“The Wise Minority in the Saddle”
When American Economics Became an Expert Discipline

Thomas C. Leonard

Council of the Humanities and
Department of Economics
Robertson Hall 418
Princeton University
Princeton, NJ 08544

tleonard@princeton.edu

The History of Economics Society Meetings,
Brock University, St. Catharines, Ontario, Canada, June 22-25, 2012

Note to readers: This paper is excerpted from a book manuscript, *In the Name of Progress: Eugenics and American Economics at The Birth of The Regulatory State, 1885-1918,* and it contains some material that has previously been published.

Having by 1900 established a disciplinary beachhead in the academy, the progressive economists gradually acquired scientific authority – what they knew of the working of markets and of the economic consequences of legislation was increasingly distinguished from what non-specialists knew. The growth of their scientific authority reinforced, in turn, the institutionalization of expert training in the research universities. But a large vocational task still remained: to create demand for their incipient expertise. The ambitious economists were not content with scholarship for its own sake; they wanted to influence affairs.

In the broadest sense, two clients were available – business and government. In 1885, at the AEA's founding, the idea that political economy professors, with their abstract doctrines, might be of use to practical men in industry would have been seen as risible. The prospects in government were better, but the United States government, in particular, was not yet demanding economic expertise, and state governments, though more active, were still dominated by the political parties and the courts.[1] The federal government's only welfare program was the bureaucracy that paid pensions to Civil War veterans and their survivors,[2] and the Interstate Commerce Commission (ICC), formed to regulate the railroad industry, was not founded until 1887 – the U.S. Bureau of Labor was established in 1888.

This is not to suggest that government regulation of society and economy was non-existent in the late 19th century heyday of the party period. State regulation of railroads, for example, preceded the formation of the ICC. And important precursors of administrative government can be found in the Civil War, and its immediate aftermath: the U.S. Freedman's Bureau, for example, formed to administrate the settlement of newly emancipated slaves, was begun in 1865.[3] But the great Progressive Era expansion of the regulatory state, with its multiplication of administrative agencies, was still, in 1885, barely visible on the horizon.

This would all change. The volatile and unhappy 1890s generated a broader base of support for expanding government's role in the economy and society. Progressives of all types advocated more government supervision of economic affairs, and also government that was less politicized, less partisan, and more scientific. In practice, this meant the rise of the economic reformers' ideal, administrative government, which was where the demand for economic expertise would be concentrated.

---

[1] Skowronek, Stephen (1982) *Building a New American State;* Richard McCormick (1986) *The Party Period and Public Policy.* Oxford: Oxford University Press.

[2] Skocpol, Theda (1992) *Protecting Soldiers and Mothers: The Political Origins of Social Policy in the United States*. Cambridge: The Belknap Press of Harvard University Press.

[3] During the Civil War, the US Army's Quartermaster's Department had bureaucratic authority independent of Congress, and spent $350 million on military procurement, more than the entire federal budget during the four years of the Buchanan administration. Mark Wilson (2006) "The Politics of Procurement: Military Origins of Bureaucratic Autonomy" in Richard John, ed. *Ruling Passions: Political Economy in Nineteenth Century America*. Penn State University Press.

But before government would actually hire economic expertise, the upstart economists faced two professional challenges in the 1890s. First, they had to demonstrate the practical use of their expertise: what exactly could the economic experts tell government that it did not already know? Second, they had to establish that their advice was objective, not interested – working for the national interest meant foreswearing advocacy for any special interest, even one as important and close to progressive economics as labor. The first challenge would require shedding the crust of laissez-faire dogma; the second challenge required foreswearing "socialist" fallacies, as their persecutors would falsely characterize progressive economists' sympathy for reform causes during the notorious academic-freedom trials of the 1890s.

1. The discovery that laissez-faire is bad for economic expertise

The social and economic upheavals that attended the extraordinary Gilded Age rise of industrial capitalism, culminating in the mid-1890s financial panic and depression, made it increasingly difficult for American political economy to preach the doctrines of free markets. This presented no difficulty for the progressive economists, who had made their reputation criticizing the economic disorder, waste and injustice they saw around them. Progressive economics had led the attack upon the classically liberal idea of a beneficial, self-regulating order arising from voluntary market exchange. Laissez faire, they said, had been made obsolete by the new era of industrial capitalism, which featured not only new organizational forms – trusts, natural monopolies and labor unions – but also a rapidly increasing economic and social interdependence wrought by the furious pace of growth-induced specialization. Edward A. Ross, reared on a frontier Iowa farm, lamented even as he marveled at the new century's changed economic life:

> Nowadays the water main is my well, the trolley car my carriage, the banker's safe my old stocking, the policeman's billy my fist . . . I rely on others to look after my drains, invest my savings, nurse my sick and teach my children. I let the meat trust butcher my pig, the oil trust mould my candles, the sugar trust boil my sorghum, the coal trust chop my wood, the barb wire company split my rails" (1907 *Sin and Society*, p. 3).

Even those who did not share Ross's suspicion of American urban life worried about the devastating double-dip depression of 1893 to 1897, which, signaled by the financial Panic of 1893, pushed the U.S. unemployment rate above 11 percent for five years.[4] Worse, the traditional remedy for urban unemployment, migration to the American west, was seen as less efficacious: the closing of the American frontier was announced coincident with the 1890 Census (Fogel 2000, p. 115). In the turbulent 1890s, a new economic order seemed to demand a new economics, which lent credibility, or at least opportunity, to the reform economists who had one on offer.

[4] Christina Romer (1986) "Spurious Volatility in Historical Unemployment Data" *Journal of Political Economy* 94(1): 1-37.

Of course, much depended upon the authority of that new economics, not least its scientific credentials. In the early years after its founding in 1885, the AEA wrestled with the tension between its social gospel activism, what Mary Furner (1975) called advocacy, and its desire to be scientific and professional, what Furner called objectivity.[5] The economists' association began life as an organization of reform, an academic pressure group, impelled by social gospel preaching, which joined in the progressive assault upon laissez-faire. Ely conceived of the AEA as an association of progressive "economists who repudiated laissez-faire as a scientific doctrine," (AEA 1910 p. 55n], and, in private, described the AEA as an agency organized to attack "the Sumner crowd," as Ely referred to those who shared the free-market sensibilities of Yale political economist William Graham Sumner. Ely's first draft of the AEA statement of principles declared the "doctrine of laissez faire [to be] unsafe in politics and unsound in morals," celebrated the state as an "agency whose positive assistance is one of the indispensable conditions of human progress," called upon church, state and science to jointly resolve the Labor Question. Ely airily dismissed orthodox political economy as so much speculation, which he then pointedly distinguished from the more scientific methods of progressive economics, "the historical and statistical study of the actual conditions of economic life" (cite).

But the AEA was also, from its start, a vehicle of professionalization and disciplinary advancement (Haskell 1977: 183). Too much advocacy, of the sort that induced the nascent association to tone down the contentious language of Ely's draft of the AEA's statement of principles, risked undermining the scientific *bona fides* crucial to professionalization and influence. But too much objectivity, by the very same token, risked marginalizing the association, threatening influence via scholarly irrelevance.[6]

Too much advocacy also risked undermining professional goals by threatening the economists' still small beachhead in the academy, as was learned by Ely at Wisconsin, Ross at Stanford, and Edward Bemis at Chicago (among others), all of whom were persecuted in the 1890s by University trustees unhappy with public utterances deemed too "socialistic" or otherwise unfriendly to the sensibilities of university benefactors. Ethical economists who spoke out too loudly risked the wrath of their new universities' overseers.

---

[5] Furner 1975, Ross 1991, Haskell 1977, Church 1974.

[6] Furner's (1975, 322) influential thesis on the tension between advocacy and objectivity sees it persisting for the first two decades of the AEA. Only circa 1905, "[w]ith professionalization, [did] objectivity gr[o]w more important as a scientific ideal and also as a practical necessity." Church (1974), in contrast, sees professionalization as the means by the progressive economists enacted their reform goals in the guise of objective science. Haskell's (1977) somewhat extraordinary reading treats the impulse of reform as minimal; confined chiefly to the person of Richard T. Ely, and quickly overcome (by 1892) by the far stronger imperatives of professionalization.

