

Democracy in Danger ES E5 Telltale Coup

Will Hitchcock [00:00:03] Hello, I'm Will Hitchcock.

Siva Vaidhyanathan [00:00:04] And I'm Siva Vaidhyanathan.

Will Hitchcock [00:00:06] And from the University of Virginia's Deliberative Media Lab, this is Democracy in Danger.

Announcer [00:00:12] Ladies and gentlemen, the President of the United States.

Siva Vaidhyanathan [00:00:17] We're taking you back in time today to a curious and largely forgotten episode in American political history.

Franklin Roosevelt [00:00:24] After years of uncertainty, we are bringing order out of the old chaos.

Will Hitchcock [00:00:29] The year is 1934. It's the height of the Great Depression. Two years earlier, Franklin D. Roosevelt had won the presidency in a landslide, promising to bring jobs back for all Americans.

Franklin Roosevelt [00:00:41] With a greater certainty of the employment of labor at a reasonable wage.

Will Hitchcock [00:00:46] And that's when an ex-Marine testifying before Congress that November made a startling public accusation.

Jonathan Katz [00:00:53] What we know about the Business Plot was because of the man who blew the whistle on it.

Will Hitchcock [00:01:00] This is journalist and author Jonathan Katz. He's written a new book about that whistleblower, an enigmatic figure named Smedley Butler.

Jonathan Katz [00:01:09] And essentially, what Butler alleged was that a group of businessmen had come to him and tried to recruit him to lead into Washington, a army of half a million World War One Veterans, armed veterans, I should note. For the purpose of intimidating Franklin Roosevelt and either forcing him to resign or to delegate his powers to an all powerful new cabinet secretary who the plotters, however many there were of them, would name.

Will Hitchcock [00:01:42] And the reason these Wall Street types hatched this plan, Butler alleged, was simple. They were opposed to the new deal opposed to FDR, opposed to his entire progressive agenda office.

Jonathan Katz [00:01:53] A number of powerful capitalists in America thought that this was the beginning of essentially like a Bolshevik Revolution that was going to end up cutting into their wealth and remaking the fabric of America in a way that they didn't want. So the idea behind the business plan was essentially to stop the new deal because it was so popular that they knew they weren't going to be able to stop at the ballot box.

Siva Vaidhyanathan [00:02:16] But the business plotters, Katz says, made a terrible miscalculation. They thought Smedley Butler would be on their side.

Jonathan Katz [00:02:24] Butler is a complicated figure, and

Siva Vaidhyanathan [00:02:26] Butler joined the Marine Corps at 16 to fight with the rough riders in the Spanish-American War. Over the next three decades, he rose to the rank of major general, bouncing around the world to support heavy handed U.S. military interventions.

Jonathan Katz [00:02:41] You know, overthrowing governments in places like Haiti, like the Philippines, like Nicaragua. He personally walked into the parliament in Haiti with an armed column of marines and members of the Haitian client army and dissolved that body at gunpoint. So, you know, there were reasons to think that he might go along with this. But what the plotters didn't realize is that Butler had taken a left turn in his own politics.

Siva Vaidhyanathan [00:03:11] Not only that, but after exposing the business plot, Butler went on to become an anti-war, anti-imperialist activist. The following year, he wrote a book called War is a Racket. In it, he decried the United States for carrying out overseas military adventures at the behest of corporate interests. It was also sort of a confessional. He had been, in his own words, a racketeer for capitalism. To this day, Butler is celebrated among pacifists and pro-democracy advocates, especially because Butler was so turned off by the fascist views that were becoming fashionable in his own circle and around the world.

Will Hitchcock [00:03:53] Take, for instance, the very man who Butler claimed had tried to recruit him for the business plot, a stockbroker named Gerald C. McGuire.

Jonathan Katz [00:04:02] He is a veteran himself. He's a member of the American Legion. He has a steel plate in his head because of an injury he sustained at sea during the First World War and in 1934 in February March. He goes on this tour of Europe, all the hotspots of Europe, 1934. He goes to Mussolini's Rome. He goes to Hitler's Berlin.

