

Foundations, Social Science, and Indicative Planning in the American 1920s

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Our understanding of twentieth-century American business-government relations has undergone a reorientation in recent years. Long preoccupied with the drama of business-government conflict, thinking on the subject shifted in the 1970s with the coming of age of an "organizational" school of history, one increasingly focused on the cooperative and consensual structures spanning business institutions and the state. The studies of such scholars as Samuel P. Hays, Louis Galambos, Robert Cuff, and Ellis W. Hawley, among others, have uncovered a continuous and diverse history of efforts to respond to market failure, war needs, and organizational vacuums through cooperative networks, "intersects," and concerts of interest. These efforts, so it now appears, underlie the modern tendency toward dissolving the distinctions between public and private spheres. More fundamentally, they underlie, at least in part, the transformation of America from a decentralized society to one dominated by elaborate administrative structures [8; 11; 15; 27; 28; 33; 39].

The advance of this new historiography, moreover, has helped to demystify one of the more stubborn myths of our time: that America, except for the two world wars and the 1930s, has been a "planless" society. Largely the consequences of scholarly emphasis on public planning, this myth has obscured links between the state and private institutions. It has obscured, in particular, recognition of the attempted development during the 1920s of America's first peace-time system of indicative macroeconomic planning. Under the leadership of such individuals as Herbert Hoover, Wesley Mitchell, Mary Van Kleeck, Beardsley Ruml, Henry Pritchett, and Henry Dennison, there developed from 1921 through 1929 a three-legged apparatus resting on philanthropic foundations, the National Bureau of Economic Research, and the US Commerce Department, and seeking through its influence on the microeconomic decisions of business managers to enhance the stability of the economy as a whole. As envisioned and advertised, this form of "planning," with its expanded arenas for the public exercise of private yet "scientized" managerial authority, would constitute a "middle way" between statist collectivism and laissez faire individualism. Although it would prove incapable of predicting or preventing the Great Depression, this planning apparatus would comprise an important chapter in the development of

managerial capitalism and in the recurring American effort to use private planners for public planning purposes.¹

While the new organizational history has uncovered much of the recent American quest for national managerial capabilities, it has had relatively little to tell us about the place and political function of modern philanthropy in this story. Nor has there been much treatment of the intertwined history of philanthropy, modern social science and its technocratic orientation, and the rise of modern capitalism's managerial culture. Foundations played a large part in the elaboration of New Era planning. And in doing so, they functioned not only to subsidize planning operations, but to subsidize the growth and to legitimize the place of social science as an important link between business and the state. My aim in what follows, then, is to examine the foundation-social science connection that both underlay and matured through association with the countercyclical apparatus of the 1920s. I want to look, in particular, at the formation before 1917 of early links between the Russell Sage Foundation and the new scientific social work, the postwar development of similar link between foundations and the social sciences, particularly through proximity to Hooverian planning, and the eventual institutionalization of philanthropy's modern role as an important patron and protector of social science during Beardsley Rumel's tenure at the Laura Spelman Rockefeller Memorial [46].

In the thirty-odd years before 1917, the United States underwent profound organizational changes destroying or weakening the authority once exercised by traditional, locally centered institutions. It also developed an industrial working class for which existing political and legal institutions had made little allowance. Its labor law was the eighteenth-century law of contracts, which placed the judiciary squarely behind employers and led increasingly to desperate and intransigent positions on the part of both capital and labor [1; 38; 73].

From both of these developments came a "vacuum of authority," identified by a variety of industrial inquiries and investigating commissions as a major threat to the social order. Needed, as they saw it, were new institutions that could claim convincingly to stand above class conflict and exercise authority in the social interest. And needed as well, they believed, were bodies capable of finding objective information about capital formation and income distribution. Such information, they argued, would help to break the impasse between capital and labor, lay the foundation for "fair" settlements, bring forth a more efficient production and more orderly marketing, and halt the increasing fragmentation of society [18; 52; 65, ch. 1].

