

The Origins of the Welfare State I:
The Keynesian Elite and the Second New Deal, 1910-1936
(part two of three: notes)

by

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¹This Act included enabling legislation under which Roosevelt created the Works Progress Administration (WPA), the Resettlement Administration (RA), the Rural Electrification Administration (REA), and the National Resources Committee (NRC), and the National Youth Administration (NYA).

²Bernard F. Donahoe, *Private Plans & Public Dangers: The Story of FDR's Third Nomination* (Notre Dame: University of Notre Dame Press, 1965), p. 2-6.

³Ellis Hawley, "The New Deal and Business," in John Braeman, Robert H. Bremner, and David Brody, eds., *The New Deal: The National Level* (Columbus: Ohio State University Press, 1975), p. 62.

⁴Gabriel Kolko, *Main Currents in Modern American History* (New York: Harper & Row, 1976), p. 152.

⁵Frank Friedel, *FDR: Launching the New Deal* (Boston: Little Brown, 1973), pp. 408-421.

⁶See U. S. Congress, Senate, *A Bill to Establish a National Economic Council*, S. 6215, 72d Cong., 1st sess., 1931 (Washington: United States Government Printing Office, 1932), p. 482.

⁷Ellis Hawley, for example, sees the need for "studies that put the New Deal years in perspective and bring out the strands of continuity between New Deal action and the public policies that preceded and followed it." Ellis Hawley, "The Discovery and Study of 'Corporate Liberalism,'" *Business History Review*, Vol. LII, No. 3 (Autumn, 1978), p. 320.

⁸Ellis Hawley, "The Discovery and Study of 'Corporate Liberalism,'" p. 318.

⁹Ronald S. Burt, *Corporate Profits and Cooptation: Networks of Market Constraints and Directorate Ties in the American Economy* (New York: Academic Press, 1983)

¹⁰Charles A. Bliss, *The Structure of Manufacturing Production: A Cross-Sectional View* (New York: National Bureau of Economic Research: 1939); Wassily Leontief, *The Structure of the American Economy* (Cambridge: Harvard University Press, 1941).

¹¹Bliss, *Structure of Manufacturing Production*, p. 142.

¹²Thomas M. Stanback, Jr., and Thierry Noyelle, *The Economic Transformation of American Cities* (Totowa, N. J.: Rowman & Allanheld, 1983); Edgar S. Dunn, Jr., *The Development of the U.S. Urban System* (2 Vols.) (Baltimore: The Johns Hopkins University Press, 1980); Alan Pred, *City Systems in Advanced Economies: Past Growth, Present Processes and Future Development Options* (New York: John Wiley & Sons, 1977); Doreen Massey, *Spatial Divisions of Labour: Social Structures and the Geography of Production* (London: Macmillan, 1984).

13R. T. Averitt, *The Dual Economy* (New York: Norton, 1968).

14This figure, and its title, are adapted from Stanback, *Economic Transformation of American Cities*, p. 9.

15Emory R. Johnson, T. W. Van Metre, G. G. Huebner, and D. S. Hanchett, *History of Domestic and Foreign Commerce of the United States* (Washington, D. C., 1915; rept. New York: Kraus Reprint Corporation, 1967), pp. 46-50, 67-68.

16Christopher Dell, *Lincoln and the War Democrats* (Rutherford, N.J.: Fairleigh Dickinson University Press, 1975), pp. 39-40. Brock, *Conflict and Transformation: The United States, 1844-1877* (Baltimore: Penguin Books, 1973), pp. 59-60; Jordan A. Schwartz, *The Speculator: Bernard M. Baruch in Washington, 1917-1965*, (Chapel Hill: The University of North Carolina Press, 1981), pp. 35-36. Irving Katz, *August Belmont: A Political Biography* (New York: Columbia University Press, 1968).

17See Eliot Rosen, *Hoover, Roosevelt, and the Brains Trust: From Depression to New Deal* (New York: Columbia University Press, 1977), pp. 26-37; Richard Franklin Bensel, *Sectionalism and American Political Development, 1880-1980* (Madison: University of Wisconsin Press, 1984). On the link between New York and the (Southern) cotton trade--in the nineteenth century four out of every ten cents paid for cotton wound up in northern, largely New York, pockets--see "The Rise of New York Port," in Alfred D. Chandler, Jr. and Richard S. Tedlow, *The Coming of Managerial Capitalism: A Casebook on the History of American Economic Institutions* (Homewood, Illinois: Richard D. Irwin, Inc., 1985), p.93.

