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IDEOLOGY AND EDUCATIONAL PHILANTHROPY:
AN HISTORICAL ANALYSIS

DISSERTATION

Presented in Partial Fulfillment of the Requirements for
the Degree Doctor of Philosophy in the Graduate
School of The Ohio State University

By

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* * * * *

The Ohio State University
1979

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INTRODUCTION

In recent years, American higher education has experienced a deep and enduring financial crisis. Scores of private colleges and universities have died of financial starvation. State supported institutions of higher education have increasingly looked beyond legislatures to the private support of alumni, individuals, foundations, and corporations in their search for funds to finance traditional disciplines and experimental programs. It is thus becoming a popular commonplace that higher education is in a state of fiscal instability.

Educational efforts aimed at securing financial survival have been well-documented in professional literature. But little has been reported about the origins of financial support. In particular, little historical research has been devoted to the role that private, large-scale philanthropy has played in the support and sustenance of American colleges and universities. An investigation into the historical and philosophical development of this dynamic relationship between higher education and philanthropy is the central focus of this research. The period under consideration extends from 1870 to 1939. This time span has been chosen for two reasons: (1) it begins with the birth and subsequent growth of large-scale educational philanthropy; and (2) it ends with World War Two, a time when private endowments to colleges and universities began to be supplanted by a massive movement of state
and federal assistance. And since a burgeoning business elite underwrote the vast majority of this philanthropy, it will hold center stage in the analysis.

The investigation begins with the construction of a conceptual framework which facilitates an understanding of the ideology that so vitally influenced the late nineteenth century entrepreneurial elite's relationship with philanthropy in general and the support of colleges and universities in particular. This chapter also involves an analysis of the concept of ideology as it relates to historical analysis. Conceptual clarity and historical understanding, not philosophical argumentation, are the objectives of this first chapter.

Chapter Two is the theoretical centerpiece of the dissertation. It begins with an illustration of the themes of thought and action that animated the mind-set, methods, and motives of late nineteenth century entrepreneurs (men like Carnegie and Rockefeller) who took major responsibility for the creation and continuing support of a myriad of colleges and universities. My research explores the ideological underpinnings, the historical context, and the philanthropic philosophies and practices of this powerful group. The abstract nature of the analysis will be grounded in a case study of Andrew Carnegie, his philanthropic theories and practices.

Chapter Three details the transition from the personal benefactions of individual business leaders to the establishment of large philanthropic foundations. This development is set against the historical backdrop of Progressivism; a period of reform that led many businessmen-philanthropists to strengthen their ideological defenses, protecting
themselves against the critical attacks of a public which often exhibited strong anti-business biases. In fact, many wondered whether a business-based educational philanthropy was actually an attempt by entrepreneurs to control American higher education.

Chapter Four details foundation activities in the field of higher education in the 1920's and 30's. A movement away from funding general endowments to an emphasis on special projects such as teachers' salaries, medical education and graduate research was the hallmark of this era of educational philanthropy. In an effort to illustrate this activity, I will turn to an investigation of the educational giving of two leading businessmen-philanthropists--Andrew Carnegie and John D. Rockefeller, Senior. The chapter also includes an analysis of the depression years as they infringed on educational philanthropy. And finally, a case study of one significant philanthropist of the period, Julius Rosenwald, is presented at the conclusion of the chapter.

The study ends with a reflection on what might traditionally be termed "the findings" of the study--namely, the major generalizations that emerge. Hopefully, these historical insights will increase our understanding of the present conditions and future concerns of the funding of American higher education.
CHAPTER I
IDEOLOGY AS A CONCEPTUAL FRAMEWORK

These times are times of chaos; opinions are a scramble; parties are a jumble; the language of new ideas has not been created; nothing is more difficult than to give a good definition of oneself in religion, in philosophy, in politics. One feels, one knows, one lives, and at need, one dies for one's cause, but one cannot name it. It is the problem of this time to classify things and men...The world has jumbled its catalogue.

Alphonse De Lamartine

Times of dramatic change are energetic and engimatic. Newness seems to be alive in everything. Yet by that very fact men often become disoriented and confused. Old assumptions, traditional patterns of perception, no longer seem to make the same kind of sense. When this happens historical man re-examines himself and this world. This process of acknowledging heretofore unconscious thoughts and actions, of trying to analyze and integrate new experiences, often comes about with the emergence of major changes in historical conditions. This phenomenon has been clearly illustrated by Lucien Goldman:

...all forms of consciousness express a provisional mobile balance between the individual and his social environment;

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when this balance can fairly easily be established and is relatively stable, or when it can pass fairly easily from one form to another, men tend not to think about the problems raised by their relationship to the external world. On a social as well as an individual plane, it is the sick organ which creates awareness, and it is in periods of social and political crisis that men are most aware of the enigma of their presence in the world.2

This malaise casts a shadow of doubt on everything from the erudite philosophies of the intellectuals to the most obvious problems of the common man. When the continuity of experience is lost, where instead we find disorganization and chaos, life itself is threatened. This fragmentation of social and personal experience is an aspect of the fluid nature of transition periods such as the decline of the social and political cohesiveness that marked the Middle Ages, or the advent of the industrial revolution that put its stamp on the turbulent years between the American Civil War and the turn of the present century, and as such, it creates a blurring of the cultural, social, and personal maps and milestones that have traditionally served to organize the experiences of individuals and their culture. This phenomenon has been especially prevalent in the modern age, an age forced to endure a severe and protracted brakedown in community, which has largely been attributed to advances in technology.

Accompanying this breakdown in community was the gradual loss of faith in the unbounded belief that reason would guide men to truth.

2 Ibid., p. 21.
Philosophers like Hegel and Kant could not wholeheartedly support the propositions of an age of reason—Descartes and Spinoza they were not. Rather, they were both witnesses and actors in the progressive breakdown of the medieval synthesis that was culminating, for them, in an uncertainty about reason itself.\(^3\) This doubt was part and parcel of the broader sense of uncertainty that has been described. And it was this general instability that demanded new attempts to organize, synthesize, and integrate the experiences of the modern age into a blueprint of experience that could be used to provide understanding for intellectual and laymen alike. These attempts to understand new experiences emanating from the frictions of social and political fragmentation have often been called "ideologies."

But what is an ideology? What is its function in the socio-political arena? Does it have uses that transcend this arena? Can it be used to make sense out of the thoughts and actions of others? These are the types of questions that we will attempt to answer in the following pages. We will also attempt to outline a methodology that can both enliven and enlighten our understanding of what an ideology is and how it can be used to help us understand the theory and practice of philanthropic giving in American higher education.

**Ideology: Its Origin and Evolution**

'Ideology' is a complex term. It is a word that carries a number of meanings, many of which are negative and abusive. This is not

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necessarily the case, however. In order to see the more positive aspects of ideology, let us begin by examining the origins of the word.

