

American Economic Reform in the Progressive Era:
What Beliefs Inclined the Progressives to Eugenics?

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Abstract: This essay explores the progressive beliefs *other* than human hierarchy that inclined Progressive Era economic reform toward eugenics. It argues that: the progressives believed in a powerful, centralized state, conceiving of government as the best means for promoting the social good and rejecting the individualism of (classical) liberalism; the progressives venerated social efficiency; the progressives believed in the epistemic and moral authority of science, a belief which comprised their view that biology could explain and control human inheritance and that the still nascent sciences of society could explain and control the causes of economic ills; the progressives believed that intellectuals should guide social and economic progress, a belief erected upon a two subsidiary faiths, a faith the disinterestedness and incorruptibility of the experts who would run the technocracy they envisioned, and a faith that expertise could not only serve the social good, but also identify it; and, while anti-monopoly, the progressives believed that increasing industrial consolidation was inevitable, and desirable, consistent with their faith in planning, organization and command.

1. Introduction

It is a Whiggish temptation to regard progressive thought of a century ago as akin to contemporary progressivism.¹ But, befitting the protean nature of the American reform tradition, the original progressives entertained views that today's progressives, if they knew of them, would reject as decidedly *unprogressive* (Gerstle 2004). In particular, the progressives of a century ago viewed the industrial poor and other economically marginal groups with great ambivalence. Progressive Era economic reform saw the poor as victims in need of uplift but also as threats requiring social control, a fundamental tension that manifested most conspicuously in the appeal to inferior heredity as a scientific basis for distinguishing the poor worthy of uplift from the poor who should be regarded as threats to economic health and well being.

So, while progressives did advocate for labor, they also depicted many groups of poor workers as undeserving of uplift, indeed as the cause rather than the consequence of low wages (Leonard 2003b). While progressives did advocate for women's rights, they also promoted a vision of economic and family life that would remove women from the labor force, the better to meet women's obligations to be "mothers of the race," and to defer to the "family wage" (Leonard 2005a). While progressives did oppose biological defenses of *laissez-faire*, many also advocated eugenics, the social control of human heredity (Leonard 2005b). While progressives did advocate for peace, some founded their opposition to war on its putatively dysgenic effects,² and still others championed American military expansion into Cuba and the Philippines, and US entry into the First World War. And, while progressives sought to check corporate power, many also admired the scientifically planned corporation of Frederick Winslow Taylor, even regarding it as an organizational exemplar for their program of reform.

Viewed from today, it is the original progressives' embrace of human hierarchy that seems most objectionable. American Progressive Era eugenics was predicated upon human hierarchy, and the Progressive Era reformers drawn to eugenics believed that some human

¹ In contemporary American political discourse, the label "progressive" increasingly substitutes for the label "liberal" (Nunberg 2006).

² The problem with war, said Oliver Wendell Holmes, "is not that it kills men, but that it kills the wrong ones" (cited in Dudziak 1985: 843). Holmes later confided to Harold Laski that "in upholding the constitutionality of a state law upholding for sterilizing imbeciles . . . [I] felt I was getting near to the first principle of real reform" (in Degler 1991, p. 47).

groups were inferior to others, and that biological science explained and justified their theories of human hierarchy.

But a belief in human hierarchy, while necessary, is not sufficient for explaining the progressive inclination toward eugenically informed economic reform. The Progressive Era notion that there existed a hierarchy of human groups was shared by many, probably most of the progressives' contemporaries, including those with opposed views of the proper role for the state in economic affairs. Racism, to pick only the most conspicuous example of human hierarchy, was deeply rooted in the soil of American culture, and its poisonous fruits could be found across the ideological spectrum.

This essay, then, explores the *other* progressive beliefs that, it argues, are necessary for understanding why the founders of American economic reform appealed to social control of human heredity in making their case for economic reform. In briefest outline, it argues that: the progressives believed in an powerful, centralized state, conceiving of government as the best means for promoting the social good and rejecting the individualism of (classical) liberalism; the progressives venerated social efficiency, almost to the point of identifying progress with greater efficiency; the progressives believed in the epistemic and moral authority of science, a belief which comprised their view that biology could explain and control human inheritance and that the still nascent sciences of society could explain and control the causes of economic ills; the progressives believed that intellectuals should guide social and economic progress, a belief erected upon a two subsidiary faiths, a faith the disinterestedness and incorruptibility of the experts who would run the technocracy they envisioned, and a faith that expertise could not only serve the social good, but also identify it; and, while generally anti-monopoly, most progressives believed that increasing industrial consolidation was inevitable, and usually desirable, consistent with their faith in planning, organization and command.

2. Who were the progressives?

Progressive Era historiography employs a sometimes bewildering variety of labels to describe the intellectuals and reformers who promoted the idea of using a powerful, centralized state, led by a vanguard of social-scientific experts, to reform markets and society in the name of advancing a social welfarist vision of the common good (Fried 1998: ix). Some historians refer to the American progressives as “new Liberals,” an English import. Early historians of the Progressive Era, such as Richard Hofstadter (1944), averted to the French “solidarism,” and

described reform as “meliorism.” One also finds in Progressive Era historiography “liberal reform,” “democratic liberalism,” “welfare state liberalism,” and “democratic collectivism,” among other variants.

The diversity of terminology reflects the fact that American Progressive Era reformers themselves never shared a common name, which in turn reflects the great, multifaceted variety of reform projects undertaken in the United States from the late 1880s to the early 1920s. Among the diverse groups that populated Progressive Era reform were nativists, Social Gospellers, alcohol prohibitionists, suffragists, muckrakers, secret balloters, birth controllers, trust busters, eugenicists, social surveyors, charity reformers, settlement house workers, pacifists, city-beautiful advocates, factory inspectors, social purifiers, child-welfare advocates, and conservationists.

The great heterogeneity of Progressive Era reform meant that the organizations and constituencies deemed progressive would, at some times, find common cause, and form political alliances. At other times, however, progressive groups regarded their respective reform goals as incompatible. The result was a pattern of cooperation and conflict that led to shifting political alliances, and to a reputation for fractiousness.

Historians of the Progressive Era have, famously, arrived at rather different characterizations of progressivism, depending not merely upon historical approach (intellectual versus social history, say), but also upon which of the many facets of reform they considered. The heterogeneity of historical interpretation has led some historians to despair of identifying a coherent set of ideas that can be gathered under the rubric of “progressivism” (Filene 1970).

But Progressive-Era historiography, for all the diversity it unavoidably reflects, does evince important narrative commonalities, perhaps no more so than with respect to *economic* reform. Economic reform, like progressivism more generally, cannot be reduced to a single creed, but it is nonetheless possible to recover a real intellectual coherence in the foundational ideas of the Progressive Era economists we today call progressives. That is the purpose of this essay.

Daniel Rodgers’ (1982) influential historiographic essay, “In Search of Progressivism,” is emblematic in this sense. Careful to acknowledge the heterogeneity of groups deemed progressive by historians, and insisting that progressivism is too plural to be reduced to a single ideology, Rodgers nonetheless finds an intellectual structure to progressivism. Rodgers sees in

progressivism three identifiable “clusters of ideas,” what he also calls “languages of discontent.” The three clusters of ideas are: (1) the language of social bonds and social duty, accompanied by an attack on individualism; (2) the language of social efficiency, encapsulated as “efficiency, rationalization and social engineering” (p. 126); and (3) the language of “anti-monopolism,” which refers not just to monopoly in narrow economic sense, but to the longstanding American suspicion of concentrated economic power.³

Each cluster of progressive ideas had distinct historical roots, and each cluster rose into currency and fell into disuse at different times (Rodgers 1982: 123). Moreover, while American progressive groups all drew upon the three clusters of ideas, they did so in different measures, with sometimes differing interpretations, and for different purposes.

