

## I

## Introduction

Some of the things the Senate does really work to increase the power of the Executive . . . In this nation, as in any nation which amounts to anything, those in the end must govern who are willing actually to do the work of governing; and in so far as the Senate becomes a merely obstructionist body it will run the risk of seeing its power pass into other hands.

—Theodore Roosevelt (1906)<sup>1</sup>

On the morning of October 12, 1898, President William McKinley rose to address a crowd of nearly 100,000 at Omaha's Trans-Mississippi Exposition, a sprawling fairground of monumental buildings devoted to American advances in agriculture, manufacturing, and administration.<sup>2</sup> Just months before, the United States had emerged victorious from the Spanish–American War, and McKinley was on a ten-day tour to judge the public's reaction to America's new global role. After acknowledging the cheers that greeted his arrival on the dais, the president informed his audience that their nation's victory over Spain came with new "international responsibilities," which, he explained, would need to be met with the same sense of courage and duty that prevailed during the war. "Shall we," he asked the crowd, "deny to ourselves what the rest of the world so freely and so justly accords to us?" "No!" came the resounding answer. "The war was no more invited by us than were the questions which are laid at our door by its results." That these new questions would be difficult ones, the president had no doubt. Whatever the challenges to come, however, he remained convinced that the nation's "high and unselfish" aims would pave the way to success. "Right action follows right purpose," he assured his audience.<sup>3</sup> Months later, in return for a nominal payment of \$20 million to Spain, the United States would formally take possession of its new overseas

<sup>1</sup> Theodore Roosevelt to John St. Loe Strachey, February 12, 1906, in *The Letters of Theodore Roosevelt*, ed. Elting E. Morison (Cambridge, MA: Harvard University Press, 1951), v. 5, 151.

<sup>2</sup> Robert W. Rydell, *All the World's a Fair: Visions of Empire at American International Expositions, 1876–1916* (Chicago: University of Chicago Press, 1984), 106.

<sup>3</sup> William McKinley, *Speeches and Addresses of William McKinley* (New York: Doubleday & McClure Co., 1900), 101–6.

colonies, bringing the small island territories of Guam and Puerto Rico, along with the entire Philippine archipelago, under American control.

The president was not the only official who thought that “right action” followed “right purpose.” For the bureaucrats charged with managing these territories, America’s new colonial possessions were not only a responsibility to be borne with a sense of duty, but also an abundant opportunity to demonstrate to the world the genius of American progress. To be sure, Congress and the American public soon lost interest or grew opposed to their nation’s new “responsibilities,” but the officials who took up the task of governing the new possessions brought with them a belief in the transformative power of science, infrastructure, and rational administration.<sup>4</sup> Although colonial officials never hesitated to include rhetorical flourishes about the “republican” nature of their empire, the ability to operate outside the normal constraints of democratic politics was what they found most attractive about the colonies. For these technocratic reformers – many of whom were disgusted by the corruption and spoils politics that characterized the nineteenth-century American state – the new possessions presented an opportunity to apply the most modern theories of Progressive governance in an environment where checks on their power were minimal. There would be no political machines to dislodge, no voters to placate, and no institutional legacies to overcome in the colonial periphery. Managed by this “blessings-of-civilization trust,” to borrow Mark Twain’s famous (and bitterly sarcastic) characterization of the US imperial state, the colonies would become a vast billboard to advertise their nation’s arrival as a world power.

Although American empire is often dismissed as a weak imitation of the more potent European form – or, more troubling, its existence simply denied – it was far more capable and its goals were far more ambitious than is often recognized.<sup>5</sup> In an age when the transformative power of the state was still a politically charged issue at home, American colonial administrators constructed powerful and activist colonial regimes to engage in social engineering projects that often exceeded those attempted by the domestic state.<sup>6</sup> They built highways and railroads. They established agriculture experimentation stations and regulated narcotics. Civil service rules were in place from the earliest days of colonial administration.<sup>7</sup> As a result of the colonial state’s extensive education programs, English became the *lingua franca* of the Philippines.<sup>8</sup> Model prisons were built according to contemporary theories of criminology, and extensive public health investments reduced tropical diseases

<sup>4</sup> Michael Adas, *Dominance by Design: Technological Imperatives and America’s Civilizing Mission* (Cambridge, MA: Harvard University Press, 2006), 165.