The 1890s academic trials story is by now well told.[7] Progressives like Ely, Ross and Bemis were attacked for pro-labor and other utterances that displeased their universities' trustees and administrators in the era before the establishment of academic freedom. Progressive Era historiography has tended to characterize these trials as (successful) conservative efforts to bend the more radical progressive economists to a moderate line: on this reading, Ely, Ross and Bemis were presented with the choice to recant or be excommunicated from the academy (Cohen 2002).

The pressure put on Ely, Ross and Bemis was real enough, and Bemis had his academic career destroyed. But there were important differences among the several academic freedom cases, as Furner (1975) emphasized. Ross, for example, said hateful things about Chinese immigrant workers, the men who had built Leland Stanford's railroad, and he suffered uniquely from the fact that Stanford University was ruled by a single, imperious trustee, Jane Lathrop Stanford. Ross, moreover, emerged from his clash with Mrs. Stanford stronger than before, not a martyr to but a living symbol of academic freedom.[8] Henry Carter Adams' main offense was to endorse free trade, when the University Michigan trustees were all protectionists, hardly the stuff of socialism. And free market economists, conspicuously Yale's William Graham Sumer, the *bête noir* of progressive economics, had also been persecuted for teaching ideas unacceptable to university administrators.[9] Still, in the era before academic freedom, the industrial barons who funded the new research universities or those politicians with authority over the state universities, could and did discipline many progressive economists, especially those on the more radical side of reform. The credibility of threats from university patrons and overseers can be measured by the fact that radical politics came to be seen as inimical to the discipline's hopes for institutionalizing economic expertise.

But the ideological tendencies of American economics' professionalization were not exclusively conservative. It was also the case that free market economics, especially old-school *laissez-faire* doctrine, was increasingly regarded as a liability for the discipline's professional aspirations. Just as the academic freedom trials contributed to the moderation of more radical views among the progressives, so too did professional opportunity and the aspiration to a more scientific economics contribute to the moderation of

[7] Furner (1975), Ross (1991), Nancy Cohen (2002) *The Reconstruction of American Liberalism, 1865-1914.* Chapel Hill: University of North Carolina Press.

[8] Ely, too, not only survived his trial, he benefitted, judged Wisconsin historian David Thelen, from an intensified national interest in his reform ideas, and from the sympathy and support of national reform figures who came to his defense. Thelen, David (1972) *The New Citizenship: Origins of Progressivism in Wisconsin, 1885-1900,* University of Missouri Press, p. 67.

[9] Sumner's offense, in the eyes of Yale president Noah Porter was, in 1879-80, to use Herbert Spencer's *Study of Sociology*, a book Porter regarded as atheistic and anti-clerical.

laissez-faire views among more conservative economists.[10] The tendencies of professionalization were more centripetal than conservative; they drew to the center.

It was not merely that the transformed economic conditions of the mid-1890s generated a much broader base of support for the progressive economists' program of government investigation and intervention. The professionalizing economists had already seen that dogmatic *laissez-faire*, of the sort that often characterized mid-19th century American political economy, was a non-starter as a professionalizing strategy. How much scientific expertise, Louis Menand reminds us, was required "to repeat, in every situation, 'let the Market decide'".[11]

American economists did not need to be social gospel firebrands to see the point: *laissez-faire* was an impediment to the professionalization of economics. Consider the 1888 presidential address of Francis Amasa Walker, given at the third annual meetings of the AEA. Walker's address has been much quoted for his famous declaration that *laissez-faire* "was not made the test of economic orthodoxy, merely. It was used to decide whether a man were an economist at all" (cite). But Walker's point was to distinguish "serious economists," who had always understood that *laissez-faire* was merely a maxim, always "carefully qualified" by exceptions, from the untrained epigones who made *laissez-faire* into a dogma. Walker condemned the *laissez-faire* epigones as unscientific amateurs:

> among those who deemed themselves the guardians of the true faith, it was considered far better that a man should know nothing about economic literature, and have no interest whatever in the subject, than that, with any amount of learning and any degree of honest purpose, he should have adopted views varying from the standard that was set up" (1889, cite).

Walker attacked these phony "guardians of truth" not for *laissez-faire* as such, but for arguing from the authority of dogma rather than the authority of economic science. Walker condemned dogmatic *laissez-faire*, while also insisting that serious investigation could, on a case-by-case basis, recommend the status quo. Indeed he accepted that the burden of proof – establishing a compelling public interest – rightly rested upon those who, like Walker himself, proposed that government intervene more in economic life.

Walker also saw clearly the professional opportunity: abandoning dogmatic *laissez-faire* in favor of scientific economic investigation opened the door to vocational advancement. If economists could seize greater professional authority over the investigation and evaluation of economic policy, Walker reminded his

[10] In no way do I wish to suggest a false moral equivalence between moderation achieved by coercive pressure and moderation achieved by voluntary choices in response to changed economic conditions and professional opportunity. The historical point is that moderating forces were centripetal – they drew to the center.

[11] Louis Menand (200x) *The Metaphysical Club*, p. 302.

audience, it would be very good for business. Should economic experts acquire the authority to determine when legislation or regulation conduced to the public interest, theirs would be a never-ending task, a task requiring the work "not of one mind but of many", and a task that would, moreover, "heighten the popular interest in political economy, increase the number of its students, and intensify the instinct of union and cooperation" (cite). Rising to his theme, Walker enthused, "in such a work who would not wish to join?" (cite).

Walker's case against dogmatic *laissez-faire* was thus twofold: first, an epistemic claim that a properly scientific economics could successfully guide government regulators and legislators deciding which government interventions were merited, and, second, a vocational claim that economic expertise in the service of government would advance the professional fortunes of the discipline. American economics, Walker's address argued, could be in the nation's service as well as its own.

Advising or serving in government was increasingly regarded as a surer route to disciplinary success than was the traditional public-intellectual model of persuading voters by publishing in the newspapers and periodicals. The regulatory state was coming, though on what scale no one yet knew, and Walker presciently understood that the fledgling profession would benefit mightily if it could establish the scientific and political authority to advise on which policy interventions conduced to the public interest and which did not.

Ten years later, the professional advantages of government as a client – *the* client – for professional economic expertise were almost taken for granted. In his presidential address to the AEA in 1898, Arthur T. Hadley put it plainly, "influence in public life . . . is the most important application of our studies." The greatest opportunity for economists, Hadley urged, lay "not with students but with statesmen."[12] Hadley, who would become president of Yale University the following year, saw economists' brightest future not "in the education of individual citizens, however widespread and salutary, but in the leadership of an organized body politic" (ibid, p. xx).

Five years thereafter, near the end of the great consolidation of industrial firms into trusts, Edwin R. A. Seligman of Columbia University, in his own presidential address before the American Economic Association in 1902, argued that the new industrial order made social control even more urgent, which meant, Seligman reminded his receptive confreres, that economics would be the "basis of social progress," making it "the creator of the future." On these grounds, the ordinarily circumspect Seligman dared to portray the expert

[12] Arthur T. Hadley (1899) cite.

economist as "the real philosopher of social life," and, thereby, a figure worthy of public "deference to his views."[13]

*****

By the turn of the 20th century, American economists were optimistic about social control of economic life, and about the leading role they would play in it. Behind social control, of course, was the idea that markets could and did fail. Market failure was hardly new to Anglophone political economy. To the contrary, the leading English-language textbook of the latter half of the 19th century, John Stuart Mill's (1807-1873) *Principles of Political Economy*, explored at length the many ways in which markets could go awry.[14] Markets could fail to provide valuable public goods; markets could, as in the case of utilities, lead to monopoly, and markets could also impose spillover costs, such as pollution, on third parties without their consent.[15] And, even when they didn't fail in these ways, markets could distribute their benefits unequally or unfairly. There was nothing in capitalism, Mill made clear, that ensured a fair distribution.

The progressive economists' German professors disparaged Mill, who, after all, had concluded, "*laisser-faire* should be the general practice."[16] But Mill was not naïve about the shortcomings of free markets. He was, rather, skeptical that government interventions to remedy market failures would do more good than harm. Government was badly informed, its employees were mediocre and corrupt, and, moreover, politics continually threatened the goals of efficiency and fairness alike. Market ills were real enough, but government cures were all too likely to be worse, Mill believed.