This essay considers the particular uses of the progressive clusters of ideas made by the progressive economists and their reform allies, especially in the context of the overarching question of the day: “what should be the relationship of the state to the economy?” So, who were the progressive economists? A useful synecdoche for progressive economics is the American Association of Labor Legislation (AALL), an organization of reform-minded academics that Ann Shola Orloff and Theda Skocpol (1984: 726) call the “leading association of U.S. social reform advocates in the Progressive Era.”

The AALL was founded in December 1905 at the Baltimore American Economic Association (AEA) meetings, by two of Gustav Schmoller’s students, Henry Farnam of Yale and Adna F. Weber of the New York Bureau of Labor Statistics (Rodgers 1998: 236). The first group meeting was in early 1906. Richard T. Ely served as the AALL’s first president, and John R. Commons was its first executive secretary. The latter position was soon taken over by Commons’s protégé John B. Andrews, who led the organization for many years. Irene Osgood (who became Irene Osgood Andrews), another Commons student, served as the AALL’s assistant secretary. Columbia’s Henry Rogers Seager, an expert in social insurance, was involved

³ James Kloppenberg’s gloss of Rodgers’ essay on progressivism, published in his influential *Uncertain Victory*, added to Rodgers’ three progressive clusters a fourth: “a kind of national purification” movement, encompassing prohibitionists who would purify the nation of liquor, nativists who would purify the nation of undesirable people and politics, and eugenicists who would purify the nation of inferior heredity (1986: 311). Whether one wants to regard “national purification” as part of the progressive language of social efficiency, as did Rodgers, or as a progressive idea-cluster unto itself, as did Kloppenberg, is more a matter of taxonomy than of substantive disagreement.

from the very beginning, serving as its third and fifth president (Commons was the second to hold the AALL presidency). Princeton's William F. Willoughby was the fourth president.

The AALL masthead practically mapped the interlocking directorates of American progressivism. On it were Jane Addams of Hull House, Charles Richmond Henderson, the University of Chicago sociologist and head of Charities and Corrections, Paul Kellogg, editor of the *Survey*, an influential progressive organ, Louis Brandeis, AALL legal counsel until appointed to the Supreme Court by Woodrow Wilson; and Wilson himself, even after he became President of the United States. Importantly, the AALL attracted economists whose politics were not necessarily Left of center: Irving Fisher, a political moderate, served as the sixth AALL president, and Frank Taussig, sometimes regarded as politically conservative, lent his name to the AALL masthead for years.⁴

Two caveats should be made. First, no single organization can represent the whole of Progressive Era economic reform. The AALL reformers offer not a definition of “progressive,” only a point of reference. However, with their hostility to laissez-faire but also their wariness of socialism, their view of the labor question's centrality to political economy, their reformer's desire to set the world to rights, their preference for technocratic over democratic solutions, their veneration of efficiency, and their abiding faith in social science, statism, and their own disinterested expertise as reliable guides to the social good, the men and women of the AALL usefully proxy for progressive economics.

Second, the term “progressive” was not, a century ago, a synonym for “on the Left politically,” and we should avoid the mistake of forcing a one-dimensional Left-Right mapping upon the progressive economists and their (various) critics. Though most progressive economists likely resided Left of center, no necessarily political position inhered in the use of state power, informed by science and guided by university-trained experts to remedy the inefficiency, disorder and injustice seen to arise from the transformative effects of industrial capitalism. The progressive economists wished to promote social justice, a Left goal, but they also were also concerned to promote social order, a quintessentially conservative aim.

The progressivism of Progressive Era economic reform could and did accommodate

⁴ In later years, Institutionalist economists such as Wesley Clair Mitchell, Leo Wolman, and Walton Hamilton were members of the AALL General Administrative Council.

moderate and conservative statist, such as Theodore Roosevelt, who were prepared to subordinate individual rights to various forms of “national greatness,” and who promoted the centralization of government power, in the longstanding Hamiltonian tradition.

3. Anti-individualism and nation-statism

One of the most striking intellectual changes of the American Progressive Era, one with far reaching consequences, was its unprecedented “assault on the idea of individualism itself” (Rodgers 1982: 124). American economic reformers departed from the deeply rooted Lockean sensibility of their classical liberal forebears, including that of their more proximate ancestors, the Mugwumps, who were also reformers, but stayed within the individualist tradition characteristic of American political culture since its founding.

The progressive economists, like all educated people of their generation, were weaned upon Anglo-American individualism, with its natural-rights based foundation. But most progressives became nationalists of one sort or another, a rejection of the individualist tradition caused by a powerful confluence of late 19th-century intellectual influences: the German Historical School’s view that society is an organism, something greater than the sum of its constituent members; the Protestant Social Gospel’s move from individual salvation to a collective project of bringing the kingdom of heaven to earth;⁵ the liberating effects of Pragmatism, which seemed to license most any departure from previous absolutes, provided such departures proved useful, and the indigenous American tradition of human hierarchy, which posited a hierarchy not of individuals, but of groups, especially races.

Sociologist and reformer Charles Horton Cooley could say, “the notion of a separate and independent ego is an illusion” (Rodgers 1982: 125). Richard T. Ely, firing the early shots of his AEA insurgency, proposed that “the nation in its economic life is an organism, in which individuals, families and groups . . . form parts. This is strictly and literally true, as is shown conclusively by comparing the facts of economic life with the ideas embraced in the conception, organism” (1886: 49). Thus, proclaimed Ely, progressive economics rejects the “fictitious individualistic assumption of the classical political economy,” and instead “places society above the individual, because the whole is more than any of its parts” (1886: 50, 54).

⁵ Ely offered a representative Social Gospel view of Christianity. “Christianity,” Ely (1889: 53, 57) asserted, “is primarily concerned with this world,” and its purpose is to “bring to pass here a kingdom of righteousness and to rescue from the evil one and redeem all our social relations.”

Washington Gladden, a leading Social Gospeler and ally of Ely's, likewise argued that "the idea of the liberty of the individual is not a sound basis for a democratic government." The classically liberal emphasis on individual freedom, Gladden argued, was "a radical defect in the thinking of the average American" (in McGerr 2003: 217). Economist A.B. Wolfe said of his fellow progressives: "we are specifically the victims of a social inheritance of political and economic individualism carried over from the eighteenth-century revolt, when the emphasis was on individual rights rather than where it now must be put, upon social function" (Pickens 1967: 80). AALL stalwart Henry Seager argued that "the creed of individualism is no longer adequate," and that the "common welfare [requires] . . . an aggressive program of governmental control and regulation" (1910: p. 5).

The progressive rejection of individualism was perhaps best embodied in the Progressive Era's catchphrase, "social control," popularized by Edward A. Ross' *Social Control* (1901), a book that was in print until 1932, and sold, Ross boasted, in the hundreds of thousands. *Social Control* was subtitled, "a survey of the foundations of order." Social control, for Ross, did not refer narrowly to state regulation of markets, but described the "the system of control, [which], like the educational system, is charged . . . with the shaping of individuals" (Ross 1896: 521). Individuals were but "plastic lumps of human dough," Ross maintained, to be formed on the great "social kneading board" (in Rodgers 1982: 123).