Meeting such needs was also a dream that had been increasingly embraced by the young technocratic professions. Thirty years of uneven but major theoretical advance had encouraged a technocratic sensibility of utopian proportions, especially among economists, social workers, engineers,

¹An extended treatment of this subject can be found in the larger study upon which the present article is based, The Invisible Hand of Planning, forthcoming from Princeton University Press, Spring 1985.

and philanthropic managers. But lagging far behind was the development of new forms of technocratic authority and new bodies of information that could be used to resolve conflicting claims about the nation's income and economic performance [3; 7, ch. 4; 9; 14; 18, pp. 145-66; 20; 26; 39, ch. 3; 59].

This lag stood out sharply in the frustrating record of the commission approach to industrial warfare. Both President McKinley's and President Wilson's commissions on industrial relations helped to focus national attention on the necessity of industrial reform. But their inability to provide basic facts about the nation's capital and income structure was seen as hindering the achievement of consensus and thus failing to allay class suspicions. Not until World War I provided a massive subsidization of research along these lines would the lag between technocratic vision and competence be substantially altered [1; 12; 18; 65].

Still, progress toward such competence was made in the pre-war years and nowhere so much as in the evolving relationship between philanthropy and social work. Funding from the major foundations did enable social workers to organize and carry through comprehensive surveys of America's cities, surveys that constituted the first systematic attempts to assess the social costs of industrialization. Knowledge about working conditions, unemployment, and urban family life was thus enhanced. And as other foundation programs were established — programs aimed at developing libraries, health sciences, research facilities, and new institutions of higher learning — the role that could be played by philanthropic giving underwent a major redefinition. No longer would treatment of the symptoms of social illness suffice. It was imperative that attention be turned to systematic alleviation of its causes as well [2; 4, ch. 6; 5; 25; 51, ch. 2; 58].

This reorientation encouraged and was in part the product of a general movement toward the professional administration of philanthropy, one in which the Rockefeller organizations pioneered. Beginning in the 1890s Frederick T. Gates, a former Baptist minister, had taken the lead in imposing upon John D. Rockefeller's scattered "retail" giving a pattern of "scientific" wholesale giving. Under his scheme, a large principal sum, always to remain intact, was controlled by a group of self-perpetuating trustees, who administered corporations empowered to use the income to accomplish an elastic general purpose. The General Education Board, the Institute for Medical Research, and the Rockefeller Sanitary Commission were the earliest instances of what would become the standard model of twentieth-century philanthropic organization [23, ch. 1-2; 45].

This movement toward professional administration was widely hailed as being salutary. It was a reflection in the philanthropic shere of the tendency of large organizations to come under the direction of professional managers. And it meant, in particular, a tendency to turn management and program formulation over to the rising technocratic professionals with their claims to systematic expertise and broad social understanding. This process is most clearly revealed in two areas, the inauguration of modern social work and the establishment of the Russell Sage Foundation [17; 24, ch. 6].

Social work had undergone a broad reorganization in the 1890s. In most large American cities Charity Organization Societies, modeled on those in England, had assumed control of relief and charitable activities and were attempting to make more systematic and efficient use of private relief funds. Settlement houses had also been established, and both kinds of institutions were helping to develop professional training for social workers [29, ch. 5-9; 51].

Increasingly, moreover, the extent and severity of urban industrial misery had prompted scholars and reformers to reconsider traditional theories of poverty. Citing the empirical studies of men like Charles Booth and Seeböhm Rowntree, whose clandestine investigations of the English underclass had earned them the sobriquet of "social explorers," social analysts in the United States had begun to see the vices of the "undeserving" poor as being the results rather than the sources of poverty [25; 47].

As attitudes changed, the economist Simon Nelson Patten was also preaching a new economics of abundance. The enormous increase in the productive powers of Western society, he argued, had now called into question the entire range of assumptions made under conditions of scarcity. And on the establishment of modern social work, Patten's influence was considerable. At the University of Pennsylvania he taught the first courses on modern poverty, and one of his doctoral students, Edward T. Devine, would become one of the country's leading philanthropic executives. As General Secretary of the New York Charity organization Society, as professor of social economy at Columbia University, and as editor of Charities and Commons, Devine was at the very center of a new technocratic profession; and in 1907 he was among those who hailed the "thrilling" possibilities opened up by the creation of a powerful new institution for the "improvement of social and living conditions in the United States," the Russell Sage Foundation [25; 29, pp. 14-17].