In historical terms, 'ideology' is a young word; it first appeared at the start of the modern age. The word--"ideologie"--was coined by Destutt De Tracy in 1796. It was to be the name of a new "science of ideas" which was born in the social, political, and intellectual ferment that surrounded the French revolution. De Tracy and his philosophical peers in the Institut National had hopes that their "science" would lead to institutional reforms. But Napoleon Bonaparte proved to be a stumbling block to this goal. Bonaparte had his own political plans; he was not about to tolerate reforms that contradicted his own political interests. Therefore, he closed the Institut National, dismissing its members. Purportedly, he regarded them as impractical visionaries, as "ideologues" who believed in social "romance."  

Born in a turbulent time, this new term came to little historical consequence until, half a century later, Karl Marx appropriated the word for his own uses. Marx, a student of Hegelian idealism and the author of a materialistic philosophy of history, fashioned the concept of ideology into the key element in his political philosophy and the central idea in his analysis of social consciousness. According to Marx, the social consciousness of men--their philosophy, politics, religion, laws, and ethics--is rooted in the material world, the world

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5 Ibid.
of physical and economic realities. The material world, and its economic mode of production in particular, determines, for Marx, the forms of consciousness of a particular historical era. Whether this economic base completely determines the development of social consciousness, or whether, as it has been suggested by the neo-Marxists and others, there is a reciprocal relation between social consciousness (the idealistic 'superstructure' in Marx's terms) and the economic infrastructure, there is no doubt that Marx believed that social consciousness was a function of the dynamics of the material world of economic production. He articulated this analysis in *The German Ideology*: "We set out from real, active men, and on the basis of their real life-process we demonstrate the development of the ideological reflexes and echoes of this life process."  


7 Ibid.

Thus ideological perspectives are grounded in material realities. Yet Marx's vision was broader and deeper than this.

Marx believed that he had discovered the "iron laws" of historical development. Empirically based and scientifically correct, these laws, according to Marx, were based on the central notion of the alienation of human labor. Alienation had transformed human history into the history of class struggle. From feudalism to bourgeois capitalism, there have been changes in content but never in form: The equation of oppressor and oppressed has remained constant. But what is especially important
is the fact that each class reflected this economic arrangement in its social consciousness. For instance, in capitalism, the bourgeois would create an ideology that both rationalized and justified his social position. Ideological thought, in other words, was not just historically bound; it was interest-bound.

This allusion to the vulgar use of thought, which Marx contrasted with his own "scientific" approach, was not, however, an implication that ideology meant conspiracy. Rather than being a conscious conspiracy, Marx believed that the ideological outlooks of social consciousness were the more or less unconsciously created facades that were used for the protection of individual and class self-interests.

It is, then, in the hands of Marx that ideology begins to be used in a subversive manner. This is well illustrated by a logical off-shoot of what has just been said about the Marxian system. Marx, that is, wanted to undermine the capitalist class. He wanted to show that capitalist beliefs were not absolute truths, but relative concepts constructed to safeguard their own self-interest. Marx explained the existence of bourgeois ideas in the following manner:

The ruling ideas are nothing more than the ideal expression of the dominant material relationships, the dominant relationships grasped as ideas; hence of the relationships which make the one class the ruling one, therefore, the ideas of its dominance.8

In short, ideology is a function of particular historical conditions and specific self-interests; and therefore, this means ideological thought, as opposed to Marxis "science", is not absolutely true.

8 Ibid, p. 64.
The Marxian notion of ideological thought has largely been absorbed into the fabric of contemporary sociological thought. But where it has been incorporated with especially significant results has been in the sociology of knowledge as it has been expressed by the German sociologist, Karl Mannheim. From Mannheim we can get a deeper understanding of what ideology involves, both as an historical concept and as an integral aspect in a methodological schemata for social and intellectual history.

The sociology of knowledge added a new dimension to the traditional study of epistemology (theory of knowledge). It revealed that socio-political thought did not emerge from the disembodied reflections of a verbal universe. Rather, "there are modes of thought which cannot be adequately understood as long as their social origins are obscured." Thought, then, is comprehended not within a social vacuum, but within a specific socio-political context. This context, moreover, only comes to consciousness given certain cultural conditions, the most important being the collapse of the solidarity of a unified social structure. When this happens, as we have already suggested, men begin to see that the "same" reality can be perceived in different and often contradictory ways. When unity is lost, when politics begins to mediate the tensions and animosities created by the historic loss of community and identity, men will begin to search for new perspectives to integrate their lives, new ideologies. Mannheim underscores the political nature of all ideological perspectives by demonstrating, following Marx, that ideologies are the interest-bound beliefs of a particular class. Once we see

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that men have separate self-interests, and that ideologies can be used
to camouflage these interests, we can see that politics is a process of
"unmasking" the motives that bind a group or class together. This
tearing away of disguises, this discovery of the socio-situational roots
of thought is, according to Mannheim, one of the central discoveries
emerging from political confrontation.

Ideology, then, is regarded by Mannheim as an essentially uncon­
scious process of "masking" self-interest. It is not, that is, an
aspect of a conscious conspiracy. Mannheim distills this complex concept
in the following way:

The concept ideology reflects the
one discovery which emerged from
political conflict, namely, that ruling
groups can in their thinking become so
intensively interest-bound to a situa­
tion that they are simply no longer able
to see certain facts which would under­
mine their sense of domination. There
is implicit in the word 'ideology' the
insight that in certain situations the
collective unconscious of certain groups
obscures the real condition of society
both to itself and to others and thereby
stabilizes it.10

A more detailed analysis of ideology reveals, according to Mannheim,
two categories of ideological development: the "particular" and the
"total" concepts of ideology. The "particular" variant of ideological
thought involves the thought patterns of one's political opponent. It
denotes a personal posture of scepticism toward his ideas, which are
viewed as more or less conscious disguises of the real nature of a
situation, the true recognition of which would be contrary to his

interests. It has only been recently, according to Mannheim, that this "particular" ideology has been distinguished from a lie. The "total" ideology, on the other hand, refers to the ideology of an age or a socio-political group such as a class. When we question the ideological framework of a group, we are actually questioning its Weltanschauung or world-view. Still, the bond of commonality tying these two categories together is found in the fact that neither relies solely on what is actually said by the opponent in order to come to an understanding of his intentions or interests. Rather, both fall back on the subject, whether individual or group, proceeding to an understanding of what is said by analyzing the social conditions of the individual or group.\textsuperscript{11}

There is, however, an important distinction between ideology and the generalized sense of doubt and distrust that is its immediate precursor. The distinction, according to Mannheim, lies in the fact that what was once a pervasive but amorphous doubt and uncertainty becomes, with the emergence of ideology, an explicit and methodologically recognizable part of the political process of "unmasking" the interests that motivate the thoughts and actions of individuals and groups.\textsuperscript{12} This, then, is an ideological interpretation; it anchors both thought and epistemology in a specific socio-political context.

Implicit in Marx's and Mannheim's definition of ideology as an historically rooted and interest bound concept, is the notion that ideological thought is somehow distinct from reality; that ideology,

\textsuperscript{11} Ibid, pp. 55-70.

\textsuperscript{12} Ibid, p. 61.
when contrasted with reality, comes up short of the truth. Examples of this pejorative and polemical view are still prevalent—though in slightly altered forms—in the writings of several leading social scientists.