18J. P. Morgan's interests were concentrated in utilities and heavy manufacturing. His railroad interests were focused on New England and the trunk lines of New York and Pennsylvania. The southern and western railroads, on the other hand, were coming under the influence of the financial elite of Anglo-American commerce--Harriman and Lovett of the Union Pacific, and Lyman Delano (FDR's first cousin) of the Atlantic Coast Line and the Louisville and Nashville. Thus, some railroads were subordinate elements within the securities bloc, others within commodities in international trade. In this input-output approach, a railroad is never just a "railroad," but is an element in an input-output matrix determined by a strategy of accumulation. For a discussion of different investment strategies see Arthur M. Johnson and Barry E. Supple, *Boston Capitalists and Western Railroads: A Study in the Nineteenth Century Railroad Investment Process* (Cambridge: Harvard University Press, 1967).

19Simon Kuznets, *Capital in the American Economy, Its Formation and Financing* (Princeton University Press, 1961), Table 27, pp. 198-199.

20The delineation of this sector relied upon here is based on U. S. House of Representatives, *Report of Committee Appointed Pursuant to H. R.*

429 and 594 [the Pujo Investigations into Financial Concentration], 62nd Cong., 3d sess. (Washington, 1913), and National Resources Committee, *The Structure of the American Economy, Part I, Basic Characteristics* (Washington: United States Government Printing Office, 1939). See Harold U. Faulkner, *The Decline of Laissez Faire, 1897-1917* (New York, 1951, reprinted New York: Harper and Row, 1968).

²¹George Mowry, *The Era of Theodore Roosevelt and the Birth of Modern America, 1900-1912* (New York, 1958, reprinted New York: Harper and Row, 1962), pp. 68-71, 115-118; Robert D. Marcus, *Grand Old Party: Political Structure in the Gilded Age, 1880-1896* (New York: Oxford University Press, 1971); Philip H. Burch, Jr., *Elites in American History: The Civil War to the New Deal* (New York: Holmes & Meier, 1981); Richard L. McCormick, *From Realignment to Reform: Political Change in New York State, 1893-1910* (Ithaca: Cornell University Press, 1979), pp. 138-145.

²²Mira Wilkins, *The Maturing of Multinational Enterprise: American Business Abroad from 1914 to 1970* (Cambridge: Harvard University Press, 1974), p. 55. In 1929 manufacturing firms with overseas production facilities--such as American Radiator, Eastman Kodak, International Harvester, General Electric, Otis Elevator, and Western Electric--made up about 25% of U. S. direct foreign investments.

²³This statement is based in part on Collins, *Business Response to Keynes*, pp. 13, 63-73, 81-87; McQuaid, *Big Business and Presidential Power*, pp. 107-113; and Marion Clawson, *New Deal Planning: The National Resources Planning Board* (Baltimore: Johns Hopkins University Press, 1981), p. 251. The Taylor Society and its allies dominated the National Resources Planning Board, whose policies and personnel were continued in the Committee for Economic Development.

²⁴Robert F. Himmelberg, *The Origins of the National Recovery Administration: Business, Government, and the Trade Association Issue, 1921-1933* (New York: Fordham University Press, 1976), p. 221.

²⁵See correspondence and memoranda in U. S. Department of Agriculture, Record Group No. 16, "Business Conditions" folder, National Archives.

²⁶*Ibid.* Adolph Berle, "Minutes of a conference between Mr. John L. Lewis, Mr. Thomas W. Lamont, Mr. Owen Young, Mr. Charles Taussig, Mr. Rexford G. Tugwell, Mr. Lee Pressman, Mr. Philip Murray [Vice-President of the Committee for Industrial Organization] and A. A. B., Jr." December 23, 1938, in *Navigating the Rapids, 1918-1971: From the Papers of Adolph A. Berle*, Beatrice Bishop Berle and Travis Beal Jacobs, eds. (New York: Harcourt Brace Jovanovich, 1973), pp. 154-157.

²⁷This connection between what has been called "light industry" (an *a priori* analytical distinction unrelated to real economic activities) and the Second

New Deal has been made by Ferdinand Lundberg, *America's 60-Families* (New York: The Vanguard Press, 1937, p. 479; and G. William Domhoff, *Fat Cats and Democrats* (Englewood Cliffs: Prentice-Hall, 1972) pp. 36-38.

²⁸Joan Hoff Wilson, *American Business and Foreign Policy, 1920-1933* (Boston: Beacon Press, 1971).