The new organization owed its inspiration and endowment to the charitable sympathies of Olivia Sage. But in the definition of its mission and strategy, it reflected the thinking of men who were closely identified with the "scientific" movement then underway in philanthropic circles. As friends and counselors of Mrs. Sage, such men as Daniel Coit Gilman, Jeffrey Brackett, John M. Glenn, and Robert and Henry de Forest saw the Sage fortune as an instrument that could be used to push organized charity beyond relief and develop systematic research into poverty's causes, consequences, and cures. Such a foundation could act for the nation, so they argued, as the Charity Organization Societies acted for the larger cities. It could be an overarching administrative and research center [7, ch. 1-2; 29, pp. 14-15].

And it was to the establishment of a research apparatus that the new foundation first turned. Modest appropriations were quickly made to support investigations into the standard of living in New York state, and of greater consequence, support was given to the charities Publication Committee's Pittsburgh Survey, the first major effort to do for an American city what Charles Booth had done for London.

Having arranged such support, moreover, Sage trustees Gilman, Glenn, and de Forest, who were also members of the Charities Publications Committee, saw to it that the survey's results were published under the foundation's auspices. In published form, they offered the first comprehensive view of industrial accidents for working-class families, the effects of the twelve-hour day and seven-day week, and the harshness of working conditions in the steel industry. [6; 7; 13, pp. 6-7, 269-70; 19].

At the same time, in January 1908, the trustees took the initial steps that would lead to the creation of a Department of Industrial Studies. These involved a grant to a young social worker, Mary Van Kleeck, "for investigations into trades for women and women's lodgings." Since 1905, one year after her graduation from Smith College, Van Kleeck had been studying the overtime required of young women in New York factories. Subsequently, she would begin a study of child labor in New York City, supported by Sage Foundation grants to the Alliance Bureau, a local philanthropic agency. And in 1910 this work would be incorporated into the foundation's new Committee on Women's Work, with Van Kleeck as director [29, pp. 61, 152-70; 49].

In this capacity Van Kleeck emerged as an embodiment of the pre-war marriage between social science and philanthropy. Not only was she responsible for the establishment and direction of a significant research apparatus, but her work shaped the modern redefinition and attack on unemployment as well. From 1910-1917 her investigations led both to reform legislation and to new judicial decisions concerning working conditions and employee rights in New York industries. But of even greater importance, at least from the standpoint of our story, was the way her work pointed to microeconomic stabilization as a strategy for maintaining full employment [29; 66; 67].

During these years her initial concern for the plight of women workers in the sweatshops carried over into a series of studies of New York City industries that were heavily dependent on female labor. In such industries, it was generally recognized, wages were low, hours long, employment irregular, and health and safety provisions inadequate. But about the specifics of the situation little was known, and without authoritative data, reform efforts were stymied [64; 67; 71, pp. 220-23].

Van Kleeck's studies encompassed the millinery, artificial flower, and bookbinding trades. And in these studies and others she emphasized her concern with tying science to reform and thereby fashioning a technocratic foundation for organizing and managing social change. She envisioned the disinterested pursuit and reporting of facts, the unearthing of causes rather than superficial manifestations, and the enunciation of principles and methods for broad social action [68; 69; 70].

Van Kleeck's investigations identified irregularity of employment as the most critical problem. This, she believed, could be corrected. Accepting the new faith in technocratic skills, she had broken away from older notions about the inevitability of seasonal irregularities in employment. And the problem's solution, she had also concluded, must

come through improved business management as well as statist intervention [68; 70].

In effect, Van Kleeck's studies pushed forward the redefinition of poverty that was already underway. They found seasonal unemployment rather than personal vices to be a major source of that poverty; and this source, they concluded, could be eliminated, partly by statist actions that would raise the cost of irregularity, but mostly through the actions of responsible managers making enlightened decisions in their individual firms. It was an emphasis congenial to American institutions and traditions, and, as we shall see, one that would mature under the press of war mobilization and postwar dislocation [21, pp. 50-2; 57; 62, pp. 61-64; 68; 70].

