

BOOK REVIEWS

Edited by N. Stephan Kinsella *

RONALD STEEL. *WALTER LIPPMANN AND THE AMERICAN CENTURY*. NEW ED. NEW BRUNSWICK, N.J.: TRANSACTION, 1999. PP. 669. WITH A NEW INTRODUCTION BY THE AUTHOR.

Ronald Steel's biography of Walter Lippmann reads like a history of the first three-quarters of the twentieth century. Lippmann lived through and helped forge a period of extraordinary transformation in American life.

He was unusually prolific, and the subject of much critical acclaim. Even when his work was occasionally panned, it rarely failed to excite lively discussion and controversy. At only 23, he published the well-received *A Preface to Politics*, and the following year released *Drift and Mastery*, which still stands as a classic statement of the progressive creed.¹

At 27, he served as a member of the Inquiry, the secret organization of intellectuals that Woodrow Wilson summoned to devise a workable arrangement for international order at such time as World War I should end. Lippmann was an adviser to presidents and a celebrity honored throughout the world.

He spent his early years at the progressive *New Republic* magazine, and went on from there to a position with the *New York World* in 1920. At the time he joined, the *World* had a reputation for sensationalism and yellow journalism; under Lippmann's influence, the paper became

* General Counsel and Vice President for Intellectual Property at Applied Optoelectronics, Inc. To submit reviews for this section, visit him online at www.stephankinsella.com.

¹ Walter Lippmann, *A Preface to Politics* (New York: M. Kennerley, 1913); Walter Lippmann, *Drift and Mastery: An Attempt to Diagnose the Current Unrest* (New York: M. Kennerley, 1914).

more sober and nuanced, though it never quite reached the level of professionalism that Lippman sought.

Indeed, it was precisely this quality that made Lippmann's editorials, however elegant, unsuited to the *World's* traditional blue-collar audience from whom Lippmann found himself increasingly estranged and alienated. This was not merely a stylistic or editorial idiosyncrasy. As Steel explains, it symbolized Lippmann's conviction that Alexander Hamilton had it right: the masses, far from constituting the virtuous backbone of the republic that Thomas Jefferson had supposed, were, in fact, an uninformed mob from which the republic had to be protected.

Lippmann developed this theme over the course of his first several books, all of which attracted enormous critical acclaim for the young author. How, he asked, can the great mass of people, on whom the fortunes of the country rest, possibly possess the immense knowledge necessary to make sober and wise political judgments in a nation and world growing so complex? He answered this question a number of different ways over the course of his career, but he is best known for his central contention, which he later repudiated, that only a knowledgeable and well-trained elite, sheltered from the mercurial passions of the American people, could ultimately be trusted to direct the nation's affairs.

All of this is fairly standard Lippmann fare. But Steel also reconstructs Lippmann's views on a number of much more personal matters, none more so than his Jewish background. "Although he had grown up in a Jewish world," Steel writes, "he resisted confining himself to it, or even identifying with it. He dealt with his Jewish identity largely by choosing to ignore it" (p. 186).

When he briefly addressed the issue in the late 1910s and early 1920s, he did so in language that jolts the modern ear. For example, he said in print that just as "Jew-baiting produced the ghetto and is compelling Zionism, the bad economic habits of the Jew, his exploiting of simple people, has caused his victims to assert their own nationality" (p. 189).

"Nothing is more disheartening to me than the kind of tribal loyalty which you ask of me," he told *Menorah Journal* editor Henry Hurwitz, who had been shocked by Lippmann's comments. "You need not expect it of me. You need not expect me to subscribe to the myth of an innocent Jewish people unreasonably persecuted the world over. The guilt is not as one-sided as most Jews would like to believe" (p. 189).

Book Reviews

Lippmann appears to have held this position for the rest of his life. He consistently refused to join, or even address, Jewish organizations, even spurning an award from the Jewish Academy of Arts and Sciences. Needless to say, Lippmann was at no time a Zionist. Steel recounts the testimony of one of Lippmann's friends who explained that even when they played Scrabble, she refrained from using the word "Jew" so as not to upset him (p. 196).

Steel also captures something of the texture of American life in the early part of the century by showing that, for the most part, even the Left partook of the basic decency that then characterized the nation. Thus, when the New York police, "in an election year show of concern for public morals, raided the popular girlie revue Earl Carroll's *Vanities*, Lippmann gave a nod of approval." The show, he said, had perpetrated "deliberate and commercial" obscenity, and "aimed to provide the maximum erotic excitement the law will permit." A salutary fine would "discourage the too-rapid advance of competitive smut." Dirty magazines, for that matter, should be "driven off the newsstands and put out of sight. . . . There is no more reason why these things should be displayed on the streets than that the garbage should be dumped in City Hall Park" (pp. 208–9).

Politically, Lippmann was a progressive of sorts, albeit one whose views occasionally diverged from those of his fellows. Although he had come to oppose Herbert Hoover by the end of his term, Lippmann had been one of the Great Engineer's top supporters in 1920. He perceived in Hoover, quite correctly, the impulse for intervention and the instincts for management that characterized the progressive mentality. He would later observe that Hoover's "historic position as a radical innovator has been greatly underestimated and . . . Mr. Roosevelt's pioneering has been greatly exaggerated" (p. 286)—a point that was not fully absorbed in academic circles until decades later by means of revisionist scholarship, most notably that of Murray Rothbard.

Neither was Lippmann especially sold on Franklin D. Roosevelt. FDR was "an amiable boy scout," a "pleasant man who, without any important qualifications for the office, would very much like to be President" (p. 292). But new blood was essential, he thought, and the amiable boy scout at least had potential.