A Millian skepticism toward government's motives and competence was scarcely unfounded in late 19th century America, but at the turn of the 20th century, American progressive economists no longer shared it. To be sure, the explosive Gilded Age growth of American industrial capitalism had strengthened the case for more government intervention. Strikes, lockouts and industrial violence seemed to mock the classically liberal idea of harmonious market relations, and had, at times, as with the Chicago Haymarket violence of

---

[13] Edwin R. A. Seligman (1903) "Economics and Social Progress" *Publications of the American Economic Association* 3rd Series, Vol. 4, No. 1 *Papers and Proceedings of the Fifteenth Annual Meeting, Philadelphia, P, Dec 26-29, 1902:* pp. 52-70, p. 69.

[14] Mill's text went into multiple editions, and was still being published after the turn of the 20th century, a quarter century after Mill's death. An abridged American edition, edited by J. Laurence Laughlin, was also in print into the 20th century.

[15] Steven Medema (200x) "Mill, Sidgwick, and The Evolution of the Theory of Market Failure" or cite *The Hesitant Hand* (200x)

[16] Mill, John Stuart (1848) *Principles of Political Economy: With Some of Their Applications to Social Philosophy,* Vol. II. London: John W. Parker, p. 515-516.

1886, seemed even to threaten social anarchy. The prolonged Depression of 1893-97 added to its human cost worries about the recurring contagion of financial panics upon the business cycle. The 1894 Pullman strike, which brought US railroads to a standstill, was only the most notable of widespread labor action, and, in that same year, Coxey's army of unemployed men marched to the steps of the US Capitol, demanding a hearing.

Still, the progressive economists' extraordinary optimism regarding an expanded state role in the economy was not driven exclusively by economic events external to the discipline, with the ever louder call for something to be done. American economists were, at the turn of the 20th twentieth century, decidedly more self-confident than Mill had been in the third-quarter of the 19th century, more optimistic about the competence of their economic expertise, and more optimistic about the prospects of using government to deploy it. Newly established in the academy, they were more confident, especially, of their discipline's scientific competence – economic science could diagnose market ills, and could prescribe remedies that would cure or treat them. "Within certain limits," Ely announced in his pioneering textbook, "we can have just such a kind of economic life as we wish."[17] Yale's Hadley would have scoffed at Ely's hyperbole, but his own 1898 presidential address to the AEA reflected American economics' sanguine mood, when it concluded, "economic science is now at the height of its prosperity."[18] Edwin R.A. Seligman's presidential address confidently forecast that "like natural science, the economics of the future will enable us to comprehend the living forces at work . . . and control them and mould them to ever higher uses (ibid)." Seligman's confidence in social control was sufficient, recall, for him to view economists – only barely established as professionals – as the "real philosophers of social life," superintending the American economy for the good of all.

In his 1910 presidential address to the American Associations of Labor Legislation (AALL), Yale's Henry Farnam captured the disciplinary self-confidence of economic reform when he compared scientific progress in economics to scientific progress in surgery.[19] Surgery, Farnam said, was once primitive and dangerous; it did patients more harm than good. "But increased knowledge," Farnam argued, "has made surgery bold. It is bold because it is instructed." Recent advances in medical knowledge – especially the revolutionary discovery that germs cause infectious disease – made surgery a positive benefit to society. Without identifying the comparable scientific revolution in economic science, Farnam announced that the

---

[17] Ely, Richard T. (1889) *Introduction to Political Economy*, NY: Chautauqua Press, p. 38

[18] Hadley, Arthur T. (1899) "The Relation between Economics and Politics" *The Yale Law Journal*, Vol. 8, No. 4 (Jan., 1899), pp. 194-206 (p. 194).

[19] Moss, David. 1996. *Socializing Security: Progressive-Era Economists and the Origins of American Social Policy*. Cambridge: Harvard University Press, p. 16.

same was now true for economic reform. Economics, Farnam told the gathered labor reformers, possessed scientific knowledge sufficient to ensure that their reform legislation was "more effective and less dangerous." Farnam's bold claim exemplified two key attributes of the professionalizing economists: first, they claimed to be an established science before they were in firm possession of scientific knowledge,[20] and, second, they were also sure of their disinterested expertise as a reliable guide to the social good. "The political economist," Ely's textbook informed its readers, "is to the general public what the attorney is to the private individual."[21]

2. "Investigate, Agitate, Legislate": exemplary economic progressives

The group Farnam addressed, the American Association for Labor Legislation (AALL), epitomized Progressive Era economic reform.[22] Founded by Farnam and Adna F. Weber of the New York Bureau of Labor Statistics at the American Economic Association meetings in 1905, the AALL was organized, staffed and directed by academic economists (Rodgers 1998: 236). Farnam, heir to the New Haven Railroad fortune, funded the AALL largely out of his own pocket in its early years. Formally the American branch of the International Association for Labor Legislation, the AALL modeled itself on the German affiliate, which had been organized in 1901 by Gustav Schmoller and Adolph Wagner, the German professors whose imprint was strongest upon the senior AALL economists, most of whom were alumni of German universities.

The AALL's first president was Richard T. Ely, by then at the University of Wisconsin. John R. Commons, Ely's student at Johns Hopkins in the late 1880s, and recruited by Ely to Wisconsin in 1904, was the AALL's first executive secretary. The latter position was soon taken over by Commons' energetic protégé, John B. Andrews, who led the organization for many years, also editing its journal, *The American Labor Legislation Review*. Irene Osgood (who became Irene Osgood Andrews), another Commons student, served as the AALL's assistant secretary. Columbia University's Henry Rogers Seager, an expert in social insurance, was involved from the very beginning, serving as its third and fifth president (Commons was the second AALL president). Princeton's William F. Willoughby, an expert in public administration, was the fourth president, and Yale economist Irving Fisher (1867-1947), pioneer of mathematical approaches to political economy, served as the AALL's sixth president. Charles Richmond Henderson, the University of Chicago professor of social work, and a leader of the National Conference of Charities and Corrections, was also an important AALL figure.[23]

---

[20] Dorothy Ross, "American Social Science and the Idea of Progress", p. 157.

[21] Richard T. Ely (1889) *Introduction to Political Economy*, Chautauqua, NY, p. 100.

[22] Chasse 1991, Skocpol 199x, Moss 1996, Recchiuti (2007).

[23] Many other AALL members were progressive economists active in labor reform: Father John Ryan, author

The AALL's academic core distinguished it from other pressure groups; but it did not content itself with publishing scholarly work. Like all progressives, the AALL economists wanted not only to prescribe solutions to the economic ills they diagnosed, but also to implement their prescriptions through political activism (Recchiuti 1995: 149). In 1909 it moved the Association's headquarters from Madison, Wisconsin to New York City, the better to accomplish its mandate for policy advocacy.[24] As with the early years of its organizational parent, the American Economic Association, at whose meetings the AALL held its own, the AALL struck an uneasy balance between objective social science and reform activism.

The AALL economists shrewdly tapped national progressive luminaries to lend their names and support to the labor reform cause, enough that the AALL masthead read like a map of the interlocking directorates of American progressivism. On the masthead were, for example, Jane Addams, Paul Kellogg, director of the Pittsburgh Survey and editor of *The Survey*, an influential progressive organ, Louis Brandeis, AALL legal counsel until appointed in 1916 to the United States Supreme Court by Woodrow Wilson; and Wilson himself, whose name remained after he became President of the United States. The AALL enjoyed world-class legal advice; when Brandeis departed for the Supreme Court, Felix Frankfurter became AALL legal counsel.

The AALL's combination of empirically-minded social scientific expertise, reform advocacy, and legislative lobbying was quintessentially progressive, and was also characteristic of the AALL's fellow reform organizations, such as the National Consumer's League (NCL), founded in 1899 and led by the redoubtable Florence Kelley.[25] The National Consumers' League motto – "Investigate, Agitate, Legislate" – succinctly encapsulated its quintessentially progressive method.[26]

---

of *A Living Wage*; Matthew B. Hammond; Royal Meeker (appointed by Wilson to be U.S. Commissioner of Labor). Elizabeth Glendower Evans, Massachusetts minimum wager and a friend of Louis and Alice Brandeis, was also affiliated with the AALL. In later years, Institutionalist economists such as Wesley Clair Mitchell, Leo Wolman, and Walton Hamilton were members of the AALL General Administrative Council.