<sup>5</sup> This fact, of course, is hardly forgotten by the millions of people who were ruled by the United States. For an example of the generally dismissive accounts of American formal empire, see, for example, Niall Ferguson, *Colossus: The Rise and Fall of American Empire* (New York: Penguin Press, 2004). The eleven states that came directly or indirectly under American rule during this period were Hawai’i, Cuba, the Philippines, Puerto Rico, Guam, American Samoa, the Virgin Islands, the Dominican Republic, Haiti, Nicaragua, and Liberia.

<sup>6</sup> Alfred W. McCoy, *Policing America’s Empire: The United States, the Philippines, and the Rise of the Surveillance State* (Madison, WI: University of Wisconsin Press, 2009), 37.

<sup>7</sup> Stanley Karnow, *In Our Image: America’s Empire in the Philippines* (New York: Random House, 1989); Peter W. Stanley, *A Nation in the Making: The Philippines and the United States: 1899–1921* (Cambridge, MA: Harvard University Press, 1974); Richard E. Welch, Jr., *Response to Imperialism* (Chapel Hill, NC: University of North Carolina Press, 1979).

<sup>8</sup> Karnow, *In Our Image*, 202.

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and infant mortality, and provided Manila with its first sewer system.<sup>9</sup> Yet much like domestic Progressive programs, these projects were bundled within a paradigm of white and specifically *American* cultural superiority. As one newly arrived official wrote in a passage that captures both the ambitious nature of colonial thinking and the racial lens through which the entire project was seen,

A new government is being created from the ground up, piece added to piece as the days and weeks go by. It is an interesting phenomenon, this thing of building a modern commonwealth on a foundation of medievalism – the giving to this country at one fell swoop all the innovations and discoveries which have marked centuries of Anglo-Saxon push and energy.<sup>10</sup>

Only seven years after McKinley's address in Omaha, Theodore Roosevelt faced another foreign policy dilemma that would have equally far-reaching consequences. The Dominican Republic, deeply in debt to European creditors, was preparing to default on its loans, and Roosevelt, fearing that German, British, or even Italian interests might intervene to force Santo Domingo to maintain payments, offered to take responsibility for the debt. Unlike McKinley, however, Roosevelt (in his inimitable style) famously conceded that he had "about the same desire to annex it as a gorged boa constrictor might have to swallow a porcupine wrong-end-to."<sup>11</sup> That Congress and the American public would never support such an action was, of course, the unspoken subtext. Instead of outright annexation, Roosevelt brought the Dominican Republic under American control through a unique partnership between American bureaucrats and Wall Street bankers whereby the United States arranged for a private loan to refund Dominican debt in exchange for the effective transfer of Dominican sovereignty to a US-controlled protectorate.<sup>12</sup> Although the policy faced fierce opposition in Congress, where Roosevelt was accused of usurping the Senate's treaty-making rights and engaging in illegal negotiations with foreign powers, this controversial neocolonial solution, later dubbed "Dollar Diplomacy" by the press, would serve as the model for subsequent colonial regimes in Haiti, Nicaragua, and Liberia during the Taft administration.

The American system of empire would change yet again a few years later – this time under the Democratic administration of Woodrow Wilson. His arguments for national self-determination in other parts of the world notwithstanding, Wilson ordered the invasion of Haiti and the Dominican Republic in 1915 and 1916,

<sup>9</sup> Stanley, *Nation in the Making*.

<sup>10</sup> Daniel Williams quoted in Julian Go, "Global Perspectives on the U.S. Colonial State in the Philippines," in *The American Colonial State in the Philippines: Global Perspectives*, ed. Julian Go and Anne L. Foster (Durham, NC: Duke University Press, 2003), 1. See also Julian Go, *American Empire and the Politics of Meaning: Elite Political Cultures in the Philippines and Puerto Rico during US Colonialism* (Durham, NC: Duke University Press, 2008); Julian Go, "Chains of Empire, Projects of State: Political Education and U.S. Colonial Rule in Puerto Rico and the Philippines," *Comparative Studies in Society and History* 42 (April 2000): 333–62.

