ideological factors insistent on economic expansion that constituted the U.S.'s transformation from republic to empire. Policy-makers acting on these ideas consciously altered the structural nature of one of America's foundational institutions—the constitution. Madison's reinterpretation of the constitution accommodated expansionism, but it did so in consistency with values emblematic of the nation's heritage, namely, economic liberalism. Lafeber refers to the period of 1850-1889 as the "roots, not the fruits of empire."²⁰ James Madison's landmark reinterpretation of the constitution also paved the legal road for the U.S. government's colonial acquisitions at the turn of the twentieth century.²¹

The Spanish-American War was justified by the same aspirations of economic expansionism prevalent in the earlier nineteenth century. With a paralyzing economic depression from 1893 to 1897, the belief in the U.S. "that expansion was the essential feature of American history...[was] elevated...into a grand national philosophy."²² American president William McKinley became a staunch advocate of this thinking.²³ With America's social ills and financial situation deteriorating domestically, McKinley prescribed as a remedy the acquisition of new terri-

tory for America's exports.²⁴ With liberal economic notions of exploring markets and opening up trade fuelling the drive to acquire foreign markets for American goods in the background, the U.S. went to war with Spain in 1898. In the three month armed conflict, America's victory resulted in the U.S.'s acquisition of Guam, Cuba, the Philippines, Hawaii, and Puerto Rico. Despite this acquisition of territory, President McKinley resisted any reference or suspicion of American imperialism.²⁵ Speaking at an elite function, McKinley told his audience that "no imperial designs lurk in the American mind...what we really want is a market for our surplus."²⁶ In sum, McKinley did not see America's military actions abroad as imperialistic because liberal capitalism—including the acquisition of foreign markets—is at the core of American policy and identity. Just as McKinley saw forging new markets in other nations as non-imperialistic, those before him believed liberal capitalism to be America's contribution to the world. As Bernard Porter mentions, "that sudden shift to a more obvious kind of imperialism in 1897-8 was not really 'aberrant'; it followed on quite logically from what had gone before."²⁷ Thus, the Spanish-American War was a crucial historical event in America's maturation into empire. However, the ideological suppositions that justified this conflict derived from the founding of the U.S.

The promise of liberal capitalism was also extended to the Philippines while it was under U.S. occupation. Naval strategist and Captain Alfred Thayer Mahan held an influential position in crafting the U.S.'s foreign policy during Theodore Roosevelt's administration (1901-1909). He believed that there was no inherent contradiction in ruling the Philippines, as America's enlightened rule would replace the brutality of the Spanish.²⁸ Moreover, he was certain that "colonial policy benevolence and self-interest could blend happily."²⁹ Mahan cautions that the Filipinos "may not return love for their benefits," but this was attributed to their lesser capacity for reason—their infantile intellectual capacity hindered their grasp of liberal capitalism.³⁰ Secretary of War for Theodore Roosevelt (1904-1908), and later president, William Howard Taft refused to give independence to the Filipinos, who he deemed were the equivalent of children, until they learned the benefits of "a capitalist market economy."³¹ When criticized that America's rule over the Philippines was not by their consent, Taft retorted that "[the Declaration of Independence], when it speaks of the consent of the governed, has reference to people having knowledge as to what are their own best interests."³² The U.S. was not modernizing and developing the archipelagoes part of an imperial mission; rather, it was justified because the Spanish and the Filipinos had failed to make good of their land and comprehend

their interests.³³ Taft never saw any contradiction when opening up markets for U.S. businesses. Indeed, those businesses that refrained from free trade between the Philippines and the U.S. Taft referred to as the "quintessence of selfishness."³⁴