Will Hitchcock [00:04:27] And he kind of liked what he saw.

Jonathan Katz [00:04:30] He sends, you know, Butler a postcard saying, you know, he's been having a wonderful time in Berlin where Hitler has just become chancellor.

Will Hitchcock [00:04:40] He was especially inspired by a paramilitary group in France, the Croix-de-Feu or fiery cross.

News announcer [00:04:46] An organization of World War II that were decorated for valor under fire.

Will Hitchcock [00:04:50] On February 6th of 1934, far right rioters led by that group had stormed the French parliament. The police managed to stop them, though about 15 people were killed in this clash.

News announcer [00:05:03] That day brings such street fighting, as France has not seen since 1871, and inaugurate the new reign of terror...

Will Hitchcock [00:05:10] And the center left Prime Minister of France was forced out of office in favor of a conservative.

Jonathan Katz [00:05:17] So Jerry Maguire, this bond salesman, when he says that this is the kind of organization that he wants Butler to lead, he is looking at a recent example of fascists getting their way and sort of an anti popular front between fascists and mainstream conservatives, which is something that we also see happening in the United States right now. That could have been a potent model if they had succeeded.

Siva Vaidhyanathan [00:05:46] Well, the business plot didn't succeed, of course. Roosevelt got much of the new deal passed, and his presidency marked a huge turning point in American history.

Franklin Roosevelt [00:05:56] This Social Security measure gives at least some protection to 30 millions of our citizens.

Siva Vaidhyanathan [00:06:05] But those resonances with the present really intrigued us, so we asked Katz to go deeper on this story, starting with the world of American imperialism that Smedley Butler had come from and the people he met along the way.

Jonathan Katz [00:06:22] Well, first of all, you have the Marines and the reason why the Marines are used for this purpose of imperialism throughout that period is because they are infantry that are directly controlled by the federal government. And Smedley Butler is one of them, and some future presidents are actually there on the ground with Butler. Herbert Hoover, he's, you know, an engineer who's involved with mining companies, and that mining imperialism puts him in China, where he ends up linking up with Butler's unit during the Boxer Rebellion. So the United States participates in an international invasion of China and 1900s that basically crushed this peasant movement that had allied itself with the Qing Dynasty with the ruling regime, and Herbert Hoover is enlisted to lead Butler's marines in the battle, gets them to the wrong place and gets Butler shot at a number of marines killed, which Butler remembers later on. You also have bankers both you know, the big banks JPMorgan, the national Citi Bank of New York, nowadays just known as Citibank. Basically, they're the ones who essentially request the occupation of Haiti. And they're, pulling the strings. You also have kind of this like weird cast of rogue bankers who are like small time guys who end up sort of as mercenaries working for the bigger banks. And then you also have the export companies. So, you know, most notoriously in Central America, United Fruit today, known as Chiquita Brands International, they had to rebrand themselves and United Fruit is working with a very powerful, still existing and still very powerful law firm called Sullivan and Cromwell. Some people who are listening to this may know Sullivan and Cromwell and United Fruits imperialist exploits in Guatemala in the 1950s, when two partners at Sullivan and Cromwell, who are representing United Fruit, go into the State Department, the CIA, Alan and John Foster Dulles basically, you know, orchestrate the overthrow of Jacobo Arbenz, the sort of the liberal really kind of Center-Left president of Guatemala. And after Butler's in the Philippines and after he's in China, he and the Marines go on, you know, several rampages through Central America, really on behalf of Sullivan and Cromwell and the fruit companies.

Siva Vaidhyanathan [00:08:45] So that raises a really important question. And you've talked about Butler's conversion. You've mentioned that, you know, he definitely switched his orientation toward militarism and imperialism in a remarkably short period of time. Can you dig deeper on that? What sparked him? I mean, he was he was born to a Quaker family, so perhaps he had such inclinations early to criticize or resist. But what changed in

his life that moved him from being such a virulent imperialist and militarist to being someone who was, you know, widely regarded as a threat to those forces around the world?