[24] A year later the AALL formally amended its constitution; its third statement of objective, which had read, "To encourage the study of labor legislation," was changed to read, "To encourage the study of labor conditions in the United States with a view to promoting desirable labor legislation" (in Moss 1996: 5).

[25] The NCL described itself as an organization that "assisted the state and local leagues in securing the passage of laws by sending representatives to hearings, furnishing printed matter, statistics and expert advice, particularly with reference to the form of bills." R.Y. Storrs (2000) *Civilizing Capitalism: The National Consumers' League, Women's Activism, and Labor Standards in the New Deal Era.* Chapel Hill: University of North Carolina Press, p. 19.

[26] The NCL in 1899 assembled local consumer leagues, such as the New York Consumers' League, founded in 1890.

The economic reform organizations formed a tight network; they shared personnel as well as common causes and methods. John R. Commons, for example, later served as NCL president, from 1923 to 1935. Henry R. Seager, A.B. Wolfe of Oberlin College, and Arthur Holcombe of Harvard were members of the NCL minimum-wage committee as early as 1909 (Hart 1994, 209 n. 94). Ely and Father John Ryan of Catholic University, author of *A Living Wage* and drafter of the 1913 Minnesota minimum wage legislation, were also active NCL advisers. Josephine Goldmark, sister-in-law to Louis Brandeis, was active in the NCL leadership. She supervised the production of the famous Brandeis Brief, an annotated compilation of social science reports defending maximum-hours (and in later versions, minimum-wage) legislation for women, which was completed with AALL assistance. Alice Goldmark Brandeis, another NCL stalwart, secretly paid the expenses of its Washington office (Bary 1972).

The NCL worked out of the United Charities Building in New York City, a Progressive Era symbol of the overlapping and interlocking network of progressive reformers. The Charities Building, also housed the National Child Labor Committee, the Charity Organization Service, the New York School of Philanthropy and two prominent reform journals, *Outlook*, edited by Lyman Abbott, and Paul Kellogg's *The Survey.*[27] The Russell Sage foundation, established in 1907, and funder of the landmark Pittsburgh Survey directed by Kellogg, tried, unsuccessfully, to locate its headquarters in the Charities Building. Josephine Goldmark, in her memoir of Florence Kelly, recalled the quip of a friendly visitor in 1906, "what's this bunch calling itself today?" That day the bunch was being addressed by John R. Commons, who had traveled from Wisconsin to introduce the newly formed AALL.[28]

Commons returned to the Charities Building the next year, where, in a speech to New York School of Philanthropy in 1907, he named the progressives' amalgam of expert social science and reform activism, "constructive research." Constructive research Commons distinguished from academic research, which sought "truth for its own sake," without regard to its practical uses, and from journalistic research, or muckraking, which aimed at exposure and diagnosis. Muckraking might diagnose economic diseases, but it could not cure or prevent them. And purely academic research did not attend to cures or to prevention. Economics, in Commons' view, remained too academic, even after the diseases plaguing American labor relations had called upon it for cure and prevention. What was needed, Commons said, was diagnosis, cure and prevention.[29]

---

[27] Recchiuti, John Louis (2007) *Civic Engagement: Social Science and Progressive-Era Reform in New York City*. Philadelphia: University of Pennsylvania Press.

[28] Josephine Goldmark (1953) *Impatient Crusader*, p. 69.

[29] Commons, John R. (1913) *Labor and Administration.* New York: Macmillan, pp. 7-13

Not incidentally, diagnosis, cure and prevention could be supplied only by experts. New York City Comptroller Herman Metz, an influential member of the municipal reform movement, put Commons' argument compactly. "The practical man" Metz said, "knows *how*." "The Scientific man knows *why*. The expert knows *how* and *why*."[30] Moreover, because science ensured impartiality, the expert was immune from "partisan and even class bias."[31] 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 profit, scientific outcomes, unlike the outcomes of politics or industry, were impartial. Thus could the AALL or the NCL expert speak for the welfare of society, transcending the special interests of party or class. That is to say, the expert could not only serve the social good, he or she could also identify it.

The AALL exemplified what Commons had in mind; in 1909 he judged it the reform group most advanced in the art of economic diagnosis, cure and prevention, "the practical outcome toward which [the other reform associations] have been converging."[32] Whatever the AALL's particular virtues,[33] nearly all economic reform organizations of this era adopted a similar method: form an organization, identify a problem, collect reams of survey data, organize the data with the techniques of the new social sciences, devise a policy response, campaign for legislation and or serve on a government commission, then, success permitting, be taken over as a permanent government bureau.[34] One measure of the reform organizations' success is that their Progressive Era innovations – investigations, survey research, committee reports, and

---

[30] Samuel Haber (1988) "Expertise" in *Historical Dictionary of the Progressive Era, 1890-1920.*

[31] Haber, Samuel (1964) *Efficiency and Uplift*: *Scientific Management in the Progressive Era.*

[32] Though broadly alike in method, reform groups had different competencies, and sometimes pursued different means to influence – the NCL, for example, was more politically skillful than the more academic AALL. See Katherine Kish Sklar (199x) for an argument that the male-dominated AALL was less hostile to capitalism and more "objective" than was the female-dominated NCL, which offered a more radical conception of reform, and which was more personal and political in emphasis. Katherine Kish Sklar. 199x. "Two Political Cultures in the Progressive Era: The National Consumers' League and the American Association for Labor Legislation" in *U.S. History as Women's History: New Feminist Essays*, p. 36.

[33] Commons' judgment was not unbiased, but historians have echoed his view. Theda Skocpol and Ann Shola Orloff, for example, regard the AALL the "leading association of U.S. social reform advocates in the Progressive Era." Ann Shola Orloff and Theda Skocpol (1984: 726.

[34] Richard McCormick, *The Party Period and Public Policy* (1986), p. 283. Commons encapsulated the reform method as follows: "First, statistics, the means of measuring the amount and movement of social forces; next economics, the analysis and valuation of more compelling forces; then sociology, the coordinating and balancing of forces; then legislation, the control of the forces for social ends" (In Moss 1996: 17. Commons, John R. (1909) "The AALL" *Charities and Commons* 9 January.

special commissions – have become so institutionalized they are now unremarkable, everyday features of the contemporary political landscape, inside and outside government.[35]

No single organization, however quintessential, can encompass the whole of Progressive Era economic reform. But the AALL serves as an excellent synecdoche. With their hostility to laissez-faire but also their wariness of state socialism, their view of the Labor Question's centrality to political economy, their reformer's desire to set the world to rights, their veneration of efficiency, and their abiding faith in social science, enlightened national government, and their own disinterested expertise as reliable, even necessary, guides to the social good, the AALL economists exemplified progressive economics.

3. Growing the fourth branch: economic expertise in practice

The earliest realized example of the AALL progressives' technocratic vision was established in Wisconsin. Experts from the University of Wisconsin, empowered by reform-minded politicians, investigated economic and social problems, devised reforms, lobbied for legislation, and staffed the new government bureaus, such as the Wisconsin Industrial Commission. John R. Commons, who had been recruited by Richard T. Ely to Wisconsin in 1904, likely traveled Madison's main street connecting the University to the State Capitol more frequently than any other faculty member. Commons proved instrumental in passing state legislation that, for example, restricted working hours for women, set minimum wages for women, and provided workman's compensation for industrial accident victims. Commons was the most conspicuous, but every member of Wisconsin economics faculty was actively enlisted in the state's investigation and reform projects, and, by 1908, fully one-sixth of the University's entire faculty held appointments on Wisconsin government commissions, not least Charles Van Hise, the University President (Fogel 2000).[36]

Wisconsin was not always first in labor legislation – Oregon limited working hours a few years earlier, and Massachusetts was the first with a minimum-wage law – and the older states, such as Massachusetts, had preceded it in establishing bureaus of labor statistics.[37] But Wisconsin was the first to fully realize the progressives' social control vision, the harnessing of social scientific expertise to economic reform through the agency of administrative government. The "Wisconsin Idea" was imitated by other states

[35] As Linda Gordon reminds us; 2002 *Journal of the Gilded Age and Progressive Era* 1:2 (April), p. 111:

[36] For a history of Wisconsin Institutional economics, which emphasizes the influence of Commons, see Rutherford (2006).