Regardless of the rhetoric and propaganda that portrayed the U.S.'s mission as humane and civilizing during its colonization of the Philippines (whereby America would bring its affluence and civilized liberal values to the Filipinos), the imperialism of the U.S. did not differ substantially from other colonial powers. The same signposts of underdevelopment and immiseration that had rocked Britain's colonies in Africa—disease, mental illness, and alcoholism—were apparent during the U.S.'s imperial control of the Philippines.³⁵ Michael Adas uses the U.S.'s colonization of the Philippines as a case study in the hypocrisy of American statesmen vis-à-vis America's imperial actions abroad.³⁶ He found that U.S. foreign policy had learned nothing from its occupation of the Philippines: "[the] setbacks and the larger failings of the American effort to 'modernize' the Philippines were largely forgotten and overlooked."³⁷ Taft, a precursor to influential American president and thinker Woodrow Wilson, was similar to McKinley in wholeheartedly embracing the development of the Philippines along the lines of modern capitalism. Like many influential American statesmen before him, Taft foresaw the U.S. growing into a global force, and he predicted that someday the U.S. would control the wider Western Hemisphere, ignoring the plight of the Filipinos.³⁸

The period in American foreign policy that became synonymous with Wilsonian idealism—whereby American president Woodrow Wilson declared the right of national self-determination and the end to secretive diplomacy—relied upon the same idea that has its origins in the founding of the republic. Not unlike his predecessors, Wilson held to the notion that liberal capitalism was at the ideological heart of the nation, an economic/political paradigm that policy-makers and much of the American public view as analogous to freedom itself. As political scientist Chalmers Johnson writes:

With Woodrow Wilson, the intellectual foundations of American imperialism were set in place. Wilson laid over his own hyperidealistic, sentimental, and ahistorical idea that what should be sought was a world democracy based on the American example and led by the U.S.³⁹

Woodrow Wilson illustrates the seemingly contradictory nature of the American Empire. Despite his rhetoric of civility, he carried on the leg-

acy of economic liberalism found in McKinley's policies. In Wilson's legendary Fourteen Points, his program for peace after WWI, Woodrow articulates his idea that "equality of trade" would "remove...all existing trade barriers."⁴⁰ He saw the aim of *laissez-faire* economics as political liberty, and because he saw the world this way he never questioned the undemocratic and violent methods by which America imposed its will on the affairs of other nations. On the topic of Latin American foreign policy, for instance, Wilson once stated that "[w]e are the friends of constitutional government in [all of the Americas]; we are more than its friends, we are its champions...I am going to teach the South American republics to elect good men!"⁴¹ Wilson never perceived his actions as imperialistic. He understood the U.S.'s role in the world as merely "showing the way" to less-developed nations, pedantically instilling American liberal values overseas by schooling sovereign nations on the freedom inherent in liberal capitalism.

Thus far the historical occurrences described have long been in the past. Perhaps U.S. foreign policy has changed? Both U.S. actions to maintain its empire and American expansionism in the name of free market economics are alive and well today. As there was no contradiction in the minds of American forefathers and presidents when it came to expanding the territory of the U.S. for economic gain, the same is true today regarding economics and political freedom. The former Undersecretary for the Department of Defense and one of the chief architects behind the United State's invasion of Iraq in 2003, Paul Wolfowitz, illustrates this point. When asked by journalists why the response to North Korea's and Iraq's hostilities warranted different reactions from Washington, he responded by saying: "[l]et's look at it simply. The most important difference between North Korea and Iraq is...the country [Iraq] swims on a sea of oil."⁴² Just as Mahan believed extending the values of liberty could co-exist with self-interest, Wolfowitz sees the U.S. occupation of Iraq today in the same way. Moreover, the current Bush administration adopted a policy paper Wolfowitz had penned in the early 1990s regarding the U.S.'s role in the world that demonstrates the ideology of Wolfowitz and other influential decision-makers in the Pentagon. Strikingly similar to the logic and drive toward foreign markets in early generations, *The National Security Strategy of the United States of America* (2002) romantically proclaims that the U.S. has a responsibility to spread the liberal capitalist values at its core. It reads: "[the U.S.] will actively work to bring the hope of democracy, development, free markets, and free trade to every corner of the world."⁴³ Thus, the U.S. government today is holding to its imperial practices demonstrated throughout its his-

tory. But seeing as the U.S. has insistently viewed liberal economics an embodiment of political freedom, it is questionable that the U.S.'s role in the world as an empire is contradictory.