The new collectivism of the economic reformers was not Marxian, but Bismarkian. The "German model" that the American economists had admired as graduate students in the late 1870s and 1880s featured a top-down welfare state advised by expert professors who took the nation as their explanatory unit of account. Most progressive economic reformers, that is, were statisticians (or nationalists) but not socialists. The non-Marxian aspect of the "German economics" behind American progressivism survived its transplantation to American soil: few American reformers seriously embraced extensive state ownership of the instruments of production, the heart of programmatic Continental socialism. The American reformers also followed their German professors in assigning the state special significance, sometimes making it coextensive with the nation, and, in the case of the Social Gospel economists, attributing to it divine import.

Ely, like many progressives, depicted the state not as the agent of society, but as coextensive with society itself. Ely referred to the state as the "great cooperative society," and, an evangelical, located in it divine significance. "God works through the State in carrying out

His purposes more universally,” Ely said, “than through any other institution” (1896: 162-62). Lester Frank Ward’s subtitled his 1906 treatise, *Applied Sociology*, “on the conscious improvement of society by society.” He devised the term “sociocracy” to describe the “scientific control of social forces by the collective mind of society” (Fine 1956: 263).

It was Ward who pioneered the American progressive emphasis on the group, especially the nation, as the rightful unit of theoretical account. So, when the *New Republic*’s Walter Lippmann wrote in *Drift and Mastery* that “men have to substitute purpose for tradition,” calling this “the profoundest change that has ever taken place in human history,” Lippmann was speaking not of individual purpose, but of social purpose (1914: 266).⁶

The progressive emphasis upon social control required more than purpose, for the traditional American emphasis upon individual self-help was nothing if not purposeful. Progressivism’s social control was premised upon a view that society should be planned in the name of a social collective, where the collective had interests greater than the sum of the interests of its individual members. “Purposeful activity must henceforth be recognized as a proper function not only of the individual,” read Richard Hofstadter’s gloss on Ward, “but of the whole society” (1944: 64). Reflecting upon the Progressive Era, John R. Commons characterized his progressivism this way: “a theory of social progress by means of personality controlled, liberated, and expanded by collective action. It is not individualism, it is institutionalized personality” (1934: 874).

Not all progressives idealized the nation-state as much as did Ely, Ward, Ross, and others, such as Herbert Croly and Theodore Roosevelt, for whom “the lines of social connection always ran toward the nation, the state” Some progressives, epitomized by Hull House social worker Jane Addams, spoke more of “the bonds of family, community and neighborhood” (Rodgers 1982: 125). But the “rhetoric of social cohesion,” whether it imagined social bonds as local or national in nature, was not new in the Progressive Era.⁷ What was new, more than an

⁶ “We can no longer treat life as something that has trickled down to us,” Lippmann continued, “we have to deal with it deliberately, devise its social organization, alter its tools, formulate its method, educate and control it. In endless ways we put intention where custom has reigned. We break up routines, make decisions, choose our ends, select means” (1914: 267).

⁷ As Rodgers points out, “much of the thrust of academic social thought in the nineteenth century had, in fact, consisted of a finer and finer elaboration of what the term ‘society’ meant” (1982: 124).

emphasis on social bonds of itself, was the rejection of individualism and the classical liberal tradition, which economic reformers disparaged as “laissez-faire,” “do-nothingism,” and “English economics.”

There was, in particular, a newfound willingness to subordinate individual rights, previously inviolate, to the interests of the social whole, however that whole’s scope were defined. By the time of the first World War, the editors of the progressive *New Republic* regarded the Constitution’s Bill of Rights as quaint and even retrograde: “what inalienable right has [the individual],” they asked rhetorically, “against the community that made him and supports him” (1915: 273). Progressives firmly and almost universally rejected the natural-rights-based discourse of classical liberalism, in law, in politics and in economics.

Of course, Constitutional impediments to one side, the problem remained of how exactly Ward’s “collective mind of society” would manage to scientifically control society. The reform economists’ vague language of cooperation and Christian brotherhood, characteristic of the late 1870s and 1880s, gave way during the 1890s to a more concrete embrace of state compulsion. By the 1890s, social control, in practice, meant state control. Most progressives involved in economic reform, including those like Florence Kelley, who originally preferred voluntary cooperation and moral suasion to legislation, came around to the idea that state compulsion was the best vehicle for promoting their vision of the collective good.

In Progressive-Era parlance, the term “socialism” was sometimes used to characterize the anti-individualism of American reform. But, among economic reformers, “socialism” used this way referred less to state ownership of capital, than to a view of the proper relationship between the individual and society, broadly defined. As Robert Lee Hale put it, in a letter rebutting Thomas N. Carver’s charge of socialism: “the only sense of the word in which I am conscious of being a ‘socialist’ is in the sense of not being an individualist” (in Fried 1998: 233, n. 34). Ely, in an AEA panel on the meaning of socialism, likewise referred to this meaning of socialism as the “social philosophy which is opposed to individualism” (1911: 366). A socialist in American progressive parlance was a person who acted with the social whole in mind, and believed that others should too.

So while most American progressives were “socialists” in the restricted sense of being anti-individualist, few were prepared to endorse a program that would abolish private property. Progressives were happy to restrict individual rights, indeed their legislative reforms famously

required circumventing the U.S. Constitution's protection of "life, liberty and property."⁸ And, some argued that certain industries, natural monopolies, should be publicly owned and operated, so-called "gas and water socialism."

But, among reform economists, the progressive case for public ownership of industry was circumscribed, and it was, moreover, most often founded on grounds of cost efficiency, not on grounds of distributive justice or of plutocracy. Henry Carter Adams's (1887) influential monograph, *The Relation of the State to Industrial Action*, advocated state intervention only in those industries characterized by continuously increasing returns to scale, such as utilities, where entry by more than one firm would be economically inefficient, that is, would raise average costs. Adams' case carefully argued against state involvement in most manufacturing, where, he argued, returns were constant, and in agriculture, where returns were decreasing.

The progressives' failure to attack private property more systematically has led some Left historians, such as Gabriel Kolko (1963) and James Weinstein (1968), to condemn American progressives as "conservative." By "conservative," the Left historians mean insufficiently radical or non-socialist. But "conservative" does not exhaust the very large category of non-socialist. So while I agree that the progressives were conservative, I use "conservative" to refer to something closer to Robert Wiebe's (1967) meaning: the progressives' impulse to impose order upon what they saw as the economic disorder caused by the rise of American industrial capitalism and its concomitants.

4. Taylor's scientific management and the progressives' cult of efficiency

Scientific management, or "Taylorism," is today a term of abuse, especially on the Left. "Taylorism" is associated with dehumanizing work practices, and the deskilling of labor. But this contemporary characterization is remote from how the original progressives regarded scientific management. Frederick Winslow Taylor's scientific management program appealed to many American progressives. Taylor's biographer, Daniel Nelson, judges Taylor's *The Principles of Scientific Management* (1911) "above all a reform tract, a progressive manifesto"

⁸ The troublesome language resides in the Fifth and Fourteenth Amendments, which require that the states not restrict life, liberty, or property without due process of law. The *Lochner* Court read "liberty" as including liberty of contract. The term "liberty of contract" nowhere appears in the Constitution, but neither does "police power," the foundation of the progressives' legal case for regulating wages, hours and working conditions. The police power refers to the power of the several states to enact laws that override constitutional rights to liberty and property, in the name of a compelling public interest in health, welfare, or morals.