[37] Massachusetts was something of an outlier; it established the world's first bureau of labor statistics, headed by Carroll Wright, in 1869. Wright would later be appointed the first head of the US Bureau of Labor Statistics in 1883 (Jonathan Grossman (1973) "The Origin of the U.S. Department of Labor" *Monthly Labor Review*.)

and also served also as a "prototype of national progressivism," which is precisely what its exponents hoped it would be.[38]

By 1912, two books extolling the reform virtues of the Wisconsin Idea had already been published, each written by protégés of Richard T. Ely, Frederic C. Howe and Charles McCarthy. Howe had studied under Ely and Albert Shaw at Johns Hopkins, receiving his PhD in 1892, the same year Ely left to direct the newly founded School of Economics, Political Science, and History at Wisconsin. Howe dedicated *Wisconsin: an Experiment in Democracy* to Robert La Follette, who, as governor, played a key role institutionalizing economic reform in Wisconsin.[39] Howe referred to Wisconsin as an "experimental station" in political and economic reform, and boasted, "Wisconsin is doing for America, what Germany is doing for the world" (1912: p. vii). The partisan and the politician, Howe asserted, had all but disappeared from the state house in Madison, made obsolete by university experts, who had carried "scientific efficiency" into "almost every department of the commonwealth" (pp. xi, 189).

The expert-led commission and the permanent government bureaus, most especially bureaus of labor statistics, were instrumental in legitimizing economic expertise in the service of the state. The establishment of expert commissions and permanent bureaus recognized the recently won scientific authority of economics, and, in turn, lent further credibility to it. A growing bureaucracy, with states like Wisconsin leading the way, provided a permanent base inside government for economists to influence the investigation and regulation of American economic life (Furner 1990).

The first large scale United States government commission to employ professional economists was the U.S. Industrial Commission (USIC) of 1898-1902, chartered by Congress during the great consolidation of American industry into holding companies, or trusts (Fogel 2000). The USIC featured Jeremiah Jenks of Cornell, William Z. Ripley of Harvard and John R. Commons, and produced a nineteen volume report, investigating, among many topics, monopoly pricing practices, industrial concentration, labor relations, and the impact of immigration on labor markets.

The National Monetary Commission of 1908-1912, convened in the aftermath of the financial Panic of 1907, 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, contained in a massive study, ultimately led to the 1917 Immigration Act, which mandated a literacy test, and then to the immigration quota acts of 1921 and 1924, which terminated the long era of open immigration,

---

[38] James Kloppenberg (1986) *Uncertain Victory: Social Democracy and Progressivism*, p. 209.

[39] La Follette was governor of Wisconsin from 1901-06. Elected to second term in 1904, he left office to run for the US Senate, serving as US Senator from Wisconsin from 1906-1924.

imposed eugenically-motivated racial quotas upon immigrants from Southern and Eastern Europe, and ended immigration from Japan.

Even those commissions that did not, of themselves, beget new government agencies, such as the Industrial Relations Commission (IRC) of 1912 (operating 1913-16), proved to be influential, lending more authority to the idea of university economists as experts. The IRC, which employed W. Jett Lauck of Chicago, Sumner Schlicter (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. As US commissions begat new government agencies the line between economist as expert advisor and economist as policy maker began to blur, as exemplified by Woodrow Wilson's appointment of Frank Taussig to be the first Chair of the U.S. Permanent Tariff Commission, now the U.S. International Trade Commission (Church 1974).

As Mary Furner observes, the US investigating commissions, as temporary creations of Congress (and the President) in reaction to dramatic economic events, were more political and more oriented to immediate policy responses than were the permanent administrative agencies, which were more inclined to avoid partisanship and specific policy agendas.[40] But whether they cooperated or competed with one another, the commissions and permanent agencies both demanded expert economists – once institutionalized, social control needed staff.

In 1917, in a kind of precursor to the *Federal Register*, John A. Lapp assembled an impressive compilation of United States Progressive Era regulatory initiatives, documenting the explosive growth in federal regulation of American commercial life. Lapp himself marveled at both the scope of federal economic regulation documented by his compilation and the speed of its establishment.[41] By the time of the United States' entry into the First World War in early April 1917, American economic life was investigated, supervised and regulated by new administrative and regulatory agencies, which effectively constituted a new, fourth branch of government.[42]

---

[40] Mary Furner (1990) "Knowing Capitalism," pp. 268-69.

[41] John A. Lapp (1917) *Important Federal Laws.* Indianapolis, IN: B.F. Bowen & Co., p. iii. For the Lapp reference and related insights, I am indebted to William Novak (2010) "Law and the Social Control of American Capitalism" *Emory Law Journal* 60: 377- 405. Novak is among the leading revisionists of an influential historiographic tradition that depicts middle- and late 19th century American economic life as a state-free, Spencerian free-market wilderness, conserved by a laissez-faire constitutionalism until a sudden, democratic upwelling of the people created from whole cloth the activist state during the Progressive Era.

[42] Steven J. Diner (1999) "Linking Politics and People: The Historiography of the Progressive Era" OAH Magazine of History *13*(3): 5-9.

An explosion of federal legislation created the Federal Reserve banking system,[43] established a US Postal Savings Bank[44], amended the Constitution to institute a graduated personal income tax,[45] taxed corporations, taxed inheritances, [46] created US Departments of Labor and Commerce,[47] established the Federal Trade Commission[48], dissolved prominent industrial combinations in steel, oil, tobacco and sugar industries, exempted (with the Clayton Act) labor unions from anti-trust prosecution, [49] set maximum hours for public-works and railroad employees,[50] subsidized loans to farmers,[51] mandated workmen's compensation for federal employees injured in accidents,[52] criminalized the transport of persons across state lines for immoral purposes ("white slavery"),[53] established the US Tariff Commission, regulated food, drugs,[54] meat[55] and narcotics[56], federalized Western lands in the name of conservation, established a Children's Bureau[57] (the Child Labor Act arrived in 1916), promoted vocational education,[58] regulated railroad safety, mediated railroad labor disputes[59], supervised railroad rates[60], outlawed railroad price discrimination[61], established a

---

[43] The Federal Reserve Act, December 23, 1913.
[44] The Postal Savings Act, June 25, 1910.
[45] The Sixteenth Amendment to the U.S. Constitution was ratified February 3, 1913.
[46] The corporate tax law of 1909, was superseded by the Corporation Tax Act of September 8, 1916, which taxed corporate income. The Inheritance Tax Act was passed the same day.
[47] The Department of Commerce and Labor was created on February 14, 1903. The XX Act, March 4, 1913, split it into the Department of Commerce and the Department of Labor.
[48] Trade Commission Act, September 26, 1914.
[49] The Clayton Act, October 15, 1914. The text of Section 6 of the Clayton Act famously states: "The labor of a human being is not a commodity or article of commerce. Nothing contained in the antitrust laws shall be construed to forbid the existence and operation of labor, agricultural, or horticultural organizations, instituted for the purposes of mutual help, and not having capital stock or conducted for profit, or to forbid or restrain individual members of such organizations from lawfully carrying out the legitimate objects thereof; nor shall such organizations, or the members thereof, be held or construed to be illegal combinations or conspiracies in restraint of trade, under the antitrust laws."
[50] Eight Hours on Public Works Act, March 3, 1913. Eight Hour Day Act, September 3 and 5, 1916.
[51] Farm Loan Act, July 17, 1916.
[52] Compensation of Injured Federal Employees Act, September 7, 1916.
[53] The White Slave-Traffic Act, a.k.a. the Mann Act, June 25, 1910.
[54] Food and Drug Act, June 30, 1906.
[55] The Meat Inspection Act March 4, 1907.
[56] Sale and Use of Cocaine and Narcotics Act December 17, 1914. Opium Act, January 17, 1914.
[57] Children's Bureau Act, April 9, 1912.
[58] Vocational Education Act, December 23, 1917. This legislation was passed after US entry into the First World War.
[59] Mediation and Arbitration Law, Act of July 15, 1913.
[60] Hepburn Act (1906)
[61] Elkins Act (1903)

Shipping Board,[62] and excluded from American shores, with the Immigration Act of 1917, a meticulously enumerated compendium of undesirable aliens.[63]

State governments, where the reform impulse was stronger still, regulated working conditions, inspected factories, banned child labor, compelled education for children, mandated workmen's compensation, instituted "mothers' pensions" (payments to single mothers with dependent children), capped working hours, set minimum wages, taxed inheritances, adopted antitrust statutes before the federal government, and banned corporate donations to political campaigns.[64] Local governments municipalized streetcar companies and gas and water utilities.