In closing, thus far we have seen that there is no contradiction inherent in the nature of the United State's position in the world as empire. The quintessential idea that vindicated U.S. imperialism historically, namely, free market capitalism, forms a central feature of the nation's identity. As Matson and Onuf show, the ideological roots of the U.S.'s ascendancy to empire originated with the adoption of a liberal oriented political economy. This powerful transformation greatly impacted American political life. James Madison's reinterpretation of the constitution favoured the expansion of U.S. markets and pulled the country away from traditional understandings of the U.S.'s role in the world. His justification coincided with the expansive predilections within liberal economics. These notions travelled throughout the nineteenth century and manifested during the dawn of the twentieth century during America's war with Spain. It is in this period that America emerged as a global power with the ardent belief that its actions were not imperial but benign. McKinley rejected any accusation of imperial ambitions—America was merely acting upon the foundational belief of forging new markets for the benefit of all. Taft and Wilson also carried on this legacy, albeit with an air of liberal internationalism. Taft would refuse the independence of the Philippines until they had opened up their economy and practiced the economics of civilized peoples. For Wilson the liberty within capitalism superseded alternative principles such as national self-determination. In this he saw no contradiction. Why? Because the ends of liberal capitalism were analogous to liberty. Policy-makers today like Paul Wolfowitz have tenaciously employed this very same logic, demonstrating that political freedom and liberal capitalism are not only on an equal plane, but that they are symbiotic, and foundationally American.

Notes

¹ Bruce J. Calder, *The Impact of Intervention: The Dominican Republic During the U.S. Occupation of 1916-1924* (Austin: University of Texas Press, 1984), 8-9.

² Sumner Welles, *Naboth's Vineyard: The Dominican Republic 1844-1924, Vol. 2* (Mamaroneck, N.Y.: Paul P. Appel, 1966), 797.

³ "Unselfish Intervention," *New York Times*, 5 December 1916, <http://www.nytimes.com> (accessed 26 September 2007).

⁴ Bernard Porter, *Empire and Superempire: Britain, America and the World* (London: Yale University Press, 2006), 64.

⁵ Thomas Jefferson, quoted in Peter H. Smith, *Democracy in Latin America: Political Change in Comparative Perspective* (New York: Oxford University Press, 2005), 109.

⁶ Victor G. Keirnan, *America, the New Imperialism: From White Settlement to World Hegemony* (London: Zed Books, 1978), 4-5.

⁷ Chalmers Johnson, *The Sorrows of Empire: Militarism, Secrecy, and the End of the Republic* (New York: Henry Holt, 2004), 44-45; George Washington, quoted in Porter, 65.

⁸ Howard Zinn, *The Twentieth Century: A People's History* (New York: Perennial, 2003), 2; Nora Hamilton, "Mexico," in *Politics of Latin America: The Power Game*, eds. Harry E. Vanden and Gary Prevost, 2nd ed. (New York: Oxford University Press, 2006), 299.

⁹ Cathy Matson and Peter Onuf, "Toward a Republican Empire: Interest and Ideology in Revolutionary America," *American Quarterly* 37, no.4 (1985): 498.

¹⁰ *Ibid.*

¹¹ *Ibid.*, 517.

¹² For example, contemporary author Francis Fukuyama shares the view that economic liberalism is historically progressive by nature. He lauds the United State's historical influence over Japan in helping "create a truly universal consumer culture." This in turn assisted in "the spread of economic liberalism throughout Asia, and hence in promoting political liberalism as well" (Francis Fukuyama, "The End of History?," *National Interest* 16 [1989]: 3-18.).