<sup>11</sup> Theodore Roosevelt to Joseph Bucklin Bishop, February 23, 1904, in *The Letters of Theodore Roosevelt*, ed. Morison, v. IV, 734.

<sup>12</sup> My thinking about Dollar Diplomacy has greatly benefited from the diplomatic historian Emily S. Rosenberg's work. See, for example, her outstanding history of this era, *Financial Missionaries to the World: The Politics and Culture of Dollar Diplomacy* (Cambridge, MA: Harvard University Press, 1999).

respectively, expanding on Roosevelt's receivership and bringing the entire island of Hispaniola under direct American administration. During these "interventions," as they were euphemistically known, American officials – many of whom were transferred from the Philippines – were charged with bringing development and stability to these beleaguered nations along the model developed in the Philippines, relying yet again on Wall Street for financial support. Meanwhile, Wilson's appointees in the Philippines, although they were no less committed to "right action" than their predecessors, began a slow process of "Filipinization," which drew down the number of American officials and nationalized large parts of the colonial economy, replacing the private railroad corporations and banks with state-owned enterprises. By the 1920s, when the empire had become a political liability for both the Democratic and Republican parties, the United States began to liquidate many of its colonial possessions and protectorates, finally granting effective independence to the Philippines (1935) and ending its occupation of the Dominican Republic (1924) and Haiti (1934), but keeping Hawai'i, Puerto Rico, and several small island nations (Guam, American Samoa, and the Virgin Islands) under its control until the present day. The American age of formal empire and Progressive nation building, which had begun with so much sound and fury in 1898, would end quietly less than forty years later as the last marines steamed out of Port-au-Prince and Manuel Quezon entered Malacañang Palace as the first president of the Philippine Commonwealth.

#### EMPIRE AND THE AMERICAN CONSTITUTIONAL SYSTEM

Whether this well-known history of American imperialism is presented as the "first great triumph" or as the tragic social experiment that it was, it is traditionally understood as the *natural* outgrowth of structural and cultural factors such as industrialization, racism, and Manifest Destiny.<sup>13</sup> Lost in this decades-long quest to locate the origins of imperialism in American culture and political economy, however, are the institutional developments and interbranch politics that underlay the vigorously contested expansion of American power in the Caribbean, Latin America, and Asia in the years after the Spanish–American War. In their quest to transform the United States from a prosperous industrial republic into an imperial power, a diverse set of bureaucrats and executive officials in the emerging American foreign policy state confronted the same obstacles – conditions of mass democracy, a weak central state, and the complex constraints of the US Constitution – that earlier reformers had encountered in their efforts to rationalize the administration

<sup>13</sup> Warren Zimmermann, *The First Great Triumph: How Five Americans Made Their Country a World Power* (New York: Farrar, Straus, & Giroux, 2002). In a passage that seems to capture the general thrust of most historical scholarship, the English historian V. G. Kiernan writes of the American experience in the Philippines, "Fully committed to empire-building as the U.S. in the first years of the century might appear to be, the annexations of 1898 proved before long a deviation from the main line of advance, a passing fantasy or a specific tonic for a spell of domestic sickness." V. G. Kiernan, *America: The New Imperialism: From White Settlement to World Hegemony* (London: Zed Press, 2005 [1978]), 157. For a general overview, see Edward P. Crapol, "Coming to Terms with Empire: The Historiography of Late Nineteenth-Century American Foreign Relations," *Diplomatic History* 16 (Fall 1992): 573–98.

of the domestic American state.<sup>14</sup> Time and time again, the indifference of the American people to an empire that was too far and too foreign, as well as tenacious and strategic opposition from colonized people, stymied the efforts of the president and these officials.