The bulk of the work was completed by March 1915, the halfway point of President Woodrow Wilson's first term. The seat of American social control, administrative government, was established.

Administrative government's burgeoning demand for economic expertise, in turn, reinforced the institutional status of the university as the incubator and supplier of the new forms of American social science, especially economics (Porter 2003: 39). By 1915, the training of scientific experts for public service was now deemed a university function fully co-equal with the traditional goals of advancing knowledge and instructing students.[65] This, at least, was the judgment of an American Association University Professors' (AAUP) statement of principles on academic freedom and tenure. The AAUP academic freedom committee argued that "the inherent complexities of economic, social, and political life, and the difficulty of solving problems of technical adjustment without technical knowledge" required the "aid of experts." Since experts were typically university professors, they were effectively drafted into public service, and, with them, the universities, which now had the social responsibility – what Wilson referred to as "the nation's service" – of incubating and guaranteeing scientific expertise. Academic freedom and its protector, academic tenure, was thus justified by the public interest – expert professors had to be able to speak the truth when advising or serving in government, and thus must be free of the threat of firing which bound ordinary employees (cite). Academic freedom was not a private prerogative; it was essential to the public interest. The AAUP committee's unmistakable social-control sensibility was no accident: the AAUP committee was led by progressive economists; chaired by Edwin R.A. Seligman, it also comprised Richard T. Ely, Henry Farnam, and Princeton's Frank Fetter.

---

[62] Shipping Board Act, September 7, 1916.
[63] The Immigration Act, February 5, 1917
[64] A useful summary of Progressive Era legislation is available in Price Fishback (2007) "The Progressive Era," in *Government and the American Economy: A New History*, pp. 288-322.

[65] AAUP Statement of Principles . . . http://www.aaup.org/AAUP/pubsres/policydocs/contents/1915.htm

Francis Amasa Walker, the American Economic Association's first president, died in 1897. Had Walker lived a fuller span, he would have witnessed the birth of the regulatory state and the founding of his vision, laid out in his 1888 AEA presidential address, of American economics as an expert, academic discipline, enlisted in the nation's service.

4. War collectivism: scientific management goes to war

The United States' entry into the First World War early in April 1917 reinforced the newly established social control infrastructure – the fourth branch – in two important ways: first, it expanded and permanently fortified the fiscal state, and second, it enlisted for war mobilization a large cadre of economic experts to measure the United States' productive potential and to direct wartime economic planning. Large wartime expenditures and decreased tariff revenues from the wartime decline in international trade gave rise to the Revenue Act of 1917, a crucial watershed in the development of the American fiscal state (Brownlee 1990). The Revenue Act raised federal income tax rates, steeply increased income-tax progressivity (its top rate was 63%), expanded the income tax base, taxed estates, and taxed "excessive" corporate profits, this with idea of restraining monopoly profits (ibid).[66]

Though American involvement in the war was relatively brief at nineteen months, the wartime tax regime permanently enlarged the United States government. Even after demobilization, federal spending was nearly triple its prewar levels.[67] Expanded government, in turn, was enabled by the larger and more stable sources of revenue: in 1880, the US government raised 90 percent of its tax revenue from customs duties (56 percent) and excise taxes on tobacco and alcohol (34 percent). By 1930, income taxes accounted for approximately 59 percent of all US government receipts.[68] At a stroke, the 1917 Revenue Act ended the long dominance of the tariff in the US revenue system.[69]

During the war, the U.S. War Industries Board (WIB) introduced Americans to business management methods applied by the government to the entire economy – it coordinated most government purchasing, determined the allocation of economic resources, established priorities in output, restricted the alcohol trade (a dress rehearsal for Prohibition), and fixed prices on commodities in over 60 industries (Fogel 2000). The

[66] Elliot Brownlee (1990).

[67] In 1914 US government expenditures were $735 million. In 1922 they were $3,324 million. Adjusted for inflation (about 58% 1914-22), US government spending nearly tripled. (*US Historical Statistics*, Series P 99-108; Series L 1-14).

[68] Cited in Mehrotra, Ajay (2004) "Envisioning the Modern American Fiscal State: Progressive Era Economists and the Intellectual Foundations of the U.S. Income Tax" *UCLA Law Review* 54: 1793-1866.

[69] Elliot Brownlee 1990: 407.

chief of the Central Bureau of Planning and Statistics of the War Industries Board was economist Edwin F. Gay, dean of the Harvard Graduate School of Business Administration, and former president of the Massachusetts branch of the American Association for Labor Legislation.

Gay and his fellow economists, notably Wesley Claire Mitchell, who ultimately directed the WIB's Price Division, seized the opportunity to put their scientific management ideas into government practice (Cuff 1989). 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 war planning 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 collectivism provided to the progressive movement, Clarkson volunteered that they "almost [make] war appear a blessing instead of a curse" (in McGerr 2003: 299).[70]

The WIB's success at war mobilization affirmed the progressive faith in expertise, and legitimized the idea of expert planning applied to the entire economy. John Dewey, for example, believed that war collectivism provided the most important lesson of the First World War: central planners could direct a vast economy from Washington. In but a few months, Dewey wrote, "[t]he economists and businessmen called to the industrial front" had done more to demonstrate the practicability of social control than had a generation of "professional Socialists." The great success of wartime economic planning, Dewey said, was a "revolution" in economics, impossible to ignore (Dewey 1929 [1918]: 557).[71]

War collectivism also emboldened Thorstein Veblen (1921), who conceived of the U.S. economy as a single, giant firm, governed by a soviet of central-planning engineers – not state ownership exactly, but a kind of central planners' trusteeship.[72] Veblen was 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 and desirability of large-scale enterprise, his conception of engineering as the disciplinary instantiation of an impartial, scientific means to greater efficiency, and his enthusiasm for economic planning on the model of scientific management, were widely shared among progressive

[70] My discussion of the WIB is indebted to McGerr 2003, especially pp. 283-299.

[71] Dewey, John. [1918] 1929. Propaganda. In vol. 2 of *Characters and Events: Popular Essays in Social and Political Philosophy*, edited by Joseph Ratner. New York: Henry Holt. Dewey, John. [1918] 1929. The Social Possibilities of War. In vol. 2 of *Characters and Events: Popular Essays in Social and Political Philosophy*, edited by Joseph Ratner. New York: Henry Holt.

[72] Thorstein Veblen. 1921. *The Engineers and the Price System.* New York: B.W. Huebsch, Inc.

economists. Few extrapolated the consolidation trend as did Veblen, but most progressives imagined that larger, more efficient business enterprises would continue to displace or absorb smaller firms.

Wesley Clare Mitchell, reflecting in 1924, believed that the national role of economists, created by the demands of war and reconstruction, had restored to "economic theory the vitality it had after the Napoleonic wars."[73] The First World War had been a global catastrophe in countless ways, but it proved to be a boon for American economic expertise in the service of the state.

5. The social control conundrum: the role of expertise in democracy

Progressives of all types, Benjamin Parke DeWitt wrote in 1915, shared three common goals: (1) to make government less corrupt, (2) to make government more democratic, this while also (3) enlisting government to intervene in the economy, what economic progressives called social control.[74] Granting DeWitt's characterization, an important tension affected the progressive movement from the beginning: the third goal, social control, was in tension with second goal of making government more democratic.