²⁹Understanding these sectoral patterns is a necessary though not sufficient condition for understanding the factionalism within the foreign policy-making apparatus of the 1940s, the emergence of the cold war, and the making of the national security state. The more detailed the study of the foreign policy of that period, the more clearly these patterns appear. Daniel Yergin, *Shattered Peace: The Origins of the Cold War and the National Security State* (Boston: Houghton Mifflin, 1978) is the most detailed general account. Martin Weil, *A Pretty Good Club: The Founding Fathers of the U. S. Foreign Service* (New York: W. W. Norton, 1978) is an extraordinary study that is encyclopedic in its detail. An equally valuable biography is Ronald W. Preussen, *John Foster Dulles: The Road to Power* (New York: The Free Press, 1982). Other studies, because they focus on the "big men," reveal only securities bloc and commodities in international trade personnel. Because Keynesians--such as Isadore Lubin and Benjamin Cohen--are characteristically not "big men," the Keynesian segment of the foreign policy apparatus under FDR and Truman tends toward invisibility.

³⁰Thomas Ferguson, "From Normalcy to New Deal: industrial structure, party competition, and American public policy in the Great Depression," *International Organization* 38, 1 (Winter 1984); and Thomas Ferguson and Joel Rogers, *Right Turn: The Decline of the Democrats and the Future of American Politics* (New York: Hill and Wang, 1986), pp. 46-49.

³¹This table was constructed out of the *U. S. Government Manual* for 1936 and *Who's Who* for various years of the 1930s.

³²Bruce Allen Murphy, *The Brandeis/Frankfurter Connection: The Secret Political Activities of Two Supreme Court Justices* (New York: Oxford University Press, 1982), p. 117.

³³This essay is concerned with the FF-TS matrix--the secondary leadership--of the Keynesian Elite. Of the primary leadership listed in Figures 7 and 8, Harold Ickes, Bull-Moose Progressive, was closely involved with Julius Rosenwald of Sears, Roebuck and Company and Charles Crane of Crane Company (and with Charles Merriam); Harry Hopkins was closely linked to Nathan Straus and Beardsley Ruml, both of Macy's; Frances Perkins, likewise, was embedded in New York's mass distribution Progressivism; Henry Wallace's political economic development, was also linked to Beardsley Ruml; Marriner Eccles was the kingpin of the inter-Mountain mass consumption

sector and its leading banker; and, finally, John Fahey was one of LDB's close associates in New England Progressivism.

³⁴Two encyclopedias of the New Deal provide detailed sketches of many of these Second New Dealers. James S. Olson, *Historical Dictionary of the New Deal. From Inauguration to Preparation for War* (Westport: Greenwood Press, 1985); and Otil L. Graham, Jr. and Meghan Robinson Wander, *Franklin D. Roosevelt: His Life and Times, An Encyclopedic View* (Boston: G. K. Hall, 1985). Olson, the most complete, omits 17 of the names that I have compiled for this study; Wander and Graham 27. Wander and Graham generally give biographies of prominent New Dealers on the primary leadership level; Olson includes the more well-known of the secondary leaders. In both cases what tends to get disproportionately left out are the business and technocratic personnel linked to the Taylor Society, thus skewing the sociographic portrait of the remainder.

³⁵Murphy, *The Brandeis/Frankfurter Connection*; Melvin I. Urofsky, *Louis D. Brandeis and the Progressive Tradition* (Boston: Little, Brown, 1981); Allon Gal, *Brandeis of Boston* (Cambridge: Harvard University Press, 1980); Philippa Strum, *Louis D. Brandeis: Justice for the People* (Cambridge: Harvard University Press, 1984).

³⁶Murphy, *Brandeis/Frankfurter Connection*, pp. 73-97.

³⁷Felix Frankfurter to George Roberts, 3 October 1924, Felix Frankfurter Papers, Box 163, Library of Congress, Washington, D. C.

³⁸Michael E. Parrish, *Felix Frankfurter and His Times: The Reform Years* (New York: The Free Press, 1982), pp. 197-204.

³⁹Parrish, *Felix Frankfurter and His Times*, pp. 220-221; Arthur M. Schlesinger, Jr., *The Politics of Upheaval* (Boston: Houghton Mifflin, 1960), p. 390 (Emphasis in original). William E. Leuchtenburg, *Franklin D. Roosevelt and the New Deal, 1932-1940* (New York: Harper & Row, 1963), p. 64.

⁴⁰John Kennedy Ohl, *Hugh S. Johnson and the New Deal* (DeKalb, Ill.: Northern Illinois University Press, 1985), pp. 266-67, 280-81.

⁴¹Schlesinger, *The Politics of Upheaval*, p. 227. "Working together over a period of twenty-five years," Bruce Allen Murphy writes, LDB and FF "placed a network of disciples in positions of influence, and labored diligently for the enactment of their desired programs. This adroit use of the politically skillful Frankfurter as an intermediary enabled Brandeis to keep his considerable political endeavors hidden from the public." Murphy, *The Brandeis/Frankfurter Connection*, p. 10.