For example, Werner Stark, a student of Mannheim's, underscores this pejorative posture by stating that the study of ideology deals with a realm of thought "that has been thrown off its proper course." He continues by claiming that ideological thought is "something shady, something that ought to be overcome and vanished from our mind." When comparing ideology to reality, Stark finds the former not only lacking in truth, but polluted with impurities.

Another social scientist, Talcott Parsons, contrasts ideology with reality and finds the former lacking in truth value. He says that the essential criteria of ideology are "deviations" from social science objectivity. The criterion of distortion is that "statements are made about society, which, by social scientific methods, can be shown to be positively in error, whereas selectivity is involved where the statements are, at the proper level 'true' but do not constitute a balanced account of the available truth." It appears that 'reality' becomes what the collective world of social science agrees upon, whereas ideology is ideological to the degree that it diverges from this scientific account of reality.


A milder critic of the term is Julius Gould. Gould tries to define ideology in neutral terms: "a pattern of beliefs and concepts (both factual and normative) which purport to explain complex social phenomena with a view to directing and simplifying socio-political choices facing individuals and groups." Though relatively neutral, this analysis still carries an implicit condemnation of simplification. In a similar fashion, Daniel Bell defines ideologies as action-oriented: the conversion of ideas into "social levers." Ideology thus involves the use of ideas for manipulative purposes; and manipulation is based, not on objective truth, but on the subjectivistic biases of self-interest.

The combined force of these interpretations leads to the conclusion that ideology is in a state of "radical intellectual depravity," to quote Clifford Geertz. Ideology has been condemned as a concept that is imbued with the vagaries of subjectivism. If this judgement is true, if ideology cannot be grounded in scientific objectivity, can ideology be used as an authentic analytic tool for the investigation of reality? This penetrating questioning of the nature of ideological interpretation cannot be ignored. At its heart, it is a question concerning the fundamental relativism running throughout the conceptual fabric of

ideological thought. The scope of this problem as well as its attempted solution are vital issues that will gradually be illuminated as we continue the analysis.

Social scientists are not alone in their view that ideologies are, to one degree or another, subjectivistic and untruthful. For the subjective nature of ideological thought appears to be an essential aspect of the concept. This has been well illustrated by Hannah Arendt. She has noted, however, that ideologies differ from opinions in that the former claims to hold the key to history, or to have intimate knowledge of the universal laws that govern man and nature. This can be seen in the two dominant ideologies of our own time: the ideology that interprets history as an economic struggle of classes, and the ideology that interprets history as a competitive struggle between races.18

Both of these postions, shed light on an underlying aspect of ideological thought that is politically and morally crucial, i.e., the assumption that the world is embroiled in a battle between the forces of good and evil. Whether the good is proletarian or bourgeois, black or white, there is no doubt in the mind of an ideologue that life can only be understood within the context of these battlelines. Yet this scenario is Manichean; for the Manicheans of ancient Persia assumed, as do contemporary ideologues, that the world is engaged in a battle between the forces of good and evil, light and darkness. Thus, ideological (Manichean) man will regard his political opponent or racial counterpart as the embodiment of evil. Clashes between the United States and Russia,

between "democracy" and "communism", are prime examples of this phenomenon. For both see the other as evil needing to be eradicated.

The classic critique of Manicheanism was advanced by St. Augustine. Augustine was faced with the problem of evil: How can evil exist in a world created by a wholly good God? Augustine's answer was not to deny evil but to say that it is non-substantive. Evil, that is, was a turning away from the reality of God; it was a lack, as darkness is to light. In a similar fashion, Mannheim's analysis of "false consciousness" (a term he borrowed from Marx) saves men from falling prey to the ideological trap of viewing the world as a conspiracy perpetrated by an evil "they" on a good "we". It states that the unconscious forces that define men's thoughts are a function of a certain historical context. However, when this historical framework shifts without a concomitance shift taking place in the minds of men--due to the fact that the recognition of these changes would undermine their own self-interest--their views of reality become unconsciously distorted. Mannheim's approach can thus act as a window through which the dynamics of thought can be illuminated; rather than a curtain of conspiracy through which very little can be seen.

**Ideology, Society, and the Individual**

There are, according to Clifford Geertz, two main approaches that attempt to explain the emergence of ideologies. The first of these

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20 Mannheim, pp. 94-96.
approaches has already been discussed, i.e., the notion of ideology as a function of the self-interest of individuals and groups. The second approach, commonly referred to as the "social psychological strain theory," has only been alluded to.²¹ If interest theory regards ideology as a mask and a weapon, strain theory regards ideology as a symptom and a remedy. Strain theory is a response to the tensions and strains between the individual and society, tensions and strains that are normally present but clearly exacerbated by the presence of a high degree of social instability and disequilibrium. Like the false consciousness of interest theory, tensions and strains appear in their most intense form when socio-historical transformations render traditional social norms and modes of thought inapplicable and antiquated. The focus of strain theory, however, is not on society but on the individual existing within the context of a particular social group.

When society is undergoing structural differentiation and disequilibrium, the individual suffers a similar loss of orientation. According to strain theory a person will construct an ideology in order to integrate and organize the multitude of tension-producing forces in his everyday experience.²² Ideology, then, is both a symptom of and a remedy for the overwhelming anxieties created by social disequilibrium. Geertz describes the typical ideological response to conflicts of social fragmentation in the following manner:


²² However, a total unity between individual and society, a fear that William H. Whyte Jr. expressed in his analysis of organization man's "Social Ethic," could be totalitarian.
What is viewed collectively as structural inconsistency is felt individually as personal insecurity, for it is in the experience of the social actor that the imperfections of society and contradictions of character meet and exacerbate one another.  

The ideology of strain theory thus appears as a response to the tensions produced by a chronic malintegration of society. These tensions are not haphazard; they are aspects—according to strain theory—of systematic defects of social life. They are themselves a result of an ideology that is a "patterned reaction to the patterned strains of a social role." For instance, the social changes of recent years have altered the roles of American women. Women are no longer limited to the role of mother and housewife to the extent they once were. Other careers are more and more within their reach. But this transformation means that internal tensions within the role of women have been intensified. Conflicts between the roles of mother, wife and independent careerist have increased. The conflicting desires and ambitions of personal life are therefore echoes of a broader social disequilibrium. It is no wonder that strain theorists have described ideology as the "symbolic outlet" for the emotional tensions generated by this broader social disequilibrium.  