When Jane Addams lectured on reform, she would say, "the cure for the ills of Democracy is more Democracy."[75] Al Smith, New York machine politician par excellence (and later Presidential candidate), offered the idea as a campaign slogan: "All the ills of democracy can be cured by more democracy."[76] Progressives sponsored many political reforms intended to expand and promote popular democracy. Woman's suffrage, voter registration laws, the secret ballot, direct primaries, the referendum and the recall are well known instances of Progressive Era legislation designed to enact the progressive goal of making government more democratic (ibid). Between 1903 and 1908, and especially from 1907-08, 12 states regulated lobbying, 22 states banned corporate campaign contributions, and 31 states mandated direct primaries.[77]

---

[73] Wesley Claire Mitchell. 1924. "The Prospects of Economics" in Morris A. Copeland (ed.) *The Trend of Economics.* New York: Knopf, p. 33.

[74] Benjamin P. DeWitt. 1915. *The Progressive Movement: A Non-partisan, Comprehensive Discussion of Current Tendencies in American Politics*. New York: Macmillan, pp. 6-7.

[75] Addams, Jane. 1902. *Democracy and Social Ethics*, pp. 10-11.

[76] David Prindle. 2006. *Paradox of Democratic Capitalism: Politics and Economics in American Thought.* Baltimore, MD: Johns Hopkins University Press. p. 162. Prindle trenchantly discusses the progressive tension between a reform cure of more democracy and a reform cure of more experts *qua* Platonic guardians. (See pp. 161-64).

[77] Richard L. McCormick (1981) "The Discovery that Business Corrupts Politics: A Reappraisal of the Origins of Progressivism" *American Historical Review* 86(2): 257-74, pp.

At the same time, social control doctrine tended to pull in a less democratic direction. Even as progressive political reform aimed to strip corrupt politicians of power and vest it with the people, progressive economic reform, premised on the superiority of administration to politics, aimed to vest power with the experts in the new agencies.

When Edward A. Ross famously described progressivism as "intelligent social engineering," he was invoking the technocratic ideal of the government expert *qua* engineer (Ross 1907: 41). The social engineer worked outside politics (or, better, above it), proceeded rationally and scientifically, and pursued not political power nor pecuniary gain but only the public interest, which he could identify and enact.[78] Expertise, the heart of social control doctrine, was built upon the extravagant faith of reformers in their own effectiveness and objectivity, a mostly unquestioned assumption that economic experts could and would act in the public interest.

The establishment of administrative government was a signal victory for progressive economic reform, but it was also a loss for the progressive goal of more democracy. If democracy meant, as DeWitt characterized it, "control of the many," then government by expert administrators was, by its nature, and indeed, by design, less democratic. And thus were economic reformers forced to argue that, if social control were not of the many, nor by the many, it surely would be carried out *for* the many. This position made for a paradox that few progressives seriously confronted: the experts, as Lenore O'Boyle put it, would "redeem the democratic system, but via the undemocratic substitution of their own judgment for that of the mass of people" (O'Boyle 1983: 23-24).[79] The progressive agenda returned government to the people while simultaneously placing it beyond their reach, in the hands of experts, a tension James Morone calls the progressive oxymoron.[80]

Historians of the Progressive Era have long noted that, coincident with progressive political reforms, voter participation rates plummeted.[81] Voter turnout between the 1890s and 1920 dropped especially

[78] Ross's famous metaphor also embedded the optimistic claim that economic ills were as comprehensible and as tractable as the technical problems addressed by engineers in industry Edward A. Ross (1907) *Sin and society: an analysis of latter-day iniquity.* New York: Macmillan, p. 41

[79] O'Boyle, Lenore. 1983. "Learning for Its Own Sake: the German University as Nineteenth-Century Model" *Comparative Study of Society and History* 25(1): 3-25.

[80] James Morone (1998) *The Democratic Wish*: *Popular Participation and the Limits of American Government.* New Haven, CT: Yale University Press, p. 98, 126.

[81] See, for example, Michael McGerr (1986) *The Decline of Popular Politics: The American North, 1865-1928.* New York: ; Mark Lawrence Kornbluh (2000) *Why America Stopped Voting: The Decline of Participatory Democracy and the Emergence of Modern American Politics*. New York:

precipitously in the South, where Jim Crow legislation and murderous extra-legal harassment all but disenfranchised southern African-American men. Overall turnout in the eleven former states of the confederacy fell to 30 percent by 1904. But even outside the Jim Crow south, voter participation dropped sharply; turnout in New York state fell from 88 percent in 1900 to 55 percent in 1920. In national elections, voter participation dropped from 80 percent in 1896 to less than 50 percent in 1924.[82]

Scholars debate how much the exclusionary aspects of political reform contributed to the drop in political participation (the Jim Crow South to one side), but there is little doubt that they were a factor. Nor is there much doubt that some leading economic reformers openly advocated exclusion of some groups from political participation; they regarded the reduction in American voter participation not as less democracy, but as better democracy.

Robert Wiebe's history of American democracy argues that progressives favored quality over quantity of voters – the progressive model voter was "better informed, more alert, less gullible," a person who "approached political problems as scientific issues to be resolved objectively in the public interest." In short, American citizens should vote as if they were the scientific experts tasked with social control. The clear implication of this lofty standard was that many Americans on the lower rungs of the socioeconomic ladder were unqualified to vote – incapable of functioning as full citizens (ibid).[83] In political reform, then, as in economic reform, progressives contended with fundamentally conflicting aims: the goal of improving democracy by improving the quality of voters – social uplift – had the consequence (sometimes intended) of subverting democracy by reducing the quantity of voters – social control.

*****

If social control doctrine was in tension with the progressive goal of expanded democracy, it did not, of itself, entail contempt for ordinary people. Lester Frank Ward's pioneering conception of social control (what he called sociocracy), for example, imagined legislators schooled in the latest social science, and an electorate that was scientifically educable. "Before progressive legislation can become a success, every legislature, as it were," Ward once wrote, "must become a polytechnic school, a laboratory of philosophical research into the laws of society and human nature . . . every true legislator must be a sociologist."[84] Ward saw legislators accepting tuition from social scientific experts on grounds that the experts had superior knowledge, not superior virtue nor a superior conception of the public good. In Ward's conception, experts

[82] These figures are from Robert Wiebe (1995) *Self-Rule: A Cultural History of American Democracy*, Chicago: University of Chicago Press, pp. 134-35.

[83] Robert H. Wiebe (1995) *Self-Rule: A Cultural History of American Democracy*, p. 164

[84] Cited in Recciuti, p. 28.

could serve the public interest without necessarily leading the public interest. John Dewey also embraced this more egalitarian reading of democracy with social control,[85] as did his reform colleague Jane Addams. Unlike most of the academic progressives, Addams and other settlement house workers lived in the immigrant communities they served, and this familiarity was, for her, leveling – it bred not contempt, but respect for working people's capabilities.

But other economic progressives were more skeptical of democracy than were Ward, Dewey or Addams; their case for expert government went well beyond the advantages of specialized knowledge. Men such as Edward A. Ross and Richard T. Ely distrusted expanded democracy; they unabashedly argued for the undemocratic features of social control, not as a regrettable, necessary evil, but as a positive benefit to society. Ely stated plainly that economic reform required "leadership and guidance from superior classes" (1898: 781). Ross allowed that self-government made sense when the United States was a "vast, empty land," but, he said, echoing Ely, the pressing problems of a new economic era made it "foolish and dangerous not to follow the lead of superior men."[86] Ross would later contend, with his characteristic bluntness: "removing control further away from the ordinary citizen and taxpayer is tantamount to giving the intelligent, far-sighted and public-spirited a longer lever to work with."[87]

For Ely and Ross, the "superior men" tasked with social control were not mere technocrats, hired by the public for the same reason it might hire a doctor, or a plumber. Ely and Ross's "superior men" were indeed superior men, members of what Ely called a "natural aristocracy."[88] The natural aristocrat was more intelligent, more far-sighted, and more public-spirited than the ordinary people he regarded with distrust.

The doctrine that all men are "substantially equal," Ely said plainly, was "a theory which works disaster, and was, indeed, cruel to those who are in the lower stages, resulting in their exploitation and

---

[85] Dewey was a genuine egalitarian; he believed the "concept of race is largely a fiction" and rejected race prejudice. But Dewey nonetheless defended race-based immigration restriction on grounds that ordinarily people, with their primitive instincts of race prejudice, were not cultivated enough to adopt more enlightened views. Race-based immigration restrictions were defensible, Dewey argued, on instrumental grounds: they helped reduce irrationally motivated but no less real race conflict among groups. "The world is not sufficiently civilized," Dewey concluded, "to permit close contact of peoples of widely different cultures without deplorable consequences" (John Dewey (1922) "Racial Prejudice and Friction" *Chinese Social and Political Science Review* 6: 1-17, p. 11, 13-14). See Gerstle, Gary (1994) "The Protean Character of American Liberalism" *AHR* 99(4): 1043-1073, p. 1058-59).