(cited in Kanigel 1997: 504). For leading Progressive Era reformers, the scientifically managed firm offered both a method for overcoming destructive competition in industry – planning -- and also a model for making other forms of organization more efficient, government especially.

Taylor's great champion was Louis Brandeis, who called Taylor a genius and made Taylor's reputation when he used scientific management theory to criticize the railroads in the *Eastern Rate* case of 1910. Brandeis, who represented the shippers opposed to the rate increase the eastern railroads sought from the Interstate Commerce Commission, invoked Taylor to argue that railroads would not need higher rates if only they would manage their costs more efficiently, using the principles of scientific management. "The coming *science of management* in this century" Brandeis declared, "marks an advance comparable only to that made by the coming of the *machine* in the last" (emphasis original, cited in Kanigel 1997: 504).

Walter Lippmann believed that scientific management would "humanize work" (Haber 1964: 94). John R. Commons called scientific management "the most productive invention in the history of modern industry" (Haber 1964: 148).⁹ Muckraker Ida Tarbell called Taylor a creative genius, and gushed that "no man in the history has made a larger contribution to . . . genuine cooperation and juster human relations" (Kanigel 504-05). Another notable muckraker, Ray Stannard Baker, wrote a glowing profile of Taylor in *The American Magazine* (1911).

Florence Kelley, the great labor reformer, joined the Taylor Society, which, during the 1920s, served as refuge for future New Dealers, such as Rexford Tugwell and John Maurice Clark. Taylor's condescension to unscientific management, and the emphasis Taylor's system placed upon the technological aspects of production over the financial side of business eventually won over Thorstein Veblen, an early skeptic. Lenin was drawn to Taylor's emphasis on increasing production above all else (Haber 1964, ch 8), and later made Taylor's methods part of Soviet production theory.

Taylor's vision offered Progressive Era reformers an almost irresistible package: greater efficiency, order and fairness, all realized via the expert application of science. Taylor promised

⁹ After Taylor's death in 1915, Commons gradually turned against scientific management, albeit on unusual grounds. Commons believed that Taylor's vision of unions (through their expert representatives) participating in firm planning was tantamount to making labor share the risks of the corporate enterprise, when, Commons argued, labor should not be made to share such risks. (See Nyland 1996).

greater efficiency, to be sure. But he also promised greater order and fairness in the workplace. A properly scientific approach to management, Taylor argued, one which brought system and scientific rigor to the heretofore pre-scientific and disorderly enterprise of business management, would not only increase productivity, but would also promote industrial peace and fairness. As Samuel Haber, the leading scholar of Taylor and progressivism, put it, greater “efficiency meant social harmony” (1964: x).

Taylor offered progressives fairness as both input and output of scientific management. Scientific management represented itself as the product of science – the application of applied-science methods to business management. Rather than follow rules of thumb, the engineer would, via observation and experiment, methodically determine optimal work techniques, scientifically discovering the “one best rule.” That the engineering science in scientific management was more practical than theoretical in emphasis only heightened its appeal to economic reformers.

The progressives, who placed great store in the epistemic virtues of scientific inquiry, also saw science as conferring impartiality. Scientific truths might be hard truths, but there was no gainsaying them. As the product of a selfless search for truth, not for power or advantage, scientific outcomes, unlike the outcomes of politics or markets, were impartial.

Scientific management also promised to promote fairness. When Taylor proposed to substitute central planning for what he saw as the arbitrary power of bosses (shop foremen), progressives saw this as increasing not only efficiency, but also fairness. Scientific management promised to substitute the “leadership of the competent” for the leadership of the bosses (Haber 1964: x). The *New Republic*'s Herbert Croly imagined that scientific management would replace “robber barons” with “industrial statesman,” a term that captures the progressive faith in technocratic rule, while also revealing something of what economic reformers meant by “industrial democracy.” “In the past,” said Taylor, “the man has been first, in the future, the system must be first” (1911: 7).

Of course, claims to fairness notwithstanding, Frederick Taylor, like all planners, was not eliminating authority. He was merely relocating it, by flattening the firm's organizational hierarchy, and placing real authority, especially the authority to hire and fire, with the planning department. Taylor did indeed reduce the power of the shop foreman, but he did so by giving it to the efficiency experts (Haber 1964: 25).

Greater cooperation between labor and capital Taylor promised via two channels: one, better work techniques and increased supervision of worker effort, and, two, the consequence of greater output to be divided among the claimants to its value. The former ultimately proved to be the undoing of Taylorism. Most workers did not passively accept greater monitoring of their work effort. Nor did workers gratefully receive the tuition of efficiency experts, with its assumption that, as one reviewer of Taylor put it, “the best method is the one the individual laborer cannot discover for himself, and hence it is the function of management to discover and apply it” (Jones 1911: 834). The notion that *less* autonomy and more supervision would be welcomed by workers if only the new authorities were planners rather than foreman, tells of the naïve, elitist prejudices of Taylor and his admirers.

Finally, the output-increasing advantages of scientific management held out the alluring prospect of reducing labor-management conflict. Greater production would make it possible for “both sides [to] take their eyes off the division of the surplus until this surplus becomes so large that it is unnecessary to quarrel over how it shall be divided” (Haber 1964: 27). However exaggerated, this was a tantalizing prospect in an era beset by labor strife. Taylor, like the economic reformers, took the labor question as primary. He believed that both workers and management wrongly regarded labor conflict as endemic to economic life, when, in fact, its true cause was inefficiency. Once shown that they shared the common enemy of inefficiency, workers and management, Taylor believed, would be induced to work cooperatively.

Greater efficiency, for many progressives, essentially defined progress. By efficiency, progressives meant productive efficiency. When Taylor referred to the “engineer as economist,” he did not mean that engineers should become political economists, but that industrial engineers should reduce waste and promote more output from a given quantity of inputs.

Progressives enthusiastically and rapidly seized upon industrial efficiency as an exemplar, imagining that scientific planning could promote efficiency in society more generally. Following Brandeis’s intervention on behalf of Taylor, a flood of volumes on efficiency appeared, preaching greater efficiency not just in industry and in government, but also in education, in medicine, in the home, and in human beings themselves. Joseph Mayer Rice’s 1913 bestseller, *Scientific Management in Education*, reported on the results of the new educational testing. Irving Fisher (1909: 15) promoted “biological engineering,” by which he meant the study and improvement of human efficiency. Ellen Swallow Richards (1911: 391),

founder of home economics, advocated greater efficiency in the home. Richards proposed that “the work of home-making in this engineering age must be worked out on engineering principles, and with the cooperation of both trained men and women.” Sociologist and minister Samuel Dike proposed that even religious practices should be made more efficient (Dike 1912).¹⁰

“Conservation,” was a cognate term for efficiency. “Conservation,” in the Progressive Era, referred not just to natural resources such as land, but to social and human resources as well. “The problem of conserving natural resources,” Irving Fisher (1909: 1) argued in his *National Vitality*, “is only one part of the of the larger problem of social efficiency.” The AALL’s motto was “Conserving Human Resources.” Madison Grant, author of *The Passing of the Great Race*, is today remembered as a reactionary scientific racist, but he was also a leading nature conservationist. Grant regarded the despoliation of Western lands and the despoliation of the Anglo-Saxon race as like problems demanding a like solution, the compulsory imposition of expert stewardship.¹¹

Efficiency demanded measurement, which had the virtue of lending precision (real or imagined) and scientific authority. As Rodgers (1982: 126) puts it: “the language of social efficiency offered a way of putting the Progressives’ common sense of social disorder into words and remedies free of the embarrassing pieties and philosophical conundrums that hovered around the competing languages of social bonds.” Introducing *The Wisconsin Idea* (McCarthy 1912), Theodore Roosevelt quoted progressive economist Simon Patten, who argued that “without “measures of result an ideal becomes meaningless. “The real idealist,” quoted Roosevelt, “is a pragmatist and an economist. He demands measurable results. . . . [for] only in this way is social progress possible.”