⁴²K. Austin Kerr, *American Railroad Politics, 1914-1920: Rates, Wages, and Efficiency* (University of Pittsburgh Press, 1968), p. 16.

⁴³Robert H. Wiebe, *Businessmen and Reform: a Study of the Progressive Movement* (Chicago: Quadrangle Books, 1962), pp. 85-88.

⁴⁴*Evidence Taken by the Interstate Commerce Commission in the Matter of Proposed Advances In Freight Rates by Carriers*, August to December, 1910, Senate Doc. 725, 61 Cong., 3 Sess. (hereafter cited as *Rate Case*, Washington, D.C. 1911), Vol. 1, pp. 6-15.

⁴⁵The reader might also ask, if Brandeis was anchored in New England the the Middle Atlantic states, why use a Chicago group of firms to illustrate capital configurations among Progressive litigants? On the one hand, the Taylor Society was concentrated in New England and the Middle Atlantic states, and exhibits the eastern capital configuration associated with Progressivism. On the other hand, although the Boston to Baltimore corridor was the largest mass market in the United States, the trading area around Chicago was the second largest. It was also the center of an important midwestern bloc of Progressives that emerged out of the Republican Party--Ickes, Wallace, Merriam, Rosewald, Crane. That is: proto-Keynesianism could emerge wherever market structures were complex enough to generate the cognitive orientation of mass consumption--in Chicago (Rosenwald-Crane: Ickes-Merriam/Wallace); in the inter-mountain area, the network of mass-oriented activities centered on Marriner Eccles (chairman of the Federal Reserve Board from 1934 to 1948); in California (the Bank of America), and so on.

⁴⁶On LDB's association with Boston's mercantile circles, see Gal, *Brandeis of Boston*, pp. 16-22, and Strum, *Brandeis*, pp. 33-34, 55-59.

⁴⁷Robert H. Wiebe, *Businessmen and Reform: A Study of the Progressive Movement* (Chicago: Quadrangle Books, 1962/1968), pp. 10-15, 66, 74-5, 210, 217; Mowry, *The Era of Theodore Roosevelt*, pp. 85-89; David P. Thelen, *The New Citizenship: Origins of Progressivism in Wisconsin, 1885-1900* (Columbia, Missouri: University of Missouri Press, 1972), pp. 37, 146-149; Hoyt Landon Warner, *Progressivism in Ohio, 1897-1917* (Columbus: Ohio State University Press, 1964), pp. 22-25; Leland L. Sage, *A History of Iowa* (Ames: The Iowa State university Press, 1974), pp. 225-228.

⁴⁸Kerr is one of the few authors who sees sectoral conflict as the central reality of the Eastern Rate Case, but he does not deal with the Taylorites. Kerr, *Railroad Politics*.

⁴⁹*Rate Case*, Vol. 4: 2617-2624; Paul Kellogg, *Survey Graphic*, Dec 3, 1910, pp. 409-12.

⁵⁰*Rate Case*, Vol. 8, pp. 4814-4822.

⁵¹*Rate Case*, Vol. 5, pp. 2333-37.

⁵²*Rate Case*, Vol. 6, pp. 4340-41; Ives testimony, V, 3143-44.

⁵³*Rate Case*, Vol. 5, p. 3144.

⁵⁴*Rate Case*, Vol. 5, p. 3237.

⁵⁵*Rate Case*, Vol. 5, pp. 3239-40.

⁵⁶*Rate Case*, Vol. 8, pp. 4818-4820. This is the celebrated "multiplier effect" of Keynesianism. By the time this concept was used in the 1910 Hearings it was old hat. In 1872 Charles Francis Adams, a Massachusetts Railroad Commissioner, had already articulated the notion. Massachusetts *Third Annual Report of the Board of Railroad Commissioners* (1872), pp. ccxxi-ccxxii, quoted in Thomas K. McGraw, *Prophets of Regulation: Charles Francis Adams, Louis D. Brandeis, James M. Landis, Alfred E. Kahn* (Cambridge: Harvard University Press, 1984), 85-86.

⁵⁷For example, Gabriel Kolko, *Main Currents in Modern American History* (New York: Harper & Row, 1976), pp. 152-153; Ellis Hawley, *The New Deal and the Problem of Monopoly*, p. 286-289; and McGraw, *Prophets of Regulation* pp. 80-142. McGraw writes that Brandeis' "typical clients were not *center* firms, but *peripherals*, small and medium-sized manufacturers of boots, shoes, and paper, along with prominent Jewish wholesalers and retailers such as the Hechts and the Filenes." (pp. 86-7: emphasis added) As this essay argues, it was not the size nor even the structure of a firm (taken in isolation), but rather the position of a firm in the input-output matrix of the realization process, that is critical.