[86] Ross, Edward A. (1901) *Social Control*, p. 83-84.

[87] Ross, Edward A. (1920). *Principles of Sociology.* NY: Century, p. 268.

[88] Ely, Richard T. (1903) *Studies in the Evolution of Industrial Society*, p. 456.

degradation."[89] To treat the "feebler members of the community" as the equals of the superior merely caused the feebler to suffer, Ely believed, and to treat the superior members as equal to the inferior robbed the superior of their "feeling of responsibility toward their brethren."[90] Ely opposed what he regarded as the "false and most pernicious doctrine of equality," and he imagined that the leadership of "the wiser and the stronger" would be welcomed by their inferiors. Precisely because "the inequalities among men in character and capacity are simply marvelous," Ely asserted, "the ordinary wage-earner feels, and *shows* that he feels the need of superior leadership . . . ."[91]

Like Ward, Ely also believed that public education could uplift ordinary people. It was, after all, the experts who would be assuming the "heroic, tutelary role" of instructing the masses.[92] Yet, at the same time, Ely, a partisan of human inequality, believed that not all citizens were educable. "Democracy intelligently understood," Ely warned, "does not mean that every citizen is qualified to perform all the public functions," it means only, Ely cautioned, "that he may be trained to that point where can choose qualified public servants."[93] And, even after training, some citizens could not be uplifted. How many? "Perhaps the problem of governing New York would be an easier one," Ely once mused, "if thirteen per centum of the poorest and most dependent voters were disenfranchised."[94]

In the opening line of his *Races and Immigrants,* John R. Commons dismissed as unscientific the egalitarian heart of the Declaration of Independence. Not *all* men are created equal, said Commons. African Americans, because they were "without intelligence, self-control, and capacity for cooperation," were unsuited for self-government. Giving blacks and other inferior groups the ballot had undermined rather than expanded democracy, Commons said; their enfranchisement had only paved the way for "the boss, the corruptionist, or the oligarchy." Forty years of suffrage for African Americans, Commons asserted, had demonstrated its folly.[95] Ross likewise depicted the "simple-minded foreigner and [the] negro" as the

---

89 Ely, Richard T. (1903) *Studies in the Evolution of Industrial Society*, p. 62.

90 Ely, Richard T. (1894) "Fundamental Beliefs in My Social Philosophy" *The Forum*, 18: 173-183.

91 Ely, Richard T. (1894) "The Church and the Labor Movement" *The Outlook* 49, no. (13 January): p. 60.

92 Fink, Leon (1997) *Progressive Intellectuals and the Dilemma of a Democratic Commitment.* Cambridge: Harvard University Press, p. 14.

93 Ely, Richard T. "Social Observations," p. 214. This quote and the next are cited in Axel Schäfer's excellent study, *American Progressives and German Social Reform, 1875-1920.*

94 Ely, Richard T. "Administration of the City of Berlin," p. 246. In Schäfer.

95 Commons (1907), pp. 1, 41-43, 3-4.

essential taproot of political corruption, without whom political bosses could not "neutralize the anti-machine ballots of an equal number of indignant intelligent American voters."[96]

The forthright elitism of Ely, Ross and Commons was hardly unknown in American life, but their case for public leadership by a social scientific elite gave elitism a new form and rationale, one also advocated by their AALL colleague, Irving Fisher. Fisher, in a 1907 paper in *Science* entitled "Why Has the Doctrine of Laissez Faire been Abandoned," announced:

> 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.[97]

Social control, in Fisher's formulation, protected society, by regulating big business, and also by regulating the ignorant and the deviant, this via legal restraint of drinking, gambling, vice, and indecent literature (1907: 20). The chief fallacy of *laissez-faire*, said Fisher, was to have confused a person's actual desires with what is intrinsically desirable, an error that social control avoids, this because experts understand and enforce what is intrinsically good, as distinct from what ordinary people actually want (ibid: 21).

Like most progressives, Fisher conceived of social control by a regulatory state as a *via media* between laissez-faire and state socialism. In disavowing socialism, Fisher warned that "when one class of society attempts actually to rule another," the end result tends to be corruption, inefficiency, lack of adaptability, and abuse of power (1907: 19). Though Fisher, only a few paragraphs away, had just proposed that the educated class rule the ignorant class, he simply did not consider that the experts of the educated class might themselves fall prey to corruption, inefficiency, inflexibility or abuse of power. In the social control self-conception, the experts were not partisans of a class or other special interest; they were defenders of the public interest, selfless scientists, guided only by truth.

Other economic progressives, notably Columbia's Edwin R.A. Seligman, did not share the bald contempt for ordinary people exhibited by Ely, Ross, Commons and Fisher. Seligman was, moreover, more cautious regarding the limits of economic expertise. Yet Seligman, too, championed social control, even as he recognized the necessary tension between economic expertise and democracy: "the more democratic the

[96] Ross, Edward A. (1914) *The Old World in the New*, p. 275.

[97] Fisher, Irving (1907) "Why Has the Doctrine of Laissez Faire been Abandoned?" *Science* 25: 627, pp. 18-27.

community, the slighter has been the influence of economic theory on practical life."[98] Seligman acknowledged that, in the progressive view, the scientific expert was to society 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.'" A distinguished historian of political economy, Seligman could not ignore the undemocratic tendencies of social control, even as he endorsed a heroic view of expertise in the service of the state.[99]

*****

Looking back from the mid-1920s upon the appalling wreckage of the First World War, and with the adverse consequences of the Treaty of Versailles becoming visible, Herbert Croly (1924), once the leading publicist of American progressivism, reflected upon the nature of expert social science, and its influence upon government policy. Alternately rueful and sardonic, Croly lamented that progressives had too confidently placed their faith in Hamiltonian means to democratic ends, believing that society's "better future would derive from the beneficent activities of expert social engineers who would bring to the service of social ideals all the technical resources which research could discover and ingenuity could devise."[100]

In practice, however, social control, the theory of which Croly dated to Lester Frank Ward's *Dynamic Sociology* (1883), lacked the "skeptical modesty of science" (p. xii). The experts, whom Croly himself had once lionized, did not know enough, and they should not have pretended to know enough when justifying their claim to political power and its grave responsibilities (p. xiv).

Social control, Croly continued, did more than claim too much – it was also undemocratic. The social engineer was "theoretically a democrat," but because social reform was not of or by the people, it could only be for the people. In the absence of intelligent and active political participation, the people's consent, Croly said, was "fictitious." The "hero and factor" of social control, the social engineer, had devolved into a "traditional law-giver who knew what was possible and good for other people and who proposed to mold them according to his ideas" (p. xiii).

---

[98] Edwin R. A. Seligman (1899) "Discussions of the President's Address" *Publications of the American Economic Association*, 3rd Series, Vol. 1, No. 1, Papers and Proceedings of the Twelfth Annual Meeting, Ithaca, N. Y., December 27-29, 1899 (Feb., 1900), pp. 62-88, 287-288.

[99] Cited in Fink, Leon (1997) *Progressive Intellectuals and the Dilemmas of Democratic Commitment,* Cambridge, MA: Harvard University Press, p. 14. I am indebted to Fink's subtle investigation of these issues. See also Craufurd Goodwin on Walter Lippmann.

[100] Lindeman, E.C. (1924). *Social Discovery,* introd. by H. Croly. New York, pp. ix-xx, p. xii.

Croly's essay was not exactly a *mea culpa*, nor did he repudiate the idea that expert social science, at least one more modestly construed, could benefit American society. But it is doubtful Croly missed the irony. The confident publicist of progressivism, whose *The Promise of American Life* (1909) enlisted Theodore Roosevelt and many others in the cause of national social control, was now, fifteen years on, enumerating the Hamiltonian hazards – scientism, hubris, elitism – his reform manifesto had underestimated, avoided, or failed to understand.