Progressive social scientists, notably the founders of the AEA and the AALL, pointedly distinguished the empirical orientation of their reform economics from the more abstract, deductive approach of late classical political economy (Barber 1987). “Look and see” preached Richard T. Ely, aphorizing one of his AEA founding statements of principle: “We look not so

¹⁰ See Bradley Bateman’s (2001) fine essay on the connections between the Social Gospel, the reform empiricism of the social survey movement, and the efficiency vogue.

¹¹ For a view of the Progressive Era conservation movement as quintessentially a progressive movement, motivated by a small cadre of experts and aimed at a more orderly and efficient use of natural resources, see Samuel Hays (1959).

much to speculation as to historical and statistical study of actual conditions of economic life . . .” (Seligman 1925: 148). Measurement, and an empirical approach to economics were what, in the minds of the progressives, made their reform economics more scientific. Said Lester Ward (1915: 46), reflecting the aspirations of many progressives: “if laws of social events could be statistically formulated, they could be used for scientific lawmaking.”

Efficiency experts measured not only the productivity of factory floors, public schools, households, and immigrant neighborhoods, they also measured human bodies, human character, and human intelligence. The late Progressive Era marks the advent of measuring intelligence. Stanford psychologist Louis Terman’s 1916 manual for the Binet IQ test, *The Measurement of Intelligence*, was soon followed by *Human Efficiency and Levels of Intelligence* (1920), written by Henry Herbert Goddard, superintendent of the Vineland (NJ) School for Feeble-Minded Boys. It was Goddard who initiated intelligence testing of immigrants at Ellis Island, finding 80 percent “feeble-minded,” and who, with Robert Yerkes, tested US Army draftees for World War I, finding that 70 percent possessed a mental age of twelve or less (ibid: 30).

Before eugenicists dreamed of measuring intelligence, a complex trait, they measured human heads. At the turn of the century, Veblen’s *Journal of Political Economy* published an extraordinary outpouring of articles by economist Carlos Closson, who popularized and proselytized for the scientific racism of two leading physical anthropologists, Georges Vacher De LaPouge, and Otto Ammon (e.g., LaPouge and Closson 1897). The anthropologists measured thousands of human heads, calculating the cephalic index, or ratio of head width to head length, which they believed demonstrated a permanent race hierarchy. Physical anthropology, the measuring of heads, was “destined to revolutionize the political and social sciences as radically as bacteriology has revolutionized the sciences of medicine” (1897: 54). Veblen selected LaPouge and Closson’s boast to introduce his influential critique of neoclassical political economy, “Why is economics not an evolutionary science” (1898).

5. Technocracy: government by expert

Economic reformers were both partisans of efficiency and partisans of the state. They imagined that the improvement of society, economy and humanity would be designed and supervised by government experts. Just as the efficiency experts in the scientifically managed firm’s planning department brought order to the unplanned chaos of the shop floor, so too would government efficiency experts bring order to the unplanned chaos of industrial capitalism.

But the progressives' impulse to use government to set the world to rights was tempered by their view that American government, and its party system, was, at all levels, badly in need of reform. Corrupt and decentralized, the state was, at once, the "locus of progressives' hopes, and also the source of their unease" (Rodgers 1982: 125).

The disparity between the government progressives imagined and the government they observed did not induce them to scale back their project of reform. Instead, they expanded it, to include government as well. Progressives at the forefront of economic reform imagined a kind of technocracy, where government experts could administrate, free (or at least insulated) from the partisanship and corruption they saw in American politics. In its more undemocratic versions, progressivism sought to subordinate politics to expert administration altogether (Haber 1964: 104).

Before the state could order the chaos of the competitive marketplace, it would be necessary to bring order to the state itself – that is, to control (or at least circumvent) the political bosses and their corrupt political machines with expert administrators and a professional civil service. As one widely read eugenics text put it: "government and social control are in the hands of expert politicians who have power, instead of expert technologists who have wisdom. There should be technologists in control of every field of human need and desire" (Albert Wiggam's *New Decalogue* 1923 cited in Ludmerer 1972: 16-17).

When Edward A. Ross famously described progressivism as "intelligent social engineering," he was invoking the technocratic ideal of the expert qua engineer, concerned only with the social good, free to repair social and economic problems, unconstrained by politics (1907: 41). The case for technocratic governance was put baldly by Irving Fisher (1907: 20), when he said: "The world consists of two classes —the educated and the ignorant — and it is essential for progress that the former should be allowed to dominate the latter. . . . Once we admit that it is proper for the instructed classes to give tuition to the uninstructed, we begin to see an almost boundless vista for possible human betterment."

E.R.A. Seligman was more cautious than Fisher about the limits of scientific knowledge applied by government experts, but he acknowledged the necessary tension between technocracy and democracy, recognizing that, in the progressive view, the expert was to the state as the priest was to the church. "The scholar," said Seligman, "must possess priestly qualities and fulfill priestly functions, including political activity. His knowledge, as Fichte says, 'should be truly

applied for society's use; he should get people to feel their true needs and acquaint them with the means of their satisfaction” (in Fink 1998: 14).

The faith that social science could not only guide markets toward the social good, but could also identify the social good, ran deep in reform political economy. Franklin Sanborn, the director of the Social Economy department of the American Social Science Association, an AEA precursor, had put it this way in 1886: “to learn patiently what *is* – to promote diligently what *should* be, -- this is the double duty of all the social sciences, of which political economy is one.”¹² Both organizations embraced the reform impulse, but the ASSA (founded in 1865) was constituted by amateurs, and the AEA (founded 1885) was founded by academics (and evangelicals) aiming to professionalize economics. The change in the status of economists -- from amateurs to professionals, from public intellectuals to scientific experts – coincided with and reflected a change in how economic reform was to be carried out. In particular, the professionals (actual and aspiring) who founded the AEA assigned the leading role to the state, which, in its turn, created new occupational roles for the reforming economist: that of expert policy counselor and that of expert government servant. The technocracy would need to be staffed.

6. Economic expertise in practice

In practice, the earliest realized exemplar of the progressives' technocratic vision was the “Wisconsin Idea.” In Wisconsin, professorial experts joined hands with enlightened politicians, to investigate economic and social problems, and then to devise reforms. John R. Commons, who, along with Edward A. Ross, had been recruited by Richard T. Ely to Wisconsin, probably traveled the main street that connected the University with the State Capitol more frequently than any other faculty member. But the entire Wisconsin economics faculty, and many other scholars, were actively involved in expert government investigation and reform. By 1908, fully one-sixth of the University of Wisconsin faculty held appointments on Wisconsin government commissions (Fogel 2000).¹³

¹² Sanborn (1886: 6) as quoted in Haskell 2000: 179.