Another way of dealing with the phenomenon of social-psychological strain and the ideology it produces has been advanced by the psychologist,  

23 Geertz, p. 204.  
25 Ibid., p. 308.
Erik Erikson. Erikson has dealt with ideology as it relates to the needs of human identity. Briefly stated, this psychological approach defines identity—and here he is particularly concerned with adolescent development—as a search for a system of meaning that would be (though somewhat idiosyncratic) continuous with the surrounding milieu. This search for a continuity, a matching, between self and world is what Erikson has defined as identity.26

Erikson also knew that this identity needed a supportive content, i.e., an ideology. An ideology, for Erikson, involves more than a way of life or a world-view, a Weltanschauung. It involves a "utopian outlook, a cosmic mood, or a doctrinal logic, all shared as self-evident beyond any need for demonstration."27 On yet another occasion, Erikson reaffirmed and expanded this definition. He defined ideology as:

an unconscious tendency underlying religious and scientific as well as political thought;
the tendency at a given time to make facts amenable to ideas, and ideas to facts, in order to create a world image convincing enough to support the collective and the individual sense of identity.28

The integrating, organizing, and orienting of experience are key concepts in Erikson's definition of ideological thought. The adolescent search for identity within a highly complex social structure is confusing. To keep from being overwhelmed, Erikson says adolescents reach for an


ideology that will act as an internal balance wheel, a harmonizer of
self and society. This search for unity finds its response in an
ideology that provides the individual with a coherent historical
perspective. We achieve this by synthesizing our experience into
manageable symbols and prototypes which help define what is trustworthy
and untrustworthy, good and bad. We thereby create stability and
continuity out of chaos and balance the demands of the individual with
the demands of the world.

In sum, Erikson's notion of ideology is, in its central theme of
balance, continuous with the ideology of the social-psychological strain
type. Both positions regard ideology as a response to individual and
social disequilibrium. But neither these theories nor the interest
theories fully acknowledge the force of culture.

As well as being a function of social and psychological determinants
ideological thought is obviously a function of the culture it is
embedded in. Geertz, in his essay, "Ideology as a Cultural System,"
recognized this phenomenon. He realized that there were cultural aspects
of ideological thought that alluded both strain theory and interest
type. The cultural matrix of ideologies, that is, is part and parcel
of the symbolic language with which ideological thought is expressed.
For ideologies, according to Geertz, are regarded as "systems of inter­
acting symbols, as patterns of interworking meanings."29

In continuing, it should be noted that Geertz is not opening an
entirely new area of investigation: Mannheim, for one, realized that the

29 Geertz, p. 207
"socio-historical" situation in which thought is rooted is not completely removed from cultural considerations. Rather, Geertz's unique contribution is that of realizing that ideologies—"schematic images of social order"—are a specific kind of response to social disequilibrium. That is, by attempting to find meaning and to make room for purposive action in the midst of incomprehensible social situations, ideologies employ cultural symbol systems that help define how we interpret ourselves and our relation to the world. In a cultural sense, then, we all participate in an ideology; or, to put it more plainly, we all have a culture that helps define our thoughts and our actions. Geertz clearly articulates this view in the following fashion:

they are extrinsic sources of information in terms of which human life can be patterned--extrapersonal mechanisms for the perception, understanding, judgment, and manipulation of the world. Culture patterns--religious, philosophical, aesthetic, scientific, ideological--are "programs;" they provide a template or blueprint for the organization of social and psychological processes, much as genetic systems provide such a template for the organization of organic processes.

So far we have presented the interest theory of ideology, the strain theory, and a cultural analysis of ideological development. Now we need to pay critical attention to the notion of ideology as a conceptual basis and an analytical tool for a methodology in the field of historical analysis. Let us place particular emphasis on the central

30 Ibid., p. 208
31 Ibid., p. 216
insight that has come out of the sociology of knowledge: that thought can only be understood as a function of a particular socio-historical era; and that ideology is a response to social, psychological, and cultural fragmentation. Hence, the unfinished business of Karl Mannheim's sociology of knowledge and its rather problematic notion of relativism will be our point of departure.

The methodological consequences of Mannheim's concept of ideological interpretation are indeed problematical. Emerging from the doubt, confusion, and uncertainty that is part and parcel of the modern age, Mannheim's sociology of knowledge, which he regards as the "systemization of the doubt" which is found in social life as insecurity and uncertainty, grounds theory and praxis in a specific socio-historical context. That ideas are a function of this context means that any epistemological system needs to take the social nature of thought into full account.

Implicit in this analysis is a notion of relativity. All thoughts, ideas, and ideologies—what Marx called the idealistic superstructure—are moored to a material base. If this is true, if thought "is always bound up with the life situation of the thinker," then there is a question as to whether or not ideology can be successfully used as an instrument of analysis. If ideology, that is, is itself ideologized by being relative to a particular historical context and a particular self-interest, then any conclusion stemming from this methodological approach will be little more than the biases and interests of a given individual.

32 Mannheim, pp. 49-50.
or group as they exist within a specific social-situational framework. The very idea of objective knowledge will be undermined.

Mannheim recognized this problem. His response was to construct a "nonevaluative conception of ideology." Given his own assumptions, however, he was forced to submit this supposedly value-free position to sociological analysis. The result, as is well known, was both paradoxical and problematic. For his own position was just as relativistic and contingent as any other intellectual posture. Yet this attempt at escaping relativism needs to be illustrated if we are to understand Mannheim's position.

Mannheim tried to escape the dilemma of relativism by making a distinction between "relativism" and "relationalism." What relationalism signifies, according to Mannheim, is the fact that "all of the elements of meaning in a given situation have reference to one another and derive their significance from this reciprocal interrelationship in a given frame of thought."33 This relationalism, moreover, is tied to a "definite" epistemology. This can be regarded as an attempt by Mannheim to place limits on relativism by attaching it to a traditional epistemological base that was constructed before the recognition of the interplay between conditions of existence and modes of thought. An example of this static prototype would be a mathematical proposition: $2x2=4$. Relationalism, therefore, can be regarded as an attempt to safeguard objective knowledge while still acknowledging the realities of socio-situational relativism. It is a position of limits; a fuzzy

33 Ibid., p. 86
philosophical posture that is neither wholly subjectivistic nor wholly positivistic; but in a rather amorphous and fluid fashion represents a conscious blending of the two. Thought, in short, must always be understood as thought-in-context. In Mannheim's words:

A modern theory of knowledge which takes account of the relational as distinct from the relative character of historical knowledge must start with the assumption that there are spheres of thought in which it is impossible to conceive of absolute truth existing independently of the values and positions of the subject and unrelated to the social context. Even a god could not formulate a proposition on historical subjects like $2 \times 2 = 4$, for what is intelligible in history can be formulated only with reference to problems and conceptual constructions which themselves arise in the flux of historical experience.  

Mannheim has presented us with no final solution to this problem. Rather, he has outlined a path to follow. Though only partially cleared and dimly lit, it is a significant milestone. It is an attempt to escape the limitations of thought; it is a "quest" for objective reality.

Ideology and Historical Analysis

The preceding analysis has important implications for the field of historical investigation. The difficult issue of relativism that Mannheim had to contend with in sociology is also a problem in the field of history. The search for objective knowledge, for historical facts,

34 Ibid., p. 79

35 Ibid., p. 98.
raises many difficult questions. Perhaps by illuminating the dynamics of these questions we can begin to make sense out of methodological constraints on ideological analysis.