⁵⁸Layton, *Revolt of the Engineers*, pp. 163-167.

⁵⁹*Ibid.*, 154-5.

⁶⁰*Ibid.*, 156-7.

⁶¹*Ibid.*, 165.

⁶²Layton, *Revolt of the Engineers*, p. 154.

⁶³H. S. Person, Scientific Management: An Analysis With Particular Emphasis on Its Attitude Toward Human Relations in Industry," *Bulletin of the Taylor Society*, Vol. 13, No. 5 (October 1928).

⁶⁴*Ibid.*, pp. 163-4.

⁶⁵Morris L Cooke in "Notes of Discussion at Conference Dinner of the Directors of the Taylor Society and Guests at the Fraternity Club, New York, April 28, 1927, Cooke Papers, Box 61 folder 8, FDR Library, Hyde Park, New York.

⁶⁶"During the War a group of those associated with the Taylor Society helped to draft a somewhat comparable code which was issued as General Order #13 by the Ordnance Department and under another designation by the Quartermaster Department." Cooke to Kendall 19 December 1927, Box 11, folder 11, Cooke Papers. General Order #13, dated November 15, 1917, "was probably mainly Cooke's handiwork, for he was in charge of labor relations. . . The length of the workday recommended was eight hours--certainly not . . . longer than 10 hours--but the former was preferable. Restrictions on the physical work required of women, and on night work for them, in addition to 'equal pay for equal work,' also was recommended. Child labor (under fourteen) was not permitted. Finally, the order recognized 'the need of

preserving and creating methods of joint negotiations between employers and groups of employees."

"It was also in the Ordnance Department, at Rock Island Arsenal, that important steps were taken to improve relations between the workers and officers. The employees there were granted the right to choose their own foremen and to approve all piece rates, in return for which they promised not to restrict output. By the end of the war, the idea had spread to other arsenals." Milton J. Nardworny, *Scientific Management and the Unions, 1900-1932: a Historical Analysis* (Cambridge: Harvard University Press, 1955), pp. 105-106.

⁶⁷Ibid., p. 154.

⁶⁸Layton, *Revolt of the Engineers*, p. 180.

⁶⁹See Layton, *Revolt of the Engineers*, pp. 194-195.

⁷⁰Layton, *Revolt of the Engineers*, p. 187.

⁷¹See the correspondence of A. J. Muste, Brookwood's "radical" leader, with Morris L. Cooke (Cooke Papers, Box 25 folder 3) covering the period 1920 to 1929. Cooke to Muste, April 24, 1920, is especially interesting. It elaborates Cooke's Keynesian perspective, establishing what would become the ideology of the labor-liberal coalition. This letter (which begins: "Once upon a time I attended a baseball game . . .") was also sent to Sidney Hillman (Cooke to Hillman, April 15, 1920, Cooke papers, box 9 folder 4) and, most likely, to other labor leaders of similar stature. See also Clinton S. Golden (a Brookwood leader in the 1920s and a top advisor to Philip Murray of the Steel Workers Organizing Committee in the late 1930s) to Morris L. Cooke, February 9, 1929, Cooke papers, box 102. Golden requests Cooke's help in finding employment for an acquaintance. On Brookwood as a training ground for CIO leadership see Thomas R. Brooks, *Clint: A Biography of a Labor Intellectual* (New York: Atheneum, 1978), p. 84.

⁷²Morris L. Cooke, "Some Observations on Workers' Organizations," *Bulletin of the Taylor Society*, 14:2-10 (February 1929).

⁷³Barbara Warne Newell, *Chicago and the Labor Movement: Metropolitan Unionism in the 1930's* (Urbana: University of Illinois Press, 1961), pp. 209-225.

⁷⁴*Proceedings*, 1935 Convention, A. F. of L., pp. 574-575 and list of "Delegates to the Fifty-fifth Annual Convention."

⁷⁵Steve Fraser, "Dress Rehearsal for the New Deal: Shop-Floor Insurgents, Political Elites, and Industrial Democracy in the Amalgamated Clothing Workers," in Michael H. Frisch and Daniel J. Walkowitz, eds., *Working Class America: Essays on Labor, Community, and American Society* (Urbana: University of Illinois Press, 1983), pp. 218-219.