¹³ For a history of Wisconsin Institutionalism, which emphasizes the influence of Commons, see Rutherford (2006).

The Wisconsin Idea, with its intimate connection between government, social scientific expertise, and empirical investigation, was imitated by other states and by the federal government. Kloppenberg (1986: 209) characterizes the Wisconsin Idea as a “prototype of national progressivism.” And the advent of economic expertise in the service of reform changed not just American government, but also American economics.

Prior to the Progressive Era, American political economists addressed economic issues, but they ordinarily wrote as public intellectuals, for an educated lay audience, publishing in general interest journals such as *The Nation*, or *The Atlantic*, or in the religious press. As economics professionalized, it became institutionalized in American universities, and political economists increasingly wrote as technical experts, publishing in the research universities’ new scholarly journals, and establishing the scientific *bona fides* demanded by government, whose investigators and policy makers were themselves developing new roles exercising their powers to investigate and regulate market relationships.

Beginning with the Progressive Era, then, the locus of economic knowledge production changed. It moved into the universities, and, as the demand for specialized economic information arose, also into the new government statistical agencies. “The welfare state,” historian of statistics Theodore Porter summarizes, “evolved in conjunction in with new kinds of data and new forms of social science” (2003: 39).

Progressive Era economists’ most enduring policy influence came through two related institutions: the expert-lead commission, and the government statistical agencies, especially the U.S. and state bureaus of labor statistics (Furner 1990). As Robert Fogel (2000a) reminds us, the Industrial Commission of 1898-1902, which featured Jeremiah Jenks of Cornell, William Z. Ripley of Harvard and John R. Commons, was the first large scale U.S. commission to employ professional economists: they investigated railroad pricing policy, industrial concentration, and the impact of immigration on labor markets. The Progressive Era commissions not only collected data, their recommendations were instrumental in establishing the government agencies we today regard as foundation stones of the welfare state.

The National Monetary Commission of 1908-1912 resulted in the establishment of the Federal Reserve System in 1913, with the central involvement of economist Harold Parker Willis. The recommendations of the U.S. Immigration Commission of 1909-1915, led to the immigration acts of 1921 and 1924, which ended the era of open immigration, and imposed

eugenically-motivated racial quotas upon immigrants from Southern and Eastern Europe. As commissions beget new government agencies the line between economist as expert and economist as policy maker began to blur, as exemplified by Frank Taussig's appointment (by Woodrow Wilson) to be the first Chair of the U.S. Permanent Tariff Commission (Church 1974).

Even those commissions that did not, of themselves, beget new government agencies, such as the Industrial Relations Commission (IRC) of 1912 (operating 1913-16), promoted the model of economists as experts and were quite influential. The IRC, which employed W. Jett Lauck of Chicago, Sumner Schlichter (of Cornell and Harvard) and Leo Wolman (of Columbia), produced an extraordinarily large set of volumes on family budgets, labor relations and labor unions, and influenced many states to adopt minimum-wage, maximum-hour and working-conditions legislation.

7. The consolidated firm versus “the planless scramble of little profiteers”

I agree with Rodgers that Progressive Era vogue for efficiency, “the merger of the prestige of science with the prestige of the well-organized business firm,” gave the “metaphor of system its tremendous twentieth-century potency” (1982: 126). It was Taylor, recall, whose scientific-management manifesto insisted that “the system must be first” (1911: 7). But I disagree that there was an incongruity in progressive thought revealed by progressives who “slide back and forth between criticism of business-made chaos and schemes to reorganize government along business lines” (Rodgers 1982: 126). This reading, I believe, conflates the firm with the market.

The economic progressives drawn to scientific management were consistent: they celebrated the scientifically managed firm as orderly and efficient, indeed regarded it as an organizational model for centralizing and streamlining government along more technocratic lines. The properly managed firm was an *organization*, the operation of which called for system and for command, and with them the scientific, bureaucratic and hierarchical values the economic reformers embraced. A competitive market is not an organization, systematic or other. A competitive market is characterized by voluntary exchange not command: its decisions are decentralized and its outcomes are unplanned.

The idea of a beneficial spontaneous order arising from voluntary market exchange was dismissed by economic progressives as so much laissez-faire dogma, a doctrine perhaps suitable

for Adam Smith's day, but not for the new era of industrial capitalism, with its trusts, pools and large labor unions. The Progressive Era consolidation of capital and labor, in the progressive view, made Adam Smith's system of natural liberty obsolete.¹⁴

Many economic reformers used the term "competition" to refer broadly to a free market system – as in, "the competitive system" – as distinct from the later, neoclassical sense of "competition," which referred to the particular market structure that gives rise to marginal-cost pricing.¹⁵ The terminological confusion matters because economic progressives were, famously, hostile to a free market system (and thus to "competition"), and the disorder, inefficiency and unfairness seen to attend it. But they were not, thereby, opposed to the consolidated forms of economic organization that increasingly were produced by what they regarded as a free market economy. To the contrary, progressive economists generally regarded the new behemoths favorably, as "islands of conscious power," organizations that, unlike the small producers and farmers of the mid-19th century, were purposeful, rational and efficient.¹⁶

Progressive economists, like many others, were greatly impressed by the extraordinary Progressive Era consolidation of businesses into trusts and combinations from 1895-1904 (Lamoreaux 1985). Most progressive economists regarded large firms as a permanent feature of the new economic landscape. "It is useless to abuse and attack the trusts," said John R. Commons, we should confine ourselves "to discussing the trusts from the viewpoint of inevitability" (New York Times 1899). "The true line of policy," said William F. Willoughby, also a future AALL president, "is to recognize that consolidation of industrial enterprises is

¹⁴ Wesley Clair Mitchell (1927: 172), in the revision of his 1913 *Business Cycles*, distinguished "coordination of effort within each business enterprise" from the "planlessness" of "coordination of effort among independent enterprises." "Coordination within an enterprise is the result of careful planning by experts," said Mitchell, "coordination among independent among independent enterprises . . . is the unplanned result of natural selection in a struggle for business survival." Because of these and other factors, Mitchell said, "coordination within an enterprise is characterized by economy of effort; coordination among independent enterprises by waste." Thus is "the growth in the size of the business enterprise a gain, because it increases the portion of the field in which close coordination of effort is feasible." I thank an anonymous referee for pointing me to this passage.

¹⁵ Thus could competition, in the sense of free markets, be characterized as producing less competition, in the sense of a market structure giving rise to prices above marginal costs.

¹⁶ Dennis Robertson (1923: 85) memorably described firms as "islands of conscious power in this ocean of unconscious cooperation, like lumps of butter coagulating in a pail of buttermilk."

inevitable” (1898: 94).

In fact, most economic reformers regarded industrial consolidation as not only inevitable, but also as desirable, provided government could ensure against monopoly. In particular, large-scale provided greater cost efficiency in production; large firms eliminated wasteful “higgling of the market;” large firms offered employees better working conditions, and large firms were more likely to be run by professional planners.¹⁷ The progressive economists were thus opposed to monopoly but not to bigness as such, and, because of this, were not “anti-monopoly” in the populist, small-producer sense of the term.