How can ideological considerations enlighten historical analysis? The most obvious answer is to say that neither the historian nor his "facts" exist in a social vacuum. The historian is not above history. He is an individual born into a certain socio-historical situation that provides his focus when he turns to his work as a historian. He cannot, therefore, free himself from the problems, needs, and interests of his own time. It is these concerns, coupled with the social origins of the particular historian, that help define his orientations, his emphases and ultimately, the selection of the facts. The notion that there is any absolute split between the historian and the facts with which he deals is itself ahistorical; it is to assume that the historian's own interpretation and perception has no bearing on the choice of the facts. That the historian does indeed become part of the process of making history has been argued by Carl Becker: "The facts of history do not exist for any historian till he creates them."36

A similar affirmation of the historian's role in the creation and interpretation of history has been voiced by Edward H. Carr. In his book, *What is History?*, Carr shows that any attempt to state that the role of the historian is confined to a cataloging of objective facts is a mistake. In Carr's words:

> The facts are really not like the fish on the fishmonger's slab. They are like fish

swimming about in a vast and sometimes inaccessible ocean; and what the historian catches will depend partly on chance, but mainly on what part of the ocean he chooses to fish in and what tackle he choose to use--these two factors being, of course, determined by the kind of fish he wants to catch. By and large, the historian will get the kind of facts he wants. History means interpretation. 37

This is a potentially disasterous view. It parallels Mannheim's realization of the relativity of all views. Instead of there being but one way to approach the past, there are many. History then becomes, as Robin G. Collingwood believed, the perceptions of the past by a present generation: "History is the re-enactment in the historian's mind of the thought whose history he is studying." 38 This means, for instance, that when a northerner and a southerner write two contradictory histories of the American Civil War one is no more or less correct than the other, for there are no objective facts to describe or explain. This position, of course, amounts to total scepticism.

This conception of historical study is based on relativism in the sense described earlier. It means that any quest for historical reality is limited to its own metaphysical assumptions. History, instead of being enlightening and liberating, becomes bogged down in chaos and confusion. To realize this is to appreciate Mannheim's search for a concept of limits that could justify a belief in objective knowledge.


38 Carr, p. 24
For history this means that the historian's interpretation of facts could transcend subjectivity. The historian could be part of a continuous process of molding his facts to his interpretation and his interpretation to the facts.

The search for a concept of limits that will serve as a balancing wheel for ideological thought is a search that might always be in a state of process. It is a search for a conceptual framework for solving substantive human problems as well as methodological difficulties. Camus noted that the lack of any limits to human freedom ends in nihilism. Absolute freedom become the freedom to kill. Camus' rebel thus demands a freedom that is qualified by the freedom of others to rebel. In a similar fashion, the relativism of ideology needs to be constrained by the existence of independent and objective facts. There must be an organic relationship, an interplay, between freedom and responsibility, ideology and objective knowledge, the historian and the facts. The foundation for this search for limits has, as Bernard Mehl has noted, already begun:

The grounds for an establishment of limits are already present in the works of the greats of the twentieth century. Freud, Dewey, Einstein, Sartre, Schwietzer, Camus, Oppenheimer, James Joyce, Aldous Huxley, Orwell, Russell and Buber called for an end to the monism of pure science or pure religion or pure individualism. They

also refused to adjust to dualisms which end by favoring one side and tolerating the other. They accepted the present and acted in it, promoting full, human possibility inside the present.40

It is with the potentialities and the limits of this conceptual framework that we begin the historical analysis of the mind-set, motives, and methods animating the often large-scale giving of leading American businessmen-philanthropists working in the field of American higher education. We begin not with a pre-planned history that can only end as a self-fulfilling prophesy, but with a focus that will attempt to act as an agent of open investigation instead of a concept of unenlightened closure and/or conspiracy.

CHAPTER 2

IDEOLOGY, BUSINESSMEN AND PHILANTHROPY, 1870 - 1910

The close of the Civil War marked the beginning of a fast-paced process of social, personal, and economic emancipation. Brothers could put down their guns and pick up the tools of travel that were needed for the long trip west; freed men could begin to savor a freedom that was more than a religious longing for the promised land; and, in the midst of it all, the nation’s capitalist economy, whose heartbeat could be felt in the mines, the mills, and the counting houses of the industrial North, could continue its acquisitive adventure free of the stumbling block that was the slave-owning South. The road had been cleared. Land, men, and money were all free to join forces in an industrial revolution that was to change the face of a predominately rural and pioneering America. These last decades of the nineteenth century were to become a heyday of capitalist accumulation.

This beginning took place in the midst of an incredibly mobile America. Mobility, in fact, was becoming synonymous with progress. Capital, men, and machines all moved at an increasingly rapid rate. And war, as it so often does, brought wealth and power to a select group within the commercial and industrial classes. But the end of the war did not bring the end of government subsidized prosperity. On the contrary. The free-wheeling and hard-drinking U. S. Grant saw to that.
In Grant’s mind, there were many kudos that went with the office of the presidency, a post he assumed in 1869. These kudos included the right to hand out the spoils of office—patronage. By the time he was through, which was eight years later, Grant had placed forty-two of his relatives on government payrolls, as well as handing out much of the government’s surplus land to hungry capitalists. Corruption in government seemed to be almost everywhere.\textsuperscript{1} The Credit Mobilier affair appeared to be but the tip of an iceberg.\textsuperscript{2} Local and state government did not seem to be much better. New York’s Boss Tweed was not atypical.

Links between progress and corruption did not go unnoticed. The poet of democracy, Walt Whitman, was both saddened and outraged. His work, \textit{Democratic Vistas}, was proof of this:

\begin{quote}
I say we had best look our times and lands, searchingly in the face, like a physician diagnosing some deep disease.... The depravity of the business classes of our country is not less than has been supposed, but infinitely greater.... In business, (this all-devouring modern word, business) the one sole object is, by any means, pecuniary gain. The magician’s serpent in the fable ate up all the other serpents; and money-making is our magician’s serpent, remaining today sole master of the field.... It is as if we were somehow being endow’d with a vast and more and more thoroughly-appointed body, and then left with little or no soul.\textsuperscript{3}
\end{quote}


This criticism from the pen of a moral man was directed straight at the excesses, the perversions, that were carried out in the name of progress. Whitman, ironically a great admirer of the products of industrial and technological progress, was asking if this progress could be maintained within the context of a democratic state; that is, he was voicing his concern that progress might not be worth the cost which could be counted in human poverty and degradation and, on the other hand, the emergence of an acquisitive ideal that was embodied in the belief that all the world was for sale.

The preponderance of this acquisitive mentality could be seen in the heroes that captured the public's attention. These were the 'self-made' men who produced their fortunes in the ironworks, the steel mills, the oil fields, the railroads, the meat-packing houses, and the stock exchanges of industrial America. From Cornelius Vanderbilt to Andrew Carnegie to John D. Rockefeller these men were the giants, the success stories, of business-dominated America. They were the men that joined in the great economic feast fostered by a laissez faire liberalism epitomized by the administrations of Grant and Cleveland. The feast, however, was an invitation-only affair. Some one, moreover, had to help the government and the industrialist pay for it. That some one was the factory worker, the small farmer, and the immigrant that made up the exploited working force of rural and urban America. Vernon L. Parrington said it well when he described the American scene as a "huge national barbeque" given to "the people" by the federal and state governments.4

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This scene quickly turned into a mad scramble for the wealth that could be created by a booming capitalist economy embedded in a naturally prosperous America. At most every turn one could find men, according to Parrington, who were "hoping for dollars to be put in their pockets by a generous administration at Washington. Congress had rich gifts to bestow—in lands, tariffs, subsidies, favors of all sorts...."5 This crassly competitive chase of the 'rugged individualists' became the seemy matter that undergirded the elegance and finery—the "progress"—that lay on the surface of this industrial age. No wonder that that Mississippi muse, Mark Twain, labelled these years of confidence the "Gilded Age." Beneath the illusions of self-made men were the grim realities of working life in the factories and fields of a booming America.