⁷⁶See U. S., Coal Commission, *Report of the United States Coal Commission*, 5 parts (Washington, D. C., 1925), p. 154, for the list of those

involved in producing the Commission's "Report of the United States Coal Commission on Labor Relations in Bituminous Coal Mining." The Taylorites predominated. The membership of the commission itself--seven men and women chosen for their distinguished public service record--tells us less about its work than the subpanels that actually did its research and wrote its reports (although the secretary of the Commission, E. E. Hunt, was a member of the Taylor Society in 1927, and closely associated with the Taylorites in the Waste in Industry and 12-hour day Investigations).

⁷⁷Melvyn Dubofsky and Warren Van Tine, "John L. Lewis and the Triumph of Mass-Production Unionism," in Dubofsky and Van Tine, eds., *Labor Leaders in America* (Urbana: University of Illinois Press, 1987), pp. 189-90.

⁷⁸(Pittsburgh, 1938). See Francis Goodell to Morris L. Cooke, February 14, 1938. "Mr. Lever [assistant to Clinton Golden] went right along with the idea of a pamphlet." Goodell to Cooke, February 24, March 8, March 17, April 17, and September 9, 1938; Cooke to Clinton Golden, March 18, 1938; Golden to Cooke, May 10, 1938, all in Cooke papers box 142; Golden to Cooke, September 30, 1938, Cooke papers, box 148; and E. J. Lever to Morris L. Cooke, May 16, 1938, Cooke papers, box 144.

⁷⁹Ronald Schatz, "Philip Murray," in Dubofsky and van Tine, *Labor Leaders*, p. 256.

⁸⁰On the Pollak Foundation see Pollak Foundation for Economic Research, *the Pollak Foundation, Pamphlet No. 34* (Newton, Massachusetts, September 1939). "The publications [of the Foundation were] concerned largely with various aspects of the problem of sustaining the purchasing power of consumers as a whole . . ." The list of books and pamphlets provided (pp. 13-14) includes *Money* (1923), *Business Without a Buyer* (1927) *The Road to Plenty* (1928), and *Progress and Plenty* (1928), all by William T. Foster and Wadill Catchings.

⁸¹*Bulletin of the Taylor Society*, Vol. XIII, No. 1 (February 1928).

⁸²The expansion of the Bureau of Labor Statistics, the creation of a system of public employment agencies, and the use of public works expenditures as an instrument of counter-cyclical planning. J. Joseph Huthmacher, *Senator Robert F. Wagner and the Rise of Urban Liberalism* (New York: Atheneum, 1971), pp. 61-63, 67-69, 71-73.

⁸³Henry Bruere to Morris L. Cooke, May 9, 1930, and "List of persons invited to dinner May 22nd, 1930 by New York State Committee on Stabilization of Employment," Cooke papers, Box 97. George Martin, *Madam Secretary: Frances Perkins* (Boston: Houghton Mifflin, 1976), pp. 215-216.

⁸⁴Morris L. Cooke to Walter H. Pollak, December 21, 1931. Cooke papers, box 122 folder 6.

⁸⁵George Soule, *Sidney Hillman, Labor Statesman* (New York: Macmillan, 1939), pp. 157-164; Mathew Josephson, *Sidney Hillman: Statesman of*

Labor (New York: Doubleday, 1952), pp. 350-354. Both of these authors give a skewed subset of the set of all witnesses at the Hearings, entirely omitting a large number of Keynesian businessmen. See U. S. Congress, Senate, *A Bill to Establish a National Economic Council*, S. 6215, 72d Cong., 1st sess., 1931 (Washington: United States Government Printing Office, 1932), p. iii. See Harlow Person, "The Approach of Scientific Management to the Problem of National Planning," *The Annals of the American Academy of Political and Social Science*, July 1932; and George Soule, *A Planned Society* (New York: Macmillan, 1932). This book, by a member of the Taylor Society and editor of the *New Republic* at the time, gives a popular account of the ideas of the Keynesians as presented at the hearings.

⁸⁶*A Bill to Establish a National Economic Council*, pp. 233-234, 405-406, 693.

⁸⁷Hawley, *The New Deal and the Problem of Monopoly*, pp. 72-90. Charles E. Wyzanski, Jr., to Felix Frankfurter, September 13, 1933, in Frankfurter papers, box 150, Library of Congress.

⁸⁸See Nobuo Nodo, *How Japan Learned American Management Techniques* (Tokyo: Asia Productivity Institute, 1969).

⁸⁹Harlow S. Person to Morris L. Cooke, November 20, 1937, box 146, Cooke papers.

⁹⁰One also does not see: steel, chemicals, oil, mining, lumber, furniture, automobiles.

⁹¹See "Notes of Discussion at Conference Dinner of the Directors of the Taylor Society and Guests at the Fraternity Club, New York, April 28, 1927," Cooke Papers, Box 61 folder 8, FDR Library, Hyde Park, New York, for a sense of Bruere's position within the Society.