¹³ Matson and Onuf, 516-517.

¹⁴ *Ibid.*, 503.

¹⁵ *Ibid.*

¹⁶ Walter Lafeber, "The 'Lion in the Path': The U. S. Emergence as a World Power," *Political Science Quarterly* 101, no.5 (1986): 705-706.

¹⁷ *Ibid.*, 706.

¹⁸ *Ibid.*

¹⁹ Johnson, 44-45.

²⁰ Walter Lafeber, *The New Empire: An Interpretation of American Expansionism 1860-1898* (Ithaca, N.Y.: Cornell University Press, 1963), 61.

²¹ Lafeber, "Lion in the Path," 707.

²² Porter, 69.

²³ *Ibid.*, 108-109.

²⁴ Zinn, 12.

²⁵ *Ibid.*, 22.

²⁶ *Ibid.*

²⁷ Porter, 68.

²⁸ Keirnan, 120.

²⁹ *Ibid.*

³⁰ *Ibid.*

³¹ Michael Adas, "Improving on the Civilizing Mission?: Assumptions of U.S. Exceptionalism in the Colonization of the Philippines," in *The New American Em-*

pire: *A 21st Century Teach-In on U.S. Foreign Policy*, eds. Lloyd C. Gardner and Marilyn B. Young (New York: New Press, 2005), 162.

³² "Philippines Policy Discussed by Taft; People Not Fit for Independence Yet, He Declares" *New York Times*, 25 October 1904, <http://www.nytimes.com> (accessed 16 August 2007).

³³ Adas, 154.

³⁴ "Taft Arraigns Sugar and Tobacco Interests" *New York Times Article Archive: 1851- 1980*, 21 November 1905, <<http://www.nytimes.com/>> (16 Aug. 2007).

³⁵ Adas, 180-181.

³⁶ *Ibid.*, 181.

³⁷ *Ibid.*, 182.

³⁸ Noam Chomsky, *Hegemony or Survival: America's Quest for Global Dominance* (New York: Henry Holt, 2003), 64.

³⁹ Johnson, 51.

⁴⁰ "8 January, 1918 President Woodrow Wilson's Fourteen Points," *The World War I Document Archive*, ed. Richard Hacken, March 2006, <http://net.lib.byu.edu/~rdh7/wwi/1918/14points.html> (accessed 18 August 2007).

⁴¹ Smith, 110.

⁴² Tariq Ali, *Bush in Babylon: The Recolonisation of Iraq* (New York: Verso Books, 2004), 152.

⁴³ U.S. National Security Council, *The National Security Strategy of the U.S. of America*, September 2002, <http://www.whitehouse.gov/nsc/nss.pdf> (accessed 17 August 2007).

Loans to the Vulnerable

The Ethics of Microlending

Joel Ratcliffe

Microcredit and microfinance have received considerable attention recently in both aid and business communities. The year 2005 was named the International Year of Microcredit by the United Nations, and in 2006 Grameen Bank and founder Muhammed Yunis jointly won the Nobel Peace Prize for their contributions to poverty reduction in rural Bangladesh. However, the merits of microlending remain a topic of great debate. Centred largely in Asia and Latin America, the numerous studies on microcredit and microfinance have displayed significant variations in their findings. Many aspects of microlending are widely disputed, such as the ability of microcredit to reach the core poor, the way that it affects women and families, the commercial potential of microfinance, the ethics of profiting from the poor, and ultimately whether governments should act to either promote or regulate microlending. This paper addresses only the final two: are borrowers without collateral too susceptible to coercion to justify commercial microfinance? Should states regulate such

Joel spent his childhood and high-school years in Nelson, BC, playing soccer and back-country skiing. He misses the Kootenays terribly whenever he is away. As he finishes his political science degree at the University of Victoria, Joel is particularly interested in cooperative studies, international development, and humanitarian intervention. He would like to thank his friends, professors, editors, and all the rest who have kindly taken the time to argue with him.