America's managerial culture would flourish in the hothouse mobilization of 1917 and 1918. Where unemployment had helped to galvanize pre-war technocratic progressivism, the war's acute demands brought it to the center of the stage and created an environment highly conducive to the growth of planning institutions and technocratic machinery. A warring nation required basic information if it was to order, route, and coordinate its operations. There were new roles to play for those who could generate and certify this information, especially for those who had spearheaded the social surveys, statistical analyses, and managerial reforms of the pre-war years. The nation as a whole needed their kinds of skills, perspectives, and commitments, and many of them looked upon this situation as a watershed and an opening to new possibilities. After the war, wrote the economist-statistician Allyn Young, "we shall realize, as we have not in the past, the possibility of doing things on a national scale, of rationally adapting the mechanism of national life to fit national ends." There could, so he and others believed, be peace time equivalents to the war's planning institutions. This, indeed, would become the dominant thought in the postwar search for macroeconomic stabilizers, so powerful had been the war's "lessons" and the technocrat's achievements. Chief among the latter was the creation by economists Wesley C. Mitchell and Edwin P. Gay of the Central Bureau of Planning and Statistics, the most important of the wartime planning organizations. The Central Bureau and similar entities introduced the technocratic approach and world view to a broad range of government, labor, and business leaders, thus creating a network of personal and professional associations that could become a planning constituency. And by supporting a significant data-gathering effort, the war system helped to reduce the gap between technocratic vision and competence and made technocratic professionals appear socially useful. In these ways especially, the war experience elevated and subsidized the development of technocratic or managerial culture, setting the stage for efforts in the postwar period to translate wartime achievements into peace time routine. [10; 15; 75].

Efforts toward postwar macroeconomic management arose, most immediately, from the economy's poor performance. In the year following the war an economy that had seemed to be moving toward greater productivity, better management, and heightened social stability gyrated wildly from a condition of depressed markets and labor glut to one of hyperinflation and industrial warfare. And by late 1920, the worst depression in thirty years had broken. At its trough in January 1921,

following the most precipitous price collapse in American history, unemployment stood at nearly 12 percent, and, as in the prewar period, the problem of unemployment would again bring forth designs for technocratic management. Now, however, this development would proceed within the newly established machinery of the President's Unemployment Conference, the brainchild of the new Commerce Secretary, Herbert Hoover, who was emerging now as national leader of the movement for macroeconomic management.

Hoover had entered the Harding cabinet after being assured that he could expect to exert considerable influence in all phases of economic policy. While not a recognizable Taylorite, Hoover had emerged as the leading spokesman for the "progressive" movement then sweeping engineering and was convinced that low productivity and economic mismanagement comprised fundamental threats to capitalist stability and social progress. To combat these intertwined disorders, he looked toward not only far-reaching programs of waste elimination and market expansion but also the creation of countercyclical mechanisms capable of producing the data and behavior needed to control business cycles and maintain macroeconomic stability [5, p. 380; 30; 37; 43; 48; 54, pp. 196-97].

Such countercyclical planning would be undertaken through a technocratic constituency of foundations, social science professions, and new policy research organizations like the National Bureau of Economic Research, founded in 1920 by Wesley Mitchell and Edwin Gay with the help of the Commonwealth and Carnegie foundations. This constituency, so Hoover thought, could perform functions that government would not or should not undertake. Yet government, specifically the Commerce Department, could assist in the development and legitimization of the new planning apparatus. Envisioned was a form of statist action that was essentially corporatist in nature, one in which the government functioned to create an arena in which private institutions would be encouraged to act in a public capacity. In this sense the Business Cycle Committee, which would soon emerge from the Unemployment Conference of 1921 and through which New Era countercyclical planning would be elaborated, represented a kind of corporatist state undertaking functions that governmental agencies were unwilling or unable to perform [12; 32; 34; 35; 50; 53; 72, ch. 1, p. 17].

The central ideas and particular shape of the countercyclical machinery developed in the 1920s owed much to three factors. One was Hoover's political philosophy and organizational experience. A second was Wesley Mitchell's agenda for the advance of social science as reflected in the employment of the National Bureau. And a third was the increasing willingness of the major foundations to support the development of social science and its application to public policy.