Indeed, the 1895-1904 decade of industrial consolidation goes some way to explaining the puzzle of why, in 1905, William A. White could say “[i]t is funny how we have all found the octopus,” when, as Rodgers puts it, “less than a decade earlier . . . his like had denied that animal’s very existence” (1982: 124). The consolidated industrial firm “discovered” by progressive economists circa 1905 was, in fact, a different beast than the one already conjured by the western, agrarian populism best represented by William Jennings Bryan. The Bryanite populists’ anti-monopolism, which continued an American political tradition dating to Andrew Jackson, opposed consolidated power, especially Eastern money and banking, and it opposed it more for its perceived threats to small producers and to democracy than for any adverse effects upon consumers from monopoly pricing power. Progressive economists were no friends of economic populism and its defense of what they saw as inefficient and outmoded small producers and farmers.

That said, nearly all progressives agreed that *monopoly* should be policed: a larger state role was seen as irresistible. On the question of the trusts, all three presidential candidates in the 1912 election offered impeccable reform credentials: the Republican Taft administration had broken up Standard Oil and American Tobacco, indeed had initiated more anti-trust proceedings than had Theodore Roosevelt, the “trustbuster” who was in 1912 heading the Progressive Party ticket. Woodrow Wilson, the Democratic Party nominee, was vigorously anti-trust.

There were differences among progressives concerning trust policy. John Bates Clark, the pioneering neoclassical economist, believed that the continuing threat of entry to single-firm

¹⁷ W.F. Willoughby said, “the environment under which the laborers carry on their work, is far superior in the larger establishments” (1898: 89).

incumbents – what he called potential competition – was ordinarily sufficient to discipline incumbents to price at or near competitive levels. Clark was neoclassical in his emphasis upon competitive price as the normative desideratum, and in limiting government’s role to policing departures from competitive pricing, rather than relying upon imperfect proxies for monopoly pricing power, such as scale or market concentration (Leonard 2003a).¹⁸

At the other end of the policy spectrum lay Thorstein Veblen’s not-quite-socialist vision. Veblen (1921), emboldened by the economic planning undertaken in the rapid mobilization for World War I, conceived of the U.S. economy as a single, giant firm. It would be governed by a Soviet of central-planning engineers – not state ownership exactly, but a kind of planners’ trusteeship. Veblen was, as ever, extreme, both in the scope of industrial consolidation he imagined, and in his vision of professional engineers as the agents of radical social transformation. But Veblen’s view of the inevitability of large-scale enterprise, his conception of engineering as the disciplinary instantiation of an impartial, scientific approach to greater efficiency, and his enthusiasm for economic planning on the model of business planning (rightly conceived), were widely shared among progressives. Few extrapolated the consolidation trend as did Veblen, but most progressives imagined that larger business enterprises would continue to displace small-scale enterprise.

The leading strand of progressive anti-trust thought was represented by Theodore Roosevelt, who argued that big business should be countervailed by big government, but not dismantled. Roosevelt’s “new nationalism” imagined the federal government as a powerful but neutral defender of the public interest in securing the lower production costs provided by large scale, with regulation to ensure that the trusts did not abuse monopoly pricing power, nor unduly influence democratic decision making.

Breaking up the big firms was seen by Rooseveltian progressives as not only impractical, but also as destructive of efficiency and the other virtues of large scale. Ely (1900: 213) said, for example, “when [trusts] come about as the result of a free development, they are a good thing, and it is a bad thing to break them up; from efforts of this kind, no good has come to the American people.” Said Walter Lippmann in *Drift and Mastery*:

¹⁸ As long as the new behemoths were disciplined to price competitively by the threat of potential competitors, Clark’s policy recommendation was “hands off . . . competition,” a regulatory approach he called “a new and higher type of *laissez-faire*” (1897: 600).

If the anti-trust people . . . [did] what they propose, they would be engaged in one of the most destructive agitations that America has known. They would be breaking up the beginning of collective organization, thwarting the possibility of cooperation, and insisting upon submitting industry to the wasteful, the planless scramble of little profiteers (1914: 124).

Louis Brandeis represented the minority position Lippmann assailed, but he had an influential client in Woodrow Wilson. Brandeis believed that anti-trust law should break up the new behemoths. Brandeis was skeptical about the lower costs said to obtain with large scale, and he worried that the Rooseveltian approach might lead to regulatory capture. Leaving the behemoths intact, said Brandeis, could enable rather than impede a plutocratic seizure of the levers of democracy.

Brandeis was an outlier among economic reformers in this regard, a sophisticate with populist ideas. Brandeis disliked what he called the “curse of bigness,” in big business but also in big government. Brandeis (1934), in short, was a Jeffersonian, skeptical that Jeffersonian ends, in particular the decentralization of political power, could ever safely be entrusted to the Hamiltonian means of Roosevelt and the other economic progressives who, in his view, uncritically placed their faith in the virtue and efficacy of big government.¹⁹

Brandeis’s skepticism that Hamiltonian means could serve Jeffersonian ends, was rare among economic progressives. Most progressives were, like Herbert Croly, confident that Hamiltonian means could be made to serve progressive ends, provided the right people were put in charge. In Croly’s (1909) progressive manifesto, *The Promise of American Life*, Theodore Roosevelt personified the kind of leader who, by dint of their education, virtue and social-mindedness, would ensure that the federal government’s new powers were used wisely and scientifically.

8. Reviving Hamiltonism: nationalism, planning, and progressive taxation in WWI

Progressives entertained different views of American entry into the War. Some opposed it. Jane Addams, for instance, worried that war would distract Americans from progressive

¹⁹ See Adelstein (1989) for an interesting argument that Brandeis’s contradictions made him more Leninist than Jeffersonian. “In the Zion of [Brandeis’] imagination,” writes Adelstein, “every citizen would instinctively regard the common good, and cheerfully accept the direction of superiors to do his or her part in realizing it. The needs of the whole would dominate the desires of the self in every free man and woman; and the will to cooperate would replace the urge to compete” (1989: 620).

causes, which were, in her view, entirely domestic. Robert LaFollette thought that American entry into the war would enable the rich to profiteer. Theodore Roosevelt, on the other hand, beat the drums of war early on, and Richard T. Ely, by the summer of 1917, promised, as founder of the Madison chapter of the Wisconsin Loyalty Legion, “to stamp out disloyalty.” Ely even denounced LaFollette, his former ally and partner in the Wisconsin Idea, claiming that “LaFollette has been more of help to the Kaiser than a quarter of a million troops” (cited in Gruber 1975: 207).²⁰

But, once it was clear that President Wilson would be leading the United States into the European conflict, progressives pro- and anti-war came to see that war mobilization offered a golden opportunity to promote nationalist feeling, and then to enlist it in the reform cause, against individualism and decentralization, and for technocracy and economic planning. John Dewey’s 1918 essay, “The Social Possibility of War,” argued that World War I was instructing countries with “the individualistic tradition,” on “the supremacy of public need over private possession” (Dewey 1929, p. 556). The war, said Dewey, teaches us the virtues of using “social regulation for morally prophylaxis” (Dewey 1929, p. 556), an allusion not just to the alcohol trade restrictions begun during war mobilization, but to the idea of social control more generally.

Dewey’s view that the war collectivism advanced progressive reform echoed his colleague Herbert Croly, who, in *The Promise of American Life*, had celebrated the Spanish-American War as the occasion that yoked nationalism to reform. Said Croly:

The Spanish War . . . and its resulting policy of extra-territorial expansion, so far from hindering the process of domestic amelioration, availed, from the sheer force of the national aspirations it aroused, to give a tremendous impulse to the work of national reform (1909: 169).