⁹²See Alfred Chandler, Jr., *The Visible Hand: the Managerial Revolution in American Business* (Cambridge: Harvard University Press, 1977) pp. 287-314 on the integration of marketing with manufacturing functions in these kind of diversified, high-tech mass-market oriented firms.

⁹³See Samuel Haber, *Efficiency and Uplift* (Chicago: University of Chicago Press, 1964), p. 163; David F. Noble, *America By Design*, pp. 276-78.

⁹⁴See Morris L. Cooke to Robert B. Wolf, March 25, 1925 Box 19; Harlow A. Person to Morris L. Cooke, June 17, 1926, Box 61; Morris L. Cooke to Harlow S. Person, June 18, 1926, Box 61; Harlow S. Person to Mrs. Frederick W. Taylor, March 4, 1927, Box 61; Percy Brown to Richard Feiss, April 25, 1928, Box 48; Harlow S. Person to Morris L. Cooke, June 6, 1928, Box 62; Harlow S. Person to Morris L. Cooke, April 25, 1929, Box 63, all in the Morris L. Cooke Papers, FDR Library, Hyde Park, New York.

⁹⁵See Paul Terry Cherrington, *The Wool Industry: Commercial Problems of the American Woolen and Worsted Manufacture* (Chicago: A. W. Shaw Company, 1916) for an analysis of the specific set of

input-output relations and functional hierarchies related to woollens and worsteds.

⁹⁶See the analysis of the Kendall Co. in *A Bill to Establish a National Economic Council*, pp. 400-404.

⁹⁷On Dennison and Filene see Kim McQuaid, "Henry S. Dennison and the 'Science' of Industrial Reform, 1900-1950," *American Journal of Economics and Sociology*, Vol 36 #1 (January 1977); and Kim McQuaid, "A Response to Industrialism: Liberal Businessmen and the Evolving Spectrum of Capitalist Reform, 1886-1960," Diss., Northwestern University, 1975, passim.

⁹⁸Daviod A. Hounshell, *From the American System to Mass Production, 1800-1932* (Baltimore: The Johns Hopkins University Press, 1984), pp. 51-54.

⁹⁹Steven Fraser, "Dress Rehearsal for the New Deal: Shop-Floor Insurgents, Political Elites, and Industrial Democracy in the Amalgamated Clothing Workers," in Frisch and Walkowitz, *Working Class America*; and "Sidney Hillman: Labor's Machiavelli," in Melvyn Dubofsky and Warren Van Tine, *Labor Leaders in America* (Urbana: University of Illinois Press, 1987).

¹⁰⁰"... the discourse on the service economy has, so far, largely been obscured by concepts, models, and categories that were tailored to explain the behavior of an economy dominated by the factory." Thomas M. Stanback, Jr., Peter J. Bearse, Thierry J. Noyelle, and Robert A. Karasek, *Services: the New Economy* (Totowa, New Jersey: Allanheld, Osmun, 1981), p. 111.

¹⁰¹It is in this context that one must critically consider prevailing notions of the weakness of support for the New Deal among businesses. Except for a few clothing firms, the conventional wisdom goes, FDR received little business support in 1936. As we are demonstrating, however, it is not among the rank and file manufacturing organizations that one finds capitalist activity at the level of the state. On the contrary, one does not expect many manufacturing firms to play leading roles in national politics. Thus, the fact that large numbers of clothing manufacturers publicly supported FDR in 1936 is indicative of the overwhelming power of the organizational synthesis of the mass distribution sector, and suggests that FDR had the effective support of the largest bloc of capitals in the United States, from its hegemonic financial and distributive organizations down to its manufacturing hinterland. See McQuaid, "A Response to Industrialism," pp. 206-208.

¹⁰²For more on the input-output structure of manufacturing, see Appendix 3.

¹⁰³Stanback, *The Economic Transformation of American Cities*, pp. 10, 44-45.

¹⁰⁴See "Conference Dinner, Directors of The Taylor Society and Guests, April 28, 1927," in Morris L. Cooke Papers, Box 61 folder 8; and "Notes of Discussion at Conference Dinner of the Directors of the Taylor Society and Guests, April 28, 1927," Cooke Papers, Box 61 folder 8; and "Taylor Society Members Who Attended Annual Meeting, December 7-10, 1927," Cooke Papers, Box 66 folder 8; "1931 Spring Meeting of the Taylor Society: April 30 - May 1, Philadelphia," Cooke Papers, Box 64 folder 10; "List of Persons Invited to Dinner by New York State Committee on Stabilization of Employment, May 22, 1930," in Cooke Papers, Box 97. This material has been omitted from this essay.