As the chief sponsor of such machinery, Hoover contributed most to setting its ideological and organizational limits. As a technocrat concerned about the dearth of social data, he was committed to research and technocratic prescription. Yet, as a foe of "statism" and "politicization," he needed action agencies grounded in the private rather than the public sector — agencies that, in his mind, would operate similarly to the National Monetary Commission, whose studies had led to the creation of

the Federal Reserve System. In addition, his war relief activities on behalf of Europe's civilians had brought him into close contact with the New York foundations and their ability to provide more than just financial sustenance. Perceptions of their "disinterestedness" would also be valuable, he seemed to think, in furthering an investigation's "carrying power" with the "business public" [16; 37].

At a more fundamental level Hoover's political philosophy, as Ellis W. Hawley has noted, was essentially dialectical. It attempted to reconcile traditional American qualities of opportunity, mobility, and decentralization with the requirements of a rising managerial capitalism. And for Hoover it meant commitments both to a minimal state and to macroeconomic rationalization, commitments that could best be realized, he thought, by fashioning a framework within which microeconomic decisions could be so informed as to further the attainment of broad social goals [31; 33].

Consequently, Hoover was opposed to outright federal control or direction of economic activity. This, he thought, would lead America down the European blind alley of deadened opportunity and initiative, malproduction, and intensified class warfare. And, convinced that America had recently developed a range of voluntary, functional organizations that could be educated to embrace a larger, national sense of responsibility, he felt that an alternative to statist planning was available. A public role for these private organizations and associations was for him an appropriate "middle-way" between the twin disasters of laissez faire and bureaucratic coercion, a way that would promote both the systematic coordination needed to ensure growth and social progress and the widened opportunities and reliance upon voluntaristic cooperation that were necessary to maintain an open society [40; 41; 42; 74, pp. 425-38].

As conceived, however, this solution would require unprecedented activism within a sharply delimited portion of the public sector. Recognizing the private association as the critical institution of social development, it would use public power to speed up and coordinate an organizational phenomenon that had emerged spontaneously and logically within the recent American past. Government's job was that of energizing, sponsoring, and informing an unfolding historical process, one whose eventual maturation would theoretically make governmental action obsolete [33].

The second major figure shaping what would emerge was Wesley Mitchell, who brought to the task a faith in the potential of social science, once it was properly subsidized, to generate the data necessary to inform the construction of intelligent public policy. Mitchell was convinced that in the continuing study of business cycles lay the possibility not only of realizing a true social science, but of moving toward a truly technocratic economics. Analysis of an "economy in action," he believed, would generate a new data competence, which in turn would enhance both the status of economic analysts and the potential for effective economic management [55; 56].

The third factor helping to shape the countercyclical machinery of the 1920s, and the one most important to our story, was the increasing willingness of foundations to get involved in social research and planning.

As noted previously, this development had begun before the war and had gone furthest in the Russell Sage Foundation's subsidization of social work and industrial sociology. But despite these beginnings, it was primarily a postwar phenomenon, resulting partly, it seemed, from the postwar sense of social dislocation, and partly from the war-generated optimism about social science's potential. Even those philanthropies that had been most successful in avoiding political involvement now found such insulation difficult; and for most the lines between "human welfare" and "social reconstruction" seemed less clear than before [23, pp. 198-98; 45].

There was also more at work. New foundations and new managers for old foundations now arose to take advantage of the new opportunities opened by the war. They sought to link philanthropy more closely to an emerging managerial system, to support the development of social science and new technocratic institutions, and thus to make philanthropy a more effective force for the private planning of public policy. The first and most notable instance of this immediately following the war was the critical role played by the newly minted Commonwealth Fund and the Carnegie Corporation in launching the National Bureau.

In subsequent initiatives the Commonwealth Fund would continue to play an important part. But its influence, as well as that of the Sage Foundation, was soon surpassed as a result of new leadership and a concomitant reorientation within the older and larger Rockefeller and Carnegie philanthropies. This reorientation was led by a number of men, among them Henry S. Pritchett and Frederick P. Keppel at Carnegie. But it was Beardsley Ruml's rise as a sort of wizard of technocratic philanthropy, first at the Carnegie Corporation and then as head of the Laura Spelman Rockefeller Memorial, that did the most to make philanthropy a critical source of support for the development of social science and its link to managerial institutions in the 1920s [23, pp. 92-202].