Yet the lack of support and funding from Congress for an expansive American empire was always the most difficult obstacle to overcome. After a brief burst of pro-imperial enthusiasm (a period that generated a number of quotable, but ultimately irrelevant, speeches), Congress quickly soured on the “imperial experiment.” At first, colonial bureaucrats *did* try to build public support for their imperial policies. They sponsored exhibits at fairs; they tinkered with customs laws to create favorable investment environments; and they solicited positive press coverage to advertise the good works they were doing in America’s showcase of democracy. Such strategies quickly proved unsuccessful for some rather straightforward reasons: Members of Congress from both parties remained uninterested in populations that could not vote, and the American public’s racism and fear of possible economic competition from their *own colonies* made them indifferent and occasionally hostile to the new American colonies. The empire, quite simply, was bad politics in a mass democracy. And, in an age before the “imperial presidency,” Congress saw no reason to defer to the executive in foreign affairs. Using its formal powers over appropriations and tariffs, as well as its informal powers to mold public opinion, Congress’s attempts to control and limit overseas empire were extremely effective. Such opposition could have easily spelled a quick end to American empire, but it did not.<sup>15</sup>

This book asks why. Accordingly, it confronts three broad, but perplexing, theoretical and substantive questions:

1. How did American executive officials engage in these ambitious nation-building projects with such limited congressional and public support?
2. Why did the United States distance itself from a policy of formal colonialism so quickly after creating institutions designed to manage its new colonial possessions?
3. How did the essential tension between American mass democracy and imperial governance shape the expansion of the American empire?<sup>16</sup>

<sup>14</sup> See Go, *Patterns of Empire* for a comparison of the American and British empires.

<sup>15</sup> For other theories of imperial expansion, see David B. Abernathy, *The Dynamics of Global Dominance: European Overseas Empires 1415–1980* (New Haven, CT: Yale University Press, 2000); Alexander Motyl, *Imperial Ends: The Decay, Collapse, and Revival of Empires* (New York: Columbia University Press, 2000); Michael Doyle, *Empires* (Ithaca, NY: Cornell University Press, 1986); Jack Snyder, *Myths of Empire: Domestic Politics and International Ambition* (Ithaca, NY: Cornell University Press, 1991). In recent years, the debate over empire has generated fierce debates in the academic and popular presses. See, for example, Robert Kagan, *Dangerous Nation: America’s Place in the World from Its Earliest Days to the Dawn of the Twentieth Century* (New York: Knopf, 2006); Neil Smith, *America’s Empire: Roosevelt’s Geographer and the Prelude to Globalization* (Berkeley, CA: University of California Press, 2003). For two pioneering collections of essays from historians and sociologists that have focused on the state and American empire, see Go and Foster, eds., *The American Colonial State in the Philippines*; Alfred W. McCoy and Francisco A. Scarano, eds., *Colonial Crucible: Empire in the Making of the Modern American State* (Madison, WI: University of Wisconsin Press, 2009).

<sup>16</sup> I thank an anonymous reviewer for suggesting this phrase.

The answers, I argue, lie in understanding the systems of imperial rule and expansion not as evidence of state capture by American finance capital or the expression of deep cultural values, but rather as innovative and adaptive responses by presidents and executive officials to congressional opposition. Faced with a lack of support from Congress and an indifferent public, presidents and colonial bureaucrats shifted their strategy to one of private finance, secrecy, and extraconstitutional action. Their frustrations with the parochial concerns of Congress pushed them to consider ways to achieve their goals with less interference. In many ways, these responses were designed to “solve” the fundamental tension between democracy and empire by subverting the constitutional checks of the American system of separated powers.

As will be explained in Chapters 4–6, colonial bureaucrats gained financial support for their policies by forming partnerships with Wall Street bankers, while their manipulation and monopolization of information about the colonies and a loyal civil service protected them from congressional notice or interference. Through these sources of power, presidents and colonial officials were able to proceed with their ambitious plans for the American empire and to accomplish goals which they lacked the financial capacity and political support to achieve independently.<sup>17</sup> Armed with independent sources of revenue, they were able to continue their modernizing projects in the Philippines and bring the Dominican Republic, Nicaragua, Liberia, and Haiti under American control. Their efforts to build the empire also led to the creation of new governance patterns that made the executive much less reliant on domestic state capacity in foreign affairs. In short, the American external state, cast in the crucible of imperial management and given limited access to the resources of the domestic state, *developed* and *adapted* to these circumstances not as a centralized state subordinate to Congress, but largely independent of it as a system of dispersed and self-funding governing authorities.<sup>18</sup>