But it would not be long before there were rumblings against this system of exploitation from both the top and bottom of American society. Aristocrats like Henry Adams and Henry James were alienated by their displacement from the citadels of power. How, they asked, could crass vulgarians like Vanderbilt, Armour, and Rockefeller, take control of the government? How could a man like Grant become president? He had the elegance of a drunken soldier. This reaction was soon to coalesce in the voice of Patrician reform. On the other side were the voices of the exploited. The economic depressions of the seventies and nineties and the crisis of the eighties made urban and rural workers realize the extent of their exploitation. Railroadmen, meat packers, factory

5 Ibid., p. 39.
workers, and farmers were making unimaginable sums for a few incredibly rich men. Farmers' Alliances, steel strikes, and a Pullman strike were but a few examples of an economically-induced tension between the 'haves' and the 'have nots'. This tension would find a voice in the emerging labor unions and the Populist movement. Indeed, Patricians and Populists would both come to demand reforms.

The businessman, then, was nothing more nor less than a controversial character: He was both feared and revered. But he was, in any case, in the saddle of a society that was galloping into an industrial revolution that could be as humanly debilitating as it was dynamically progressive. This land of opportunity, that is, was filled with immigrants and workers looking for a simple roof over their heads as well as buccaneers looking for a new bonanza. Progress and poverty, as Henry George was to say, went hand-in-hand.

In the midst of this social and economic turbulence was the college. The American college did not stand still and let life go whirling on without it. On the contrary, the college reflected the fluid nature of its social milieu. This could be seen in its entire history. Yet the changes that were to take place in the years after the Civil War would seem almost revolutionary when compared to the slower evolution of the past two hundred years. A cursory overview of these past years reveals the college as an institution embedded in a strong religious tradition. In fact, the religious desire to create a college-trained clergy was probably the most important single factor involved in the founding of
the colonial colleges. Though this religious strain began to dissipate with the advent of secular reforms in the classical curriculum and in the aims of the student body and the larger society, it was still true at the outbreak of the Civil War that the majority of the nation's schools were denominational in origin and administration. But the bond between the academic world and its surrounding environment meant that the former would be profoundly affected by the economic and industrial revolution that took place in late nineteenth century America. An integral aspect of this metamorphosis of higher education involved the introduction of the businessman and the business perspective into the theory and practice, the aims and organization, of academic life.

The business world did more than provide the colleges with organizational and managerial techniques. It began to occupy the important positions of trustee and president that had traditionally been reserved for more refined, often religious men. But the giants of the business community went farther than this. They began to provide vast sums of money to either existing institutions or to the creation of entirely new ones. This was the golden age of university building. The names of Vanderbilt, Stanford, Carnegie, Cornell, and Vassar are

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7 E. J. McGrath, "The Control of Higher Education in America," *Educational Record, VII* (April, 1936), pp. 263-265. In statistical terms this transition meant that from 1860 - 1861 to 1900 - 1901 the percentage of businessmen on college boards increased from 22.8 to 25.7; of bankers from 4.6 to 12.8; and of lawyers from 20.6 to 25.7. The percentage of educators increased from 5 to 8. C. F. Scott Nearing, "Who's Who Among College Trustees," *School and Society VI* (September 8, 1917), pp. 297-298.
all etched on the gateways of colleges, the result of a phenomenal outpouring of educational philanthropy from the ranks of a burgeoning capitalist class. The number of men supporting education was amazing; but what was even more overwhelming was the amount of support they gave. The single largest pre-Civil War gift to American higher education was the fifty thousand dollars given by Amos Lawrence--money that was used to endow the Lawrence Scientific School at Harvard College (1847). Yet this gift seems almost pittance when compared to the thirty four million dollars that John D. Rockefeller eventually gave to the University of Chicago.

The businessman's new found interest in the higher learning was often regarded as a mixed blessing. Many wondered whether philanthropic support meant a subservience to the materialistic and acquisitive values of the business class. Would the dangers of irrelevancy implicit in the classical curriculum be replaced by an even worse danger: the merit of all learning being measured by the utilitarian yardstick of a practically-based and profit-oriented business class? Moreover, could a Rockefeller or a Carnegie buy a professor, indeed an entire school, just as he could buy a new factory? This was and is a profound concern. It is also a question that has been dealt with by several different scholars and laymen alike. Perhaps Thorstein Veblen is the most significant example. But what has been less directly dealt with is the nature of the business mind as it relates to the activity and support of educational philanthropy. This is a question that can be phrased in the following manner: What, given the historical context of late nineteenth century America, were the major social, economic, cultural, and intellectual forces
influencing the thinking of businessmen as the socio-economic group most directly responsible for the philanthropic support of higher education? Also, did these factors join together to form a coherent ideological framework? This, then, is the central focus of this chapter. A study that will begin with an abbreviated analysis of the religiocultural foundation of the predominately Protestant and capitalistic culture from which this business class emerged and was later nurtured.

This point of departure has not been chosen haphazardly. It has, after careful analysis, emerged as the cultural bedrock of the business mentality that was largely responsible for the support and creation of American educational philanthropy in the late nineteenth century. Historical analysis has also uncovered several other patterns of thought within this same business class. These patterns, taken together, form a fabric of thought that helps form and inform the ideological understandings undergirding the thought and action of this class as it relates to educational philanthropy. The study, then, has uncovered several strands of thought that join together to form a common thread found in the thinking of the vast majority of late nineteenth century businessmen-philanthropists. These different patterns or strands of thought can be seen as overlapping and yet distinct. They are as follows: 1) religiocultural ideology; 2) social Darwinism; 3) the self-made man, the success ethic and an underlying anti-intellectualism. These three themes, themselves aspects of a larger ideological framework, along with their unique yet representative development in the personality of Andrew Carnegie and his gospel of wealth, comprise the body of the chapter.
Religiocultural Foundations and the Businessman

The dominant religious belief patterns ingrained in American culture are themselves rooted in the historical dynamics of the Protestant Reformation. This insight is not new. The great German economist and sociologist of religion, Max Weber, suggested and tried to support the thesis that the Protestant ethic was intimately and causally connected with the rise and 'spirit' of capitalism. He traced this ethic to the Continental Protestant Reformation of the sixteenth century, and the pronouncements of Luther and Calvin in particular. Only a brief explanation of this historical period is in order here.