Alone among its peers in the 1920s, the Laura Spelman Rockefeller Memorial (LSRM) dedicated itself entirely to the systematic "upbuilding" of social science. Between 1918 and 1930 it granted over \$40 million to such agencies as the National Bureau of Economic Research, the Social Science Research Council, and the Brookings Institutions. It was responsible for much of the nearly forty-fold increase in philanthropic support of social science activity from 1921 to 1930; and behind this escalation, more responsible for it than anyone else, stood Ruml's imposing and improbable presence [23; 45].

Called by Robert Maynard Hutchins "the founder of the social sciences in America," Ruml was responsible for transforming the LSRM from a moribund and ill-defined fund into a potent technocratic institution. A psychometrician by training, Ruml had been among the technocratic elect during the war, and he now shared with Mitchell, Van Kleeck, and others a commitment to technocratic science-building. He had been involved in securing early Carnegie Corporation support for the National Bureau; and as assistant to Carnegie's president, James R. Angell, he had impressed Abraham Flexner of the Rockefeller Foundation's General Education Board. When Angell left to become president of Yale, Flexner had brought Ruml to work for the Rockefellers, where in 1922, at the age

of 26, he became director of the LSRM. The Memorial's trustees, it seems, looked upon Ruml as an interim director, confident that the Memorial was soon to be absorbed by the larger Rockefeller Foundation. They were surprised when Ruml, the "inflated office boy," as Alva Johnston described him, offered in October of 1922 a ten-year plan for Memorial support of the social sciences [22; 44].

Ruml's "General Memorandum" of October 1922 stands as a remarkable document in the history of social science and American planning. A technocratic manifesto, it called not only for a usable social science, but for a large and continuous philanthropic commitment toward making such a science a reality. Ruml's vision was of a technocratic social science, one able to inform the deliberations business and government managers. And by helping to create it, he thought, and helping to form links between social science and managerial institutions, the Memorial would contribute both to the development of nonstatist public planning and to the creation of new public roles for scientifically informed private managers [60].

In the memorandum Ruml insisted that the social sciences deserved support not out of "an academic interest," but because it had become

More and more clearly recognized that unless means are found of meeting the complex social problems that are so rapidly developing, our increasing control of physical forces may prove increasingly destructive of human values.

Nor was the support needed something that could be undertaken as a part of a single year's activity. It was "the work of a period of years, perhaps a decade," since the "basic need" involved was not one that existed "as a result of temporary conditions or accidental circumstances," or that might "soon pass through normal social and political development" [60, pp. 1-3].

Such a program, moreover, would be the surest means of advancing social welfare, the field in which the Memorial had made its earliest donations. Real advances there required, as a first step, "the production of a body of substantiated and widely accepted generalizations as to human capacities and motives and as to the behavior of human beings as individuals and in groups." Those in the field were "embarrassed" by the lack of such knowledge and were greatly handicapped in attaining the ends that they sought. It was as though "engineers were at work without an adequate development in the sciences of physics and chemistry, or as though physicians were practicing in the absence of the medical sciences" [60, pp. 1-3].

Continuing his analysis, Ruml concluded that the current state of affairs in the social sciences was the result of three factors. One was their youth. "Only since the middle of the nineteenth century," he pointed out, "have human beings in their conscious capacities been considered a part of the natural order, and their capacities and behavior subject to study be experimental or even inductive methods." Wilhelm Wundt's psychological laboratory, the first of its kind, had been established in

Leipzig only fifty years before. "As important an instrument for social research as the coefficient of correlation" was less than forty years old, and the beginnings of efforts to measure "general intelligence" and other human traits were "to be found largely within the present century." The second factor was the intractable nature of the subject matter, the fact, in other words, that human society, behavior, and institutions could not "be brought into the laboratory for study" and important forces could not be "controlled and experimented with" but had to be "observed if, when and as operative." And third, there was the fact that the institutional home of the young social science professions, the university, was neither equipped nor properly organized to sustain the social research needed to build scientific competence. "Facilities for the collection and tabulation of data" were "meager," and the "requirements of classroom instruction limit markedly the possibilities of contact with social phenomena." As a result, production from the universities was "largely deductive and speculative, on the basis of second-hand observations, documentary evidence and anecdotal material." It was small wonder that the social engineer found this social science "abstract and remote, of little help to him in the solution of his problems." [60, pp. 1-3].