Rather than dismissing the age of formal American empire as a strange exception and one with little effect on state development, we need to understand it as the first major experience the American state had as an international actor, and one that would markedly influence how the United States confronted the world. Woodrow Wilson, writing in the preface for the fifteenth edition of *Congressional Government*, recognized this possibility as early as 1901:

Much the most important change to be noticed is the result of the war with Spain upon the lodgment and exercise of power within our federal system: the greatly increased power and opportunity for constructive statesmanship given the President, by the plunge into international politics and into the *administration of distant dependencies, which has been that war's*

<sup>17</sup> I am indebted to Rosenberg, *Financial Missionaries*, for insight into this process.

<sup>18</sup> The “low stateness” of American foreign policy has been remarked in other contexts. In a study on US policy in Latin America, for instance, Katznelson and Prewitt argue that the “low stateness” of the American policy combined with its “low classness” limits the options available to foreign policy actors. Most interestingly, they make reference to the often “covert” behavior of the American foreign policy state. As they write, “Such ideas as legislation-dominated political processes, and such doctrines as separation of powers, are in apparent contradiction with an executive-centered foreign policy process and descriptions of the ‘imperial presidency’ that have become fashionable in the United States.” Ira Katznelson and Kenneth Prewitt, “Constitutionalism, Class, and the Limits of Choice in U.S. Foreign Policy,” in *Capitalism and the State in U.S.–Latin American Relations*, ed. Richard R. Fagen (Stanford, CA: Stanford University Press, 1979), 37.

*most striking and momentous consequence.* When foreign affairs play a prominent part in the politics and policy of a nation, its Executive must of necessity be its guide: must utter every initial judgment, take every first step of action, supply the information upon which it is to act, suggest and in large measure control its conduct . . . *The government of dependencies must be largely in his hands. Interesting things may come out of the singular change.*<sup>19</sup>

Such developments are not merely of historical interest. Over the past three decades, scholars studying domestic state institutions have come to a clear consensus that state structure and development have important effects on state action.<sup>20</sup> Yet by focusing on the domestic state to develop these theories, researchers have missed an opportunity to apply these valuable insights to explain state action in an international context.<sup>21</sup> This is especially curious since scholars in all three empirical sub-fields of political science – comparative politics, American politics, and international relations – have suggested that there may be important policy effects that result from a state's unique external face. In a seminal volume on the state written over three decades ago, Theda Skocpol and her coauthors hint at this possibility: “For both older and newer national states,” they write, “there may also be systematic differences between parts of states oriented to transnational environments and those specializing in purely domestic problems.”<sup>22</sup> More recently, Ronald Rogowski writes that there is “good evidence” that differences in institutional forms have profound effects on “the style and relative success of [a state's] foreign policy,” yet he bemoans the lack of attention to these issues in international relations.<sup>23</sup>

<sup>19</sup> Woodrow Wilson, *Congressional Government: A Study in American Politics*, 15th edn. (Boston: Houghton, Mifflin & Co., 1901), xi–xiii [emphasis added].

<sup>20</sup> See, for example, Stephen Skowronek, *Building a New American State: The Expansion of National Administrative Capacities, 1877–1920* (New York: Cambridge University Press, 1982); Theda Skocpol, *Protecting Soldiers and Mothers* (Cambridge, MA: Belknap Press of Harvard University Press, 1992); Elisabeth S. Clemens, *The People's Lobby: Organizational Innovation and the Rise of Interest Group Politics in the United States, 1890–1925* (Chicago: University of Chicago Press, 1997); Daniel P. Carpenter, *The Forging of Bureaucratic Autonomy: Reputations, Networks, and Policy Innovation in Executive Agencies, 1862–1928* (Princeton, NJ: Princeton University Press, 2001); Jacob Hacker, *The Divided Welfare State: The Battle over Public and Private Social Benefits in the United States* (New York: Cambridge University Press, 2002). From the comparative literature, see Peter A. Hall, “Policy Paradigms, Social Learning, and the State: The Case of Economic Policymaking in Britain,” *Comparative Politics* 25 (April 1993): 275–96; Paul Pierson, *Dismantling the Welfare State? Reagan, Thatcher, and the Politics of Retrenchment* (New York: Cambridge University Press, 1994); Kathleen Thelen, *How Institutions Evolve: The Political Economy of Skills in Germany, Britain, the United States, and Japan* (New York: Cambridge University Press, 2006).