Jonathan Katz [00:09:23] I mean, it's really hard to pin a single moment. He you know, again, he joins the Marines in 1898. Sixteen years old, lies about his age to get in, and he does it because, you know, in his mind, he is going to as he as he later puts it, he's going to shoulder a rifle and free little Cuba. You know, he's caught up. There's there's a war fervor.

Siva Vaidhyanathan [00:09:45] So he believes he believes the anti-imperialist about the Spanish-American War.

Jonathan Katz [00:09:51] Exactly. Yeah, I mean, he's he's like, you know, the Spanish empire are bad and you know, and they were I mean, they had just invented, you know, a process called reconstrucion, which is concentration camps in Cuba. They were killing civilians. They were doing all these horrible things. A lot of Americans blame them for the destruction of the USS Maine, which wasn't true. But those were the things that got Butler into the Marines in the first place.

Siva Vaidhyanathan [00:10:16] Right? You're saying there was some consistency there in his idealized sense of justice?

Jonathan Katz [00:10:20] Yeah. I mean, he he is carrying with him, you know, attitudes and rhetoric of 'small r' republicanism and 'small d' democracy that, you know, inform what a lot of Americans think. He also, you know, being out in the field gets, you know, a front row seat to these machinations, especially in Nicaragua, because at that point, he's been promoted to major, which, you know, as a flag officer, he's able to sort of, you know, move around a little bit more on his own, make his own decisions about who he talks to, where he goes, and he starts noticing in very blatant ways. The ways in which, you know, the movement of his marines and, you know, the lives of his marines are and to a large extent, being dictated by these business interests. And you know, he goes through a lot of things. He definitely has PTSD. He's in World War One. He's at the rear, but he's a general overseeing basically an embarkation, disembarkation camp, in Brest in the west of France. So he sees the horrors of that war, he sees, you know, all these soldiers coming back from the Western Front, you know, missing parts of faces and limbs or not coming back at all. And all of these things are bleeding together to sort of start to turn him off of war and to put in his mind. The idea is that he ends up expressing in his book *War is a Racket*, which is really sort of an early, somewhat imperfect early attempt to describe what Dwight Eisenhower, you know and his speechwriters deem a couple of decades later of the military industrial complex. And then thing that happens in 1932 called the Bonus March, where, in short, tens of thousands of World War One veterans come to Washington looking for promised federal back pay from their time in the First World War, which they need to get through the Great Depression. And instead of sending help, president Herbert Hoover, Butler's old friend from the battle of the engine in China, sends the army instead and the army, led by Douglas MacArthur with, by the way, his number two, a major name, Dwight Eisenhower. They order a cavalry charge led by Major George S. Patton into this encampment. They charge with bayonets, they fire chemical weapons, a baby is killed and the camp is burned to the ground and to Butler, this is, you know, the army attacking its own veterans. And that's putting some questions into his mind. And that, you know, amid the ambiance of the Great Depression and the rise of fascism in Europe and then the business plot, I think that would be enough to radicalize me. So I think that kind of explains

why he ends up spending the last decade of his life, he dies in 1940, in being against war and being against Empire and being against, you know, the banks and trying to prevent the United States from entering what ends up becoming World War II.

Will Hitchcock [00:13:23] So, Jonathan, wow, you have painted a portrait in this book of a climate of a world of economic exploitation, powerful corporations using the military to advance their interests in foreign countries, overseas occupations, as well as domestic economic upheavals, the radicalization of veterans. This, I mean, obviously sounds kind of familiar. So let me draw out from you the sense of continuity that you must have seen as you were working on this and thinking about the continuity between what occurred in the thirties and and what occurred in in America in the last, maybe in the last 20 years, in the last four years and in particular in the last year since January 6th.