As Ruml saw it, there were four major ways in which the Memorial could help to meet this pressing need "for knowledge of social forces," felt not only "by social welfare organizations, but by business and industry, and by agencies of government as well." These included: first, "the definition and marking off within the field as a whole of a certain class of related problems upon which emphasis will be placed"; second, "the opening up of possibilities of contact for scientists with concrete social phenomena and the provision of facilities for the collection and evaluation of data"; third, the attraction to the field of more "highly able men"; and fourth, "the provision of ways and means for the general dissemination of the knowledge that is secured and for its utilization practically in the advancement of social welfare" [60, pp.1-3].

Ruml's first point, the demarcation of areas of research amenable to quantitative technique, echoed the thinking of Van Kleeck, Mitchell, and the SSRC. His fourth point, the construction of what he would later term a "social technology" in which managerial institutions would be more closely tied to the growing data competence of social science, was set forth only in the most general terms, but would soon rise in importance in his thinking. The third point, recruiting and supporting more social scientists, complemented what appears to have been Ruml's chief concern at the time, namely his point two, or the subsidization of data-building [60, pp. 3-4].

Ruml also believed that the Memorial must always work through a mediating institution, thus remaining insulated from specific researches. This would protect the foundation from political controversy, particularly that aroused by the "outcome of any specific piece of research" — a touchy matter with the Rockefeller philanthropies because of the "abuse and vituperation" heaped on their industrial relations investigation following the Ludlow Massacre. Such insulation, in other words, would encourage perceptions of philanthropy's "disinterestedness," and thus protect it from

political criticism and accountability at a time when it was in reality expanding its political function.²

Throughout the next several years the Memorial's commitment to social-science building expanded well beyond its first "extremely tentative" steps. Increasingly, its earliest commitments to particular projects in particular institutions were supplemented by the expansion of fellowships, research facilities, and opportunities for cooperative research. By 1926 Ruml was confident that "great good" had resulted from the Memorial's "advancement of social science." Not only was the scientific legitimacy of the social sciences being enhanced by "the quality of the studies produced," but their influence in the world of affairs, as measured by such things as Hoover's continued reliance on the National Bureau and academic social scientists, was also fast increasing. The "increasing demand of public and private bodies for scientific analysis of problems of social consequence" suggested the important role institutions like the Memorial could play in forging links between social science and managerial institutions. [60, pp. 18-23; 61, p. 15].

Neither the new Era's indicative activity, nor the foundation-social science link therein, fits easily into our usual notions of what constitutes macroeconomic planning. But taken on its own terms, and within its own logic, it was just that. Stability, however, was never achieved, and the fact that this system has long been ignored is testimony to its fragility and failure. Despite its proponents' insistence, the merger of social science, philanthropy, and business management could claim little credit for the economic growth of the 1920s. And subsequently, the inability of New Era institutions to fathom the boom's weaknesses or to manage well the ensuing contraction made plain their inadequacies and damaged the idea that national management could be achieved through private bodies and a minimal state. The damage, however, would not be permanent. Following the turn toward statism in the 1930s and the World War II period, indicative or corporatist models and rhetoric would resurface. They would be apparent in the thinking and influence of the Committee for Economic Development, and in the resurgence in the 1970s of thinking and proposals looking beyond welfare state and pluralist conceptions to a "new social contract" in the name of "reindustrialization" or "national industrial policy." In these latter designs, private power informed and legitimated through social science was again to be used as the instrument through which anti-statism could be reconciled with the quest for national managerial capabilities.

The 1920s, then, saw the first incarnation of what would become an important and reappearing pattern in American institutional development. By decade's end, efforts to enlist private bodies for public planning purposes had elevated American philanthropy and social science into the modern managerial constellation. There they would occupy, to be sure, a difficult and often subordinate position, but one from which they would continue to exert regular influence on policy formation and implementation.

²Twelve principles designed to maintain such insulation were adopted by the Memorial's trustees in November 1924.

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