By exploiting and promoting war patriotism during the Spanish-American War, Croly argued, progressivism gave reform its rightful national scope, reviving the “Hamiltonian ideal of constructive national legislation” (1909: 168).

And, finally, the First World War also proved to be a watershed for economic planning and progressive income taxation, two leading progressive desiderata. During U.S. involvement in World War I, the chief of the Central Bureau of Planning and Statistics of the War Industries

²⁰ Ely’s two most influential protégés, John R. Commons and Edward A. Ross, were also strongly pro-war, if not ultra-ists like Ely. See Gruber 1975.

Board (WIB) was economist Edwin Gay, dean of Harvard Graduate School of Business Administration. The WIB introduced American citizens to the idea of economic planning and control in the service of government, and Gay and his colleagues seized the opportunity to put their business organizational ideas into government practice (Cuff 1989).

The WIB was granted extensive planning powers in mobilizing for war, and it used them. The WIB coordinated most government purchasing, determined the allocation of resources, established priorities in output, fixed prices on commodities in over 60 industries, not all of them military-related, and promoted improved accounting and other management practices (Fogel 2000). When Grosvenor Clarkson, WIB member and historian, called the WIB an “industrial dictatorship,” he exaggerated, but for the purposes of paying a compliment, namely, that the WIB established that “whole productive and distributive machinery of America could be directed successfully from Washington (in McGerr 2003: 287, 285). The mobilization effort, in Clarkson’s characterization, was “a story of the conversion of one hundred million combatively individualistic people into a vast cooperative effort in which the good of the unit was sacrificed to the good of the whole. . . .” In appraising the advantages war provided to the reform movement, Clarkson volunteered that they “almost [make] war appear a blessing instead of a curse” (in McGerr 2003: 299).²¹

Though American involvement in the first World War was brief, a mere nineteen months, the WIB’s success at war mobilization affirmed the progressive faith in expertise, and its view that business planning methods could be applied by the government to the economy at large. While he granted that some war agencies would “melt away” at war’s end, Dewey, for example, believed that the most important lesson, that a vast economy could be directed by Washington planners, could never be forgotten. The war, he believed, has “made it impossible for men to proceed any longer by ignoring the revolution which has taken place” (Dewey 1929 [1918]: 557).

The First World War also had the consequence of permanently establishing a longstanding reform goal, the progressive income tax. With large wartime expenditures, and decreased tariff revenues from the wartime decline in international trade, the federal budget deficit ballooned to unprecedented levels. The response, the Revenue Act of 1917, changed U.S. taxation history. It was, argues tax historian Elliot Brownlee (1990), a watershed in the

²¹ My discussion of the WIB is indebted McGerr 2003, especially pp. 283-299.

development of the welfare state. The Revenue Act raised federal income tax rates (recently made constitutional in 1913 with the passage of the 16th Amendment), steeply increased income-tax progressivity (its top rate was 63%), expanded the income tax base, and taxed estates along with “excessive” war profits (Brownlee 1990). Federal government expenditures, under \$1 billion before the war, jumped to \$12.7 billion in 1918. In 1920, federal spending fell, but remained six times its pre-war level.

Though born in the exigencies of wartime finance, the 1917 implementation of a more expansive and progressive income tax was not repealed with the end of the war. The Revenue Act of 1917 not only permanently established federal income taxes as a greater source of U.S. tax revenue than tariffs and excise taxes, it also presaged still greater expansions of the federal income-tax base and of its progressivity, most notably during another great national crisis, the second World War (Brownlee 1990).

13. Progressivism and eugenics

Difficult though it is to appreciate in retrospect, eugenics in the Progressive Era was not aberrant, it was not pseudo-scientific, and its appeal was not limited to a particular political ideology nor confined to a particular country. Eugenic ideas, rather, were mainstream, were seen as socially-minded, were embraced by nearly all geneticists, were appealed to by scholars and scientists of virtually every ideological stripe, and were influential in nearly all non-Catholic western countries and in many others besides.

American economic reformers, for their part, were attracted to Progressive Era eugenics by the same intellectual commitments that drew them to economic and social reform more broadly – anti-individualism, efficiency, scientific expertise, technocracy, organization and planning.

First, anti-individualism. Eugenics was a collectivist doctrine; it rejected individualism in favor of more aggregate units of explanation, the nation or race or class or stratum of intelligence. Eugenics better comported with the methodological holism of the progressives than did Darwinism, which allowed for selection at both the individual or group level. Where Darwinism accommodated competition among individuals within a group (species), eugenics, in practice, was nearly always premised on competition among groups.

Second, efficiency via expertise. Progressive Era eugenics opposed laissez-faire values, by substituting an objective, expert determination of the social good for a subjective, individual

determination of the social good. Individuals could not be relied upon to promote the social good of better heredity, but experts could. Eugenics promised to reform human heredity more efficiently (and more humanely, eugenicists claimed) than could evolution by natural selection.

Third, science. There was, in the Progressive Era, an extraordinary vogue for evolutionary and other biological ideas applied to the sciences of society. American eugenic science, before the 1930s, was popular and respectable, and it possessed real scientific authority. As believers in the epistemic and moral authority of science, progressives adopted an almost religious attitude toward science, believing that Progressive Era biology could explain and control human inheritance.

Fourth, social control as state planning. Though eugenics can, in principle, comprise the free reproductive choices of individuals, in the Progressive Era, “eugenics” was understood to connote the planned social control of human heredity. When Francis Galton’s (1904) eugenicist manifesto spoke of the “agencies of under social control,” he meant the state. Indeed, the very idea of eugenics, the substitution of state selection for natural selection, was predicated upon the failure, or at least the inefficiency of natural selection. Laissez-faire eugenics, as Sidney Webb boasted, was, in the Progressive Era, a contradiction in terms.²²

Because a belief in human hierarchy was necessary but not sufficient for eugenics, we have investigated the progressives’ other commitments to understand why so many progressives appealed to social control of human heredity when making the case for economic reform. Commitment to anti-individualism, efficiency, scientific expertise, technocracy, organization and planning did not, of course, compel the support of eugenics. Not all American reformers endorsed eugenic ideas, even if the public critics of eugenics among them were scarce on the ground. And, moreover, many who did not share the progressive commitments embraced eugenics nonetheless. But the progressives’ foundational intellectual beliefs did make eugenics and progressivism complementary rather than antagonistic trends in the Progressive Era (Searle 1998: 25-26), and help to explain the phenomenon of reform eugenics among the progressive economists and their reform allies.

Herbert Spencer, the *bête noir* of American economic reform, also had (arguably) hierarchical views, and he too offered a biological defense of his social and economic ideas. But

²² Said Webb (1910-11: 237): “no consistent eugenicist can be a ‘Laisser Faire’ individualist unless he throws up the game in despair. He must interfere, interfere, interfere!”

Spencer, as a proponent of individualism and critic of expert-guided state compulsion, was no eugenicist. Spencer imagined human improvement as an exercise in Lamarckian self-help. The progressives believed that the crooked timber of humanity could not straighten itself. The project of human improvement, as with the project of economic improvement, could no longer be left to the self-regarding, undirected, and inefficient choices of ordinary individuals, but must instead be entrusted to the socially minded, planned and efficient choice of scientific experts.

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