Jonathan Katz [00:14:07] Yes. So you know, one thing that really comes out when you dig into this history is that the kinds of wars that the United States have been fighting since 9/11 are really not exceptional in our history. They tend to be the rule. I mean, when we think of war in this country, you know, the first war that anybody ever thinks of and sometimes last more than anybody ever thinks of is World War Two. Maybe throw in the Civil War, but those are exceptions. I mean, the kinds of wars that the Butler was fighting in, really, you know, there's much more continuity between those and the wars that came before in the 19th century, Vietnam. And then, you know, nothing resembles them as much as Iraq, Afghanistan, Syria, Libya, Somalia, Uganda, Niger. All these conflicts at various levels, you know, many of them are still going on unbeknownst to the majority of the American people, just as a lot of the conflicts that Butler was involved in in Central America at that time. And you're seeing a lot of the same dynamics replay. Where as you know, like the radicalization of veterans in both directions, right? I mean, you have some people like Smedley Butler, sort of modern day Smedley Butlers who are like, this was terrible. Let's not let's let's stop these wars. Let's stop killing people and stop killing people for profit. And then you have other people who are, you know, essentially brutalized by it. You know, Butler died before and probably wouldn't have read a Caesar and Frantz Fanon. But those were writers who came out of a context of being colonized people themselves. And Caesar writes about how the experience of running an empire brutalizes the colonizer. Right, right. And you know, Fanon puts it more succinctly. He says, You know, what is fascism? But colonialism practiced in the heart of a traditionally colonialist country, and we see that today. We saw it on January 6th. A substantial number of the rioters on Jan 6th were veterans. A lot of them were hoisting the flags of their service branches. There were marine flags there, and they were leaders of it. You know, a lot of them were sort of wearing their, you know, tactical armor. They were carrying flex cuffs that are used to, you know, do mass arrests of insurgents and then also, you know, dissidents and protesters in the United States. You know, an active duty marine officer, an artillery officer was the guy who held open the door on the East Rotunda to allow rioters to stream through. Ashley Babbitt, the woman who was killed by Capitol Police trying to jump through a window onto the speaker's lobby was a veteran of the forever wars. And so, you know, we're seeing we're seeing that process that Cezere outlined where people are, you know, told, Go over here, kill these people, they're your enemies. Everything that you do is inherently good. Everything that you do is inherently for democracy or for the Constitution or for America. Whatever conception of it you have, whatever, you know, kind of totemic conception of that, like, you know, people carry with themselves. And we're seeing these things happen over again. What happened in the early 1930s is that liberal democracy then, as now had been discredited and a lot of people's eyes. But we just happened to have a president, Franklin Delano Roosevelt, who like, talk about people who like, needed sort of, you know, late in life conversions. He's there in Haiti, and he's the assistant

secretary of the Navy. He's overseeing, you know, the brutal occupation of Haiti. He lays out the plans for the invasion of Veracruz, Mexico, in 1914, at the behest of the American oil companies. He's somebody who, as his friend and economic aid, Rexford Tugwell says, was perilously close to being an imperialist. I would take out the perilously close part like he was just an imperialist.

Will Hitchcock [00:17:57] He boasted about riding Haiti's constitution falsely.

Jonathan Katz [00:18:00] Falsely. Right, right, right. He lied. He thought. He thought that sounded cool. And what FDR does in the 1930s, that is different from what's happening right now. Or at least he's successful in a way that we seem to not be is he's using the power of the federal government to show people that liberal democracy can still work for them, that it can help them through a crisis. And absent that, I think that the predictions of the most black-pilled people to use the internet term in the early 30s, the most chronically pessimistic people that you know, the only possible ways out of the crises of the 1930s were either going to go, you know, full fascism or full communism might have come true. And we're sort of finding ourselves in a similar junction in 2022.

Siva Vaidhyanathan [00:18:49] Jonathan Katz is a journalist best known for his reporting from Haiti in the wake of the 2010 earthquake. Jonathan revealed how United Nations aid workers brought on a devastating cholera epidemic in Haiti and then tried to cover it up. You can read all about that in his first book, *The Big Truck That Went By*. Now his latest book is *Gangsters of Capitalism, Smedley Butler, The Marines, and The Making and Breaking of America's Empire*.