Dramatic cultural, economic, and social changes took place with the collapse of the static world of the Middle Ages. The cohesion of the medieval synthesis was almost antithetical to the freedom and fragmentation of the Reformation. In fact, what characterizes medieval in contrast to modern society is its lack of individual freedom. Most everyone in the former period was anchored to a definite position in the social order. But with this lack of freedom came a deep and abiding sense of place and purpose. The cement that held this unitary world view together came in the cohesive force of a feudal order and the equally binding traditions of the religious community that was the Catholic church. In this milieu, man was not conscious of himself as an isolated individual:

In the Middle Ages both sides of human consciousness- that which turned within as that which was turned without- lay dreaming or half aware beneath a common veil. The veil was woven of faith, illusion, and childish pre-possessions, through which the world and history were seen clad in strange
hues. Man was conscious of himself only as a member of a race, people, party, family, or corporation—only through some general category.8

Though unity, community, and cooperation were the keynotes of the Middle Ages they were to be gradually supplanted by the freedom of a more decentralized age. In large part, this transition was due to the emergence of a capitalist economy. The cooperation of guild life was gradually replaced by a commercial society based on an expensive network of trade. Commercial activity also produced a small but extravagantly wealthy group of entrepreneurs. These were the men who first broke out of the hierarchy of the feudal order. The first of their kind came to fruition in Italy; they were the supporters of the Renaissance. No wonder Jacob Burckhardt labelled the Italian of the Renaissance as the "first-born of the sons of Modern Europe," the first individual.9

Feudal ties were thus being severed. Men were freer to move beyond a particular town or occupation. Yet this gain of social and economic freedom brought social instability in its wake. Cooperation was gradually replaced by the alienating competition of capitalist life. Freedom, in short, brought a sense of anxiety and isolation to great masses of people. The ideological underpinnings of an entire world view were thus being shattered. It was at this historical juncture that the Protestant Reformation came to the fore. It was a movement


that both intensified and subdued the tensions created by this historic transformation.

This cursory overview of such a complex period is only provided to set the stage for the development of a new Protestant ideology that emerged as a response to the unbearable sense of estrangement and isolation felt by large segments of the population.¹⁰ The two major progenitors of this ideology were Luther and Calvin. To understand Luther and Calvin is to begin to come to terms with the internal dynamics of our own Protestant ethos.

According to Max Weber, both Luther and Calvin offered avenues of escape from the estrangement and anxiety of cultural fragmentation. Weber assumes that the unique feature of modern capitalism is its long-term organization of human activities toward a rationalistic and systematic effort to create profit. He also sees a correlation between capitalism, religious affiliation, and social stratification: In the sixteenth century, most of the wealthy trading towns as well as the wealthier businessmen converted to Protestantism. But what was the motivation?

This is where Luther and Calvin come into the picture. Each man delivered one primary conceptual construct, according to Weber. Luther's contribution was the doctrine of the calling (Beruf). This doctrine conveyed the seriousness of one's chosen vocation. Special diligence should be given to a secular calling, for it was one's special path taken toward serving God. Luther set the notion of a

¹⁰ Ibid., pp. 40-63.
calling within the context of freedom: Man was now to have a direct relationship with God, unimpeded by any interference from the (Catholic) church. Yet this was the same freedom that had caused so much anguish in the broader society; in fact, it was a reflection of this deep-felt anxiety and isolation. Luther's response to this freedom included more than a positive incorporation of it into his creed. What he did was to take the impotence that men were expressing and carry it to an extreme: Men were completely helpless in the face of their own innate evil and depravity—"...God-ward man has no 'free-will,' but is a captive, slave, and servant either to the will of God or to the will of Satan."\textsuperscript{11} Man was powerless. He could not get into or out of heaven via a doctrine of works. Luther was in a quandry. It was only later (1518) that he came to a sudden realization that a doctrine of works must be supplanted by a doctrine of faith. If a man could have, as Luther did, an indubitable subjective experience of faith he could also be certain of his salvation. This, then, was a way of grounding and confining an unbearable insecurity. But men must do more than meditate to sustain their lives; they must work in a given calling. This calling became not only a mechanism used toward achieving the greater glory of God; it was also used by anxious and alienated men to fill a cultural void: when we are nervous we pace.

On the other side was Calvin. Calvin also reacted to the anxiety-producing condition of cultural transformation. As Luther, Calvin regarded man as a depraved being, helpless before the omnipotent power

\textsuperscript{11} Quoted in Fromm, \textit{Escape From Freedom}, p. 76.
of a wholly mysterious God. But Calvin's unique response to man's new plight in an age of flux was to ground man's condition absolutely: Man, according to Calvin, was predestined from birth, and there was absolutely nothing he could do about it; heaven or hell were pre-ordained. This was no doctrine of works. Rather, predestination became an excellent escape hatch for the anxieties produced by the excesses of a negative freedom. And it was this attempt to give man a psychological grounding via a religious orientation that created a man capable of holding to an internal balance while living in the midst of social fragmentation; the society could change but man and his beliefs would remain the same. This, in modern day jargon, is David Riesman's "inner-directed" man; a man who carries within himself a psychological "gyroscope" allowing him to maintain balance in an uprooted world.12

The dynamics of this historical drama were transported to American shores by a group of Calvin's English disciples, the Puritans. The Puritans believed fully in the religious notions of predestination and the calling. Men either were of the elect or the unregenerate; and this condition was entirely pre-ordained. Or was it? This became a crucial question for the Puritan mind. If salvation was simply a matter of faith, of predestination, why should anyone work diligently toward the greater glory of God? This was a dilemma. It was especially a dilemma because the concepts of a calling and predestination seemed to be at odds with one another. As the Puritans worked at their secular callings they began to create a thriving capitalist economy

that by the second generation, began expressing a belief that proficiency in one's calling was symbolic of election to God's heaven. This was heresy. For what was it but a doctrine of works. Yet Puritan society could not exist under the dictates of a wholly mysterious God, who stated that their behavior had no bearing on their eventual election or damnation. It became the job of Puritan devines to construct a new theology that would both save the omnipotence of God while giving the people a blueprint, a map, to guide them on their journey to the gates of heaven. Diligent work in a calling became the central path on which a depraved humanity could travel in its effort to increase the glory of God. In the end, this meant that the Puritan ethic was travelling down the road of secularization; a road that was itself constructed by an avid belief in one's calling. Religion, in short, had created the conditions of its own demise. It was a Puritan paradox: The profits of a religious calling created a capitalist society that destroyed any chance for the survival of the Massachusetts theocracy; success bred failure.