<sup>21</sup> For some of the limited APD work on the American foreign policy state, see Bartholomew H. Sparrow, *From the Outside In: World War II and the American State* (Princeton, NJ: Princeton University Press, 1996); Ira Katznelson and Martin Shefter, eds., *Shaped by War and Trade: International Influences on American Political Development* (Princeton, NJ: Princeton University Press, 2002); Amy B. Zegart, *Flawed by Design: The Evolution of the CIA, JCS, and NSC* (Stanford: Stanford University Press, 2000); and Douglas T. Stuart, *Creating the National Security State* (Princeton, NJ: Princeton University Press, 2007).

<sup>22</sup> Peter B. Evans, Dietrich Rueschemeyer, and Theda Skocpol, eds., *Bringing the State Back In* (Cambridge: Cambridge University Press, 1985), 360.

<sup>23</sup> Ronald Rogowski, “Institutions as Constraints,” in *Strategic Choice and International Relations*, ed. David A. Lake and Robert Powell (Princeton, NJ: Princeton University Press, 1999), 125.

This book attempts to correct these oversights by marshaling theories of institutional development and interinstitutional politics to understand how the American state organized and governed its overseas colonies and how these actions, in turn, shaped the American foreign policy state or “external state,” which I define as that portion of the state concerned with a state’s projection of power outside of its domestic borders.<sup>24</sup> The result is an American external state that, as Stephen Krasner has argued, is both powerful abroad and strangely “weak in relation to its own society.”<sup>25</sup> Furthermore, a focus on this interinstitutional struggle over American empire in an earlier period reveals how presidents and bureaucrats might behave when faced with a Congress whose authority over foreign affairs and whose institutional and informational resources were relatively greater than they are today. In this era, the American foreign policy state was weak and disorganized and presidents *did* fear Congress’s formal powers in a way that is difficult to imagine today.

Putting institutions and ideas first, of course, means that many compelling theories of political culture<sup>26</sup> and gender<sup>27</sup> are largely pushed to the background. In positing an institutional explanation to explain the development of American empire, my purpose is not to suggest that these explanations have no merit – indeed, many provide brilliant insights into the background conditions of American imperialism – but they

<sup>24</sup> To be sure, this is not an entirely new insight. J. P. Nettl in his seminal article, “The State as Conceptual Variable,” pointed this out decades ago when he described the state as a “gatekeeper between intrasociety and extrasocietal flows of action,” and Peter Gourevitch has argued that state “structure itself derives from the exigencies of the international system.” In *States and Social Revolutions*, Theda Skocpol famously drew attention to the destabilizing effects of international competitive pressures on states and their influence on revolutionary outcomes. Even Locke in chapter 12 of the *Second Treatise* notes the existence of a third, “natural” power, which he terms “federative,” and “contains the power of war and peace, leagues and alliances, and all the transactions with all persons and communities without the commonwealth.” Wildavsky’s famous claim that there are two presidencies, one for domestic concerns and another, even more powerful one for foreign matters is another well-known variation. J. P. Nettl, “The State as a Conceptual Variable,” *World Politics* 20 (July 1968): 564; Peter Gourevitch, “The Second Image Reversed: The International Sources of Domestic Politics,” *International Organization* 323 (Autumn 1978): 881; Theda Skocpol, *States and Social Revolutions* (Cambridge: Cambridge University Press, 1979); John Locke, *Second Treatise of Government* (Indianapolis, IN: Hackett, 1980 [1690]), Ch. 12; Aaron Wildavsky, “The Two Presidencies,” *Trans-Action* 4 (December 1966): 7–14.