Will Hitchcock [00:19:17] *Democracy in Danger* is part of the Democracy Group Podcast Network. Visit Democracy Group dot org to find all our sister shows. We'll be right back after this message from our friends.

Roberto Armengol [00:19:30] Hey, *Democracy in Danger*, listeners, we wanted to tell you about *Future Hindsight*, a podcast that takes big ideas about civic life and turns them into action items. In this midterm year, the folks of *Future Hindsight* are putting together a lineup that takes you beyond the horse race rhetoric. Host Mila Atmos speaks with activists every Thursday about their toolkits and their work. You'll always learn something new. You'll be inspired. Follow *Future Hindsight* wherever you listen to podcasts or tune in at *Future Hindsight* dot com. Let's get back to the show.

Siva Vaidhyanathan [00:20:09] Well, this book, *Gangsters of Capitalism*, does this really fascinating interweaving between Jonathan Katz story as he travels around the world chasing the ghost of Smedley Butler. This is very much a way of interweaving two separate stories to make the explicit point that what happened a hundred years ago still matters today. You know, so many of the themes that Jonathan explores in this book plug into other things we've discussed in *Democracy in Danger*- the rise of the militaristic right, the extreme right in America, the history and legacy of American imperialism, the current state or lack thereof of democracy in places like Lake Haiti, the threat to democracy in a place like the Philippines, a place we haven't actually talked enough about on the show, but I certainly hope to in the near future,

Will Hitchcock [00:20:59] You know, see that I agree with you. There are some really interesting continuities between the era that Jonathan writes about and our own. But I want to highlight one important rupture, one important discontinuity. The business plot did not happen. The business plot never got off the ground. And in fact, as Jonathan tells us at the

end of his book, it's not altogether clear there really was a business plot. Smedley Butler alleged that there was a business plot. But Congress did not pursue his allegations. And so we never really got to the bottom of whether or not there was a plot. There certainly never was the marching, the seizure of the attempt to seize the capital. And I want to just emphasize this point because on January 6, 2021, there was a plot and there was an assault on the Capitol. There was an insurrection. Now why did that go as far as it did? And the answer lies in the fact that Donald Trump was still president and he was conspiring with the insurrectionists of Jan 6th to bring it about. This is an important point to emphasize how much more radical our politics have become than they were in the early 1930s. The president, himself, a sitting president, conspired with insurrectionists to seize the Capitol and overturn an election. The business plot doesn't hold a candle to what happened on January 6th, 2021.

Siva Vaidhyanathan [00:22:20] That's all we have on this episode of Democracy in Danger.

Will Hitchcock [00:22:23] We're going to take a break next week and use the opportunity to replay a show we did last season on those forever wars with journalist Spencer Ackerman.

Spencer Ackerman [00:22:32] There has to be an honest reckoning with the war on terror. There has to be an honest reckoning with who did what.

Will Hitchcock [00:22:38] Our downloads are booming people, you've helped us blow past one hundred and fifty thousand listeners faster than anyone can say Smedley Butler. Thank you. Keep sharing us with your friends and your enemies and tag us on Twitter @dindpodcast. That's D-i-n-d podcast!

Siva Vaidhyanathan [00:22:56] Can't get enough of this show on your podcast app? Well, please visit our web page DinDanger.org. Every episode has a landing page with background reading, related images, and more about our guests.

Will Hitchcock [00:23:09] Democracy in Danger is produced by Robert Armengol with help from Jennifer Ludovici Sydney Halleman edits the show. Our interns are Denzel Mitchell, Jane Frankel and Elie Bashkow.

Siva Vaidhyanathan [00:23:19] Support comes from the University of Virginia's Democracy Initiative and from the College of Arts and Sciences. The show is a project of UVA's Deliberative Media Lab, we're distributed by the Virginia Audio Collective of WTJU Radio in Charlottesville. I'm Siva Vaidhyanathan.

Will Hitchcock [00:23:36] And I'm Will Hitchcock. We'll see you next time.