These Puritan underpinnings of capitalist America were analyzed by Weber. He traces the relationship, as we have said, to underlying factors in the Protestant Reformation and to Calvinism in particular; for Calvinism combined a fantastic business sense with an extreme form of piety. Using Benjamin Franklin as a representative figure, Weber turns to the Puritan sense of a calling as an integral concept in both Protestantism and capitalism. In fact, he regards the notion as the

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archimedian point of Franklin's ethic. That Franklin believed that "time is money" can be explained by a moral attitude that presumes that the earning of money is the expression of virtue and proficiency in God's calling. This is, according to Weber, unique and fundamental to Protestantism" "...one's duty in a calling is what is most characteristic of the social ethic of capitalistic society, and is in a sense the fundamental basis of it."14

Yet the notion of joining piety and calculated profit-making was pre-capitalistic, appearing in Massachusetts Bay from its inception. In order to move into true capitalism, labor must be viewed as an end in itself, as a calling. Once this calculus of capitalism is begun, once this new Protestant ideology is set in motion, men must join in or get thrown out of business; they must sink or swim. But to work hard in a calling without knowing if you are indeed a winner makes the working just that much more frantic. The Puritans, therefore, had to frantically juggle a doctrine of grace and a belief in a calling. In the end, they opted for both, believing that though one's work had no bearing on salvation, one still had a moral obligation to perform them. Thus Godliness was united with labor; it was a moral dictate:

If God shows you a way in which you may lawfully get more than in another way (without wrong to your soul or to any other), if you refuse this, and choose the less gainful way, you cross one of the ends of your calling, and you refuse to be God's steward, and to accept His

Here was a moral obligation to be profitable as long as you did not succumb to the pitfalls of idleness and declension that wealth could bring. With the growing capitalistic success of the Puritan venture, the struggle between piety and profit intensified until little was left of the Puritan ethic. By the time that Franklin was writing his almanac, this ethic was almost completely secularized into a Protestant calling to capitalism. Franklin and his fellows had become American; they had invented a neat, new, efficient God. Religion died and was resurrected in commerce. A penny saved was change for the bus to heaven.

Protestant ideology, then, was intricately intertwined with the nature and nurture of American Capitalism. This religiocultural tradition is bound up with much of the American experience. The businessman's virtues of sobriety, frugality, punctuality, and perseverance are part and parcel of the ethic. The ethic is also responsible for creating and supporting a strong stance on the question of what a person should do with his wealth. This, of course, relates directly to our concern with educational philanthropy. The central doctrine that these Protestants found upon consulting their bibles comes from the New Testament; it is the Pauline doctrine of the stewardship of wealth. At heart, the doctrine states that men are but caretakers, trustees, of God's riches. Anything that a man might

15 Quoted in Weber, p. 162.
happen to accumulate in his service to the Lord should be reinvested in the Lord's work; and not, as was so often done, spent on lavish living.

The doctrine of the stewardship of wealth has been repeatedly utilized in the history of American philanthropy as a justification for giving. Examples of this are legion. They range from the writings of the Puritan divine, Cotton Mather, to the pronouncements of that benevolent Baptist, John D. Rockefeller. These myriad examples, in short, have formed a pattern that weaves its way through the fabric of philanthropic theory and practice. The pattern, also may be regarded as a concrete manifestation of the endemic, but amorphous, religio-cultural bedrock that we have been trying to excavate and illustrate. Let us turn to specific cases in the history of educational philanthropy.

The chief exponent of philanthropic activity in colonial times was Cotton Mather. Mather, the son of a former president of Harvard College, published a book entitled, Bonifacius, or, as it is commonly called, Essays To Do Good, in 1710. This piece has enjoyed long-lasting popularity. In it, Mather assumed the traditional Puritan stance that all people had a moral obligation to engage in a "perpetual endeavor to do good." But this endeavor must be voluntary; it was an obligation to God rather than a means taken to gain salvation. This, of course, was a fine example of the great juggling act that Puritan theologians engaged in--trying to balance a hidden doctrine of works with an official doctrine of grace.

Mather strongly supported Christian stewardship, believing that it had both spiritual and practical value. The latter was manifest in the fact that the support of the poor would placate them, removing any possibility of revolt. This was nothing more nor less than thoroughgoing paternalism; a colonialism of the spirit. Thus, charity provided two central functions: It would better one's chances of getting to heaven and it would help hold the masses in line. The obverse of Mather's belief that the faithful steward would be blessed is that the unfaithful steward would be punished by God.\(^7\) When there is an elite and an unregenerate, winners and losers, it is very hard for the elite to escape the arrogance of paternalism. This could be found in Mather's warning against misplaced charity: charity should only go to the hard-working, not to wicked and idle sinners.

Mather was not alone in his belief in the stewardship of wealth. An educational philanthropist of the eighteenth century attests to the fact that this Christian doctrine was alive and well and living in the minds of many men who gave large sums of money to education. The man that we have in mind was a London merchant and benefactor of Harvard College, Thomas Hollis. In 1719, this devout Baptist began plans to endow a professorship at Harvard. During the process of giving his support,--which was the largest single gift Harvard received until well into the nineteenth century--Hollis attempted to liberalize the college's religious policy.\(^8\) This brought on a clash between Hollis

\(^{17}\) Ibid., p. 13.

and Harvard, the first major conflict between a philanthropist and a college in the history of American higher education. But what is most significant about the Hollis benefaction is found in the fact that Hollis was a great believer in the stewardship of wealth. He made this known at the time of his benefaction: "After forty years' diligent application to mercantile business," he wrote, "my God... has mercifully succeeded my endeavors, and with my increase inclined my heart toward a proportional distribution." This was reaffirmed in a subsequent message: "I love them that show, by their own works, that they love Jesus Christ. Charity is the grace, which now adorns and prepares for glory." 

The size and vigor of Hollis' philanthropy was to be outdone by yet another Harvard benefactor, Amos Lawrence. Lawrence was a leader in the early development of New England's textile industry. He was also a great supporter of a practically-oriented education. Since Harvard's curriculum was classically-oriented--centering around Greek and Latin--this made him somewhat of a reformer. His philanthropy, in fact, helped usher in a new era of curricula innovation: most of his money was used to sponsor scientific investigation at the Lawrence Scientific School.

In the midst of his philanthropic activity, Lawrence found time to construct a remarkable philanthropic creed. Lawrence's creed was, in

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20 Ibid.
large part, rooted in his Puritan piety; for in 1844, he confessed, with the honesty of a trusting steward, that the motivation for his munificence was grounded in his belief that philanthropy was an investment in salvation:

The more I give, the more I have; I do most devoutly and heartily pray to God, that I may be faithful in the good things entrusted to me, and that I may at least be received among the faithful stewards, with the 'well done' promised. And thus secure what is beyond price compared with anything earthly; (that Heaven we all hope for).21

Lawrence was not alone in his affirmation of stewardship. An influential friend of Lawrence's, the president of Williams College, Mark Hopkins, also underscored its importance. Hopkins saw the vital nature of this action as both a personal and, given the financial instability of early nineteenth century higher education, a fiscal necessity. Hopkins' position is clearly articulated in a letter he wrote to Lawrence on August 1, 1846: "The more I think of it, the more I see the importance of the great principle of stewardship. It is as you said, everything."22

Another affirmation of the Protestant ethic as it was manifested in the stewardship of wealth can be found in the words and deeds of the successful ironworks and telegraph magnate, Peter Cooper. Cooper had succeeded without the benefit of a higher education; he was a 'self-made' man. Yet he was to become a great supporter of a practically-

21 Ibid., p. 48.
22 Ibid.
oriented education for youth. His support was to come in the form of a tuition-free institution located in New York City, Cooper Union. The institution was established in 1