<sup>25</sup> Stephen D. Krasner, “U.S. Commercial and Monetary Policy,” in Peter J. Katzenstein, ed., *Between Power and Plenty: Foreign Economic Policies of Advanced Industrial States* (Madison, WI: University of Wisconsin Press, 1978), 57.

<sup>26</sup> As Louis Hartz noted in his classic work on American political thought, “in a liberal community the imperialist drive at the turn of the century was hamstrung by a unique nationalism: national liberalism.” Louis Hartz, *The Liberal Tradition in America* (New York: Harcourt & Brace, 1991 [1955]), 292.

<sup>27</sup> Gender and the discourse of “manliness” was absolutely essential to the imperial project, and it is well explored in a number of recent works. See, for example, Linda Gordon, “Internal Colonialism and Gender,” in *Haunted by Empire: Geographies of Intimacy in North American History*, ed. Ann Laura Stoler (Durham, NC: Duke University Press, 2006); Laura Briggs, *Reproducing Empire: Race, Sex, Science, and U.S. Imperialism in Puerto Rico* (Berkeley, CA: University of California Press, 2002); Kristin L. Hoganson, *Fighting for American Manhood: How Gender Politics Provoked the Spanish–American and Philippine–American Wars* (New Haven, CT: Yale University Press, 1998); Eileen Findlay, *Imposing Decency: The Politics of Sexuality and Race in Puerto Rico, 1870–1920* (Durham, NC: Duke University Press, 1999).

are often unable to account for the *variation* and *adaptation* of governing arrangements over time. Before I explain my own argument in more detail in the following sections, let us take a brief look at three of most prominent explanations of American empire: economic interests, race, and international relations. To be sure, none of these theoretical approaches claims to explain all aspects of American imperialism, but their dominance in the field has obscured the value of focusing on state structure and the actions of state officials. How can a state-centered, institutional account of empire enrich our understanding? Where does it depart from these traditional explanations?

### American Economic Expansion and “Gentlemanly Capitalism”

Economic explanations have long been central to studies of American imperialism.<sup>28</sup> In the 1920s, American scholars built on earlier work by the English political economist John Hobson to criticize US interference with Caribbean nations, arguing by implication that the interests of American business were dictating American foreign policy.<sup>29</sup> William Appleman Williams and his students at the University of Wisconsin later expanded on these earlier themes to conclude that much of American foreign policy could be explained by a relentless quest for overseas markets.<sup>30</sup> Despite

<sup>28</sup> John Lewis Gaddis, “New Conceptual Approaches to the Study of American Foreign Relations: Interdisciplinary Perspectives,” *Diplomatic History* 14 (Summer 1990): 407. For other, less economically driven theories of imperial expansion, see David B. Abernathy, *The Dynamics of Global Dominance: European Overseas Empires 1415–1980* (New Haven, CT: Yale University Press, 2000); Alexander Motyl, *Imperial Ends: The Decay, Collapse, and Revival of Empires* (New York: Columbia University Press, 2000); Doyle, *Empires*; Jack Snyder, *Myths of Empire: Domestic Politics and International Ambition* (Ithaca, NY: Cornell University Press, 1991); Smith, *America’s Empire*.

<sup>29</sup> John Hobson made the connection between imperialism and capital most forcefully in his 1902 book, *Imperialism: A Study* (London: James Nisbet & Co., 1902). Hobson’s work served as the basis for Lenin’s famous 1916 pamphlet, “Imperialism, the Highest Stage of Capitalism,” which specifically discusses US imperialism. For the application of Marxist arguments to the American case, see, for example, Scott Nearing and Joseph Freeman, *Dollar Diplomacy: A Study in American Imperialism* (New York: B.W. Huebsch and Viking Press, 1925). Charles and Mary Beard, while not Marxists, also explained American imperialism through the lens of economic interests. See, for example, *The Rise of American Civilization*, 2 vols. (New York: MacMillan, 1927); Charles A. Beard, *The Open Door at Home: A Trial Philosophy of National Interest* (New York: MacMillan, 1934); Charles A. Beard, *The Idea of National Interest: An Analytical Study in American Foreign Policy* (New York: MacMillan, 1934). The Beards, however, were never clear on the mechanisms of this connection; sometimes it was suggested that special business interests were at work, while other times they favored structural interpretations.