¹⁰⁵Harlow Person to Morris L. Cooke, 31 December 1926, Box 68 folder 1; Harlow Person to Henry P. Kendall, 5 January 1929, Box 63, folder 9; Bryant Glenny to Morris L. Cooke, 18 February 1931, Box 69 folder 7; Morris L. Cooke to Henry P. Kendall, 2 January 1929, Box 11, folder 11; Morris L. Cooke to Henry P. Kendall, 4 January 1929, Box 11, folder 11; Morris L. Cooke to Henry P. Kendall 13 December 1929, Box 11, folder 11. All in Cooke Papers.

¹⁰⁶Steven Fraser, "Dress Rehearsal for the New Deal," and "Sidney Hillman: Labor's Machiavelli," in Dubofsky and Van Tine, *Labor Leaders in America*.

¹⁰⁷LDB to Robert M. LaFollette, 29 July 1911, in *Letters of Louis D. Brandeis, Vol. 2*, Melvyn I. Urofsky and David W. Levy, eds., (Albany: State University of New York Press, 1972), pp. 467-472.

¹⁰⁸Hawley, *New Deal and Problem of Monopoly*, p. 406-410.

¹⁰⁹" . . . you cannot defend against the code with political economy or 'revolution.' All these old weapons (including those of the first order, the ethics and metaphysics of man and nature, use value, and other liberatory referentials) have been progressively neutralized by the general system, which is of a higher order. Everything that gets inserted into the definalized space-time of the code, or tries to interfere with it, is disconnected from its own finalities, disintegrated and absorbed . . ." Jean Baudrillard, "The Structural Law of Value," in John Fekete, ed., *The Structural Allegory: Reconstructive Encounters with the New French Thought* (Minneapolis: University of Minnesota Press, 1984), p. 57. See also Arthur L. Stinchcombe, "Milieu and Structure Updated," *Theory and Society*, Vol. 15, #6 (1986), pp. 908-12.

¹¹⁰Lee Benson, *Merchants, Farmers, & Railroads: Railroad Regulation and New York Politics, 1850-1887* (Cambridge: Harvard University Press, 1955). "Farmers, particularly *dirt farmers*, were only one of several groups engaged in diverse movements to secure regulation in the Old Northwest, and the Grange itself played only a supporting role in securing the misnamed 'Granger Legislation.' Dirt farmers, Grangers proper, and members of agricultural clubs undoubtedly came to join in the procession

and supply the mass agitation and political potential necessary to enact regulatory statutes. But midwestern mercantile groups appear to have set the movements rolling and generally directed their course." pp. 24-25.

¹¹¹Government reorganization; the attempted packing the Supreme Court; and the attempted purge of the Democratic reactionaries, in which FDR suffered major reversals. See Leuchtenberg, *Franklin D. Roosevelt and the New Deal*, pp. 231-239, 266-269, 277-280. On Government Reorganization see Peri E. Arnold, *Making the Managerial Presidency: Comprehensive Reorganization Planning, 1905-1980* (Princeton: Princeton University Press, 1986); Richard Polenberg, *Reorganizing Roosevelt's Government: the Controversy Over Executive Reorganization, 1936-1939* (Cambridge: Harvard University Press, 1966); A. J. Wann, *The President As Chief Administrator, a Study of Franklin D. Roosevelt* (Washington: Public Affairs Press, 1968); Barry Dean Karl, *Executive Reorganization and Reform in the New Deal: The Genesis of Administrative Management, 1900-1939* (Cambridge: Harvard University Press, 1963); Barry Dean Karl, *Charles E. Merriam and the Study of Politics* (Chicago: The University of Chicago Press, 1974).

¹¹²Peter Friedlander, *The Emergence of a UAW Local: A Study in Class and Culture* (Pittsburgh: University of Pittsburgh Press, 1975); Peter Friedlander, "The Social Basis of Politics in a UAW Local: Midland Steel, 1933-1941." Paper presented at the Annual Meeting of the Organization of American Historians, April 6-9, 1977.

¹¹³Ira Katznelson, "Accounts of the Welfare State and the New Mood," *American Economic Association* (Vol. 70 # 2) May 1980, p.118.

¹¹⁴Here I follow the distinction made by Marshall Sahlins between the closed code based on kinship and the open code based on possessive individualism, commodity fetishism, and an accelerating differentiation of the socius. Marshall Sahlins, *Culture and Practical Reason* (Chicago: The University of Chicago Press, 1976), pp. 205-221. Richard Wightman Fox and T. J. Jackson Lears, *The Culture of Consumption: Critical Essays in American History, 1880-1980* (New York: Pantheon, 1983), p. xii.