Lippmann was of two minds concerning the New Deal. He accepted nearly of all its key programs, and considered opposition to the welfare state to be unreasonable. At the same time, for a liberal,

he was unusually fearful of the potential for dictatorship along the fascist model that Depression conditions invited. He was friendly with F.A. Hayek, whose *The Road to Serfdom* was intended as a warning to “progressives” that economic collectivism inevitably led to political tyranny. Alan Brinkley points out that, in 1937, Hayek actually wrote to Lippmann, “I wish I could make my ‘progressive’ friends . . . understand that democracy is possible only under capitalism and that collectivist experiments lead inevitably to fascism of one sort or another.”²

Though not a classical liberal, Lippmann appreciated Hayek’s warning, and could easily be critical of an executive run amok. Roosevelt’s court-packing scheme, a rather naked attempt to overcome judicial obstacles to the New Deal, elicited shock and outrage from Lippmann, who, over a period of five months in 1937, devoted thirty-seven columns to the subject. In what he later described as a “protest vote,” he actually voted for Alf Landon in 1936 (p. 318).

Especially bizarre, though, is that Lippmann himself had urged Roosevelt in 1933, “The situation is critical. You may have no alternative but to assume dictatorial powers.” He rationalized his apparent about-face by noting that while FDR had been granted extraordinary powers for the sake of laying the groundwork for economic recovery, the reform programs of the Second New Deal went well beyond this modest goal. “The people gave Mr. Roosevelt a sword to lead them in a particular battle,” he wrote. “That battle is over, and that sword should now be returned to its scabbard” (p. 316).

For all his mental prowess and occasionally unpredictable intellectual trajectory, Lippmann was by no means immune from academic fashion: he swallowed whole the economic analysis of his friend John Maynard Keynes, for instance. Keynes, a delighted Steel tells us, persuaded Lippmann from his superstition in favor of balanced budgets, explaining instead the need for government to stimulate the economy through deficit spending during economic downturns (and to raise taxes to slow an economy at risk of overheating). Economists of the Austrian school have observed scornfully (and correctly) that the overwhelming success and influence of Keynes’s *General Theory* derives less from its inherent persuasiveness and scholarly rigor than

²Alan Brinkley, *The End of Reform: New Deal Liberalism in Recession and War* (New York: Alfred A. Knopf, 1995), p. 158.

Book Reviews

from the fact that it provided an intellectual veneer to the kind of national economic management that leftists wanted to engage in anyway. In Lippmann's case, his distrust and even contempt for *laissez faire* and his conviction that an educated elite ought to manage the nation's affairs made him a ready convert to the new economic doctrines of fiscal policy and demand management.

Steel's eminently predictable and almost painfully trite economic commentary, particularly in his discussion of the Depression and the New Deal, is the book's greatest weakness. Thus, he criticizes Lippmann's early timidity, reflected in his opposition to "the child-labor amendment, a federal guarantee of civil rights, and early payment of veterans' bonuses," for failing to "recogniz[e] that the crisis demanded extraordinary measures" (p. 289)—a conclusion by no means obvious, and one that can hardly be expressed as though it were common knowledge.

According to Steel, Lippmann's concerns about political tyranny resulting from a concentration of power in the executive during the New Deal years indicated that "he was less sensitive than he might have been to economic injustice and inequality" (p. 322). Especially inane is Steel's brief for Francis Townsend's scheme whereby the federal government would give \$200 per month to all citizens over age sixty, on the condition that they spend it within the month. This plan, he writes, "would have increased demand, thereby stimulating investment and production"—leaving us to wonder why the government should not give every person a million dollars, since this would presumably stimulate investment and production still more. Since academia takes such normative judgments and economic fallacies for granted, few scholars are likely even to notice Steel's occasional suspension of scholarly detachment, though one can only imagine the response in academic journals if an author were so careless as to let slip a favorable reference to Warren Harding or Calvin Coolidge.

Lippmann is well known for having disagreed with much of U.S. policy during the Cold War, and for having dissented from George Kennan's diagnosis of its origins. Lippmann maintained that Kennan's analysis of the Soviet Union was fundamentally flawed; far from being ideological zealots, the Soviets were pragmatists fearful of a renewed Germany, and anxious to provide for their own security. Even worse, from Lippmann's point of view, was Kennan's strategy of "containment." To face off against the Soviet Union "at every point where they show signs of encroaching" was a "strategic monstrosity"

that would require ceaseless American intervention, to say nothing of “recruiting, subsidizing and supporting a heterogeneous array of satellites, clients, dependents, and puppets.” Rather than chasing the Soviet Union on the geopolitical periphery, the correct strategy was to reach a political settlement in Europe that would allay Soviet fears. Thus, Lippmann came to oppose America’s wars in Korea and Vietnam (although, in the latter case, so did the John Birch Society). At the same time, he ridiculed the pacifism of Henry Wallace, noting that the correct position was one in which the United States would “confront power with power at a selected point where a decision is in a military sense possible, and then to use the delicate and unstable equilibrium as an opportunity to be seized for constructive and magnanimous negotiation” (p. 435).

Certainly a point in Lippmann’s favor in any overall assessment of his life and work is that he did occasionally have a provocative or useful insight, unlike the drearily predictable platitudes of his tiresome modern counterparts. But, as Steel documents with approval, he was, from first to last, a social democrat, and an important intellectual architect of the edifice of statism under which we now live. When Walter Lippmann departed this world on December 14, 1974, this was the legacy he left behind.

THOMAS E. WOODS, JR.
Suffolk Community College