<sup>30</sup> For the classics in this tradition, see Walter LaFeber, *The New Empire: An Interpretation of American Expansion 1860–1898* (Ithaca, NY: Cornell University Press, 1963) and William Appleman Williams, *The Tragedy of American Diplomacy* (New York: Norton, 1959). See also Emily S. Rosenberg, “Economic Interest and Foreign Policy,” in *American Foreign Relations Reconsidered, 1890–1993*, ed. Gordon Martel (New York: Routledge, 1994). Another variant of the economic influence thesis holds that business, while initially opposed to the war, eventually became convinced that expansion would serve its interests. “Hence business in the end,” according to Julius Pratt, “welcomed the ‘large policy’ and exerted its share of pressure for the retention of the Spanish islands and such related policies as the annexation of Hawaii and the construction of an isthmian canal.” See Julius Pratt, *Expansionists of 1898: The Acquisition of Hawaii and the Spanish Islands* (New York: Quadrangle, 1964).

TABLE 1.1. *Direct and portfolio American foreign investments by region*

Region	1897 (%)	1908 (%)	1914 (%)	1919 (%)	1924 (%)
Europe	22	19	20	29	25
Canada	28	28	25	22	24
Mexico	29	27	24	13	9
Caribbean	7	9	10	9	10
Central America	3	2	3	2	1
South America	6	5	10	11	13
Asia	3	9	7	4	6
All Others	2	1	2	3	3

Source: Calculated from Celona Lewis, *America’s Stake in International Investments* (Washington, DC: Brookings Institution, 1938), 606; Lance E. Davis and Robert J. Cull, *International Capital Markets and American Economic Growth, 1820–1914* (New York: Cambridge University Press, 1994), 81–2.

the theoretical dominance and intuitive appeal of the “Wisconsin School” theories of American diplomatic history, the exact connection between private economic actors and American imperialism remains unclear.<sup>31</sup> Although American foreign direct investments did increase significantly in this period, relatively little of that money was sent to areas under direct American control. As Table 1.1 demonstrates, investment in the Caribbean and Latin America represented but a fraction of total American foreign investments both before and after the Spanish–American War, increasing only by 3 percentage points between 1897 and 1914.

Furthermore, as Table 1.2 shows, even by 1911 most American investment in the Caribbean region was concentrated in the lucrative Cuban sugar industry, a business in which American investors had long played a central role. In contrast, American direct investment in the Dominican Republic, Haiti, and Nicaragua – all three of which saw Dollar Diplomacy interventions – was extremely modest, accounting for half of the investment in Guatemala alone, a nation that never came under direct American administration. As economic historians Lance Davis and Robert Cull argue, “[I]t is difficult to rationalize the level of intervention with the size of the American’s investment stakes in those countries.”<sup>32</sup>

To be sure, this could be due to the fact that those areas under formal American control were, first and foremost, meant to secure a global trading network – particularly to gain access to the fabled China market – and were not necessarily seen as areas of investment themselves. Yet American investment in Asia was also

<sup>31</sup> For an especially cogent analysis of Marxist theories of imperialism as applied to the US experience, see Robert Zevin, “An Interpretation of American Imperialism,” *Journal of Economic History* 32 (March 1972): 316–60. For another critique, see Jeffry A. Frieden, “International Investment and Colonial Control: A New Interpretation,” *International Organization* 48 (Autumn 1994): 559–93; Jeffry A. Frieden, “The Economics of Intervention: American Overseas Investments and Relations with Underdeveloped Areas, 1890–1950,” *Comparative Studies in Society and History* 31 (January 1989): 55–80.

<sup>32</sup> Lance E. Davis and Robert J. Cull, *International Capital Markets and American Economic Growth, 1820–1914* (New York: Cambridge University Press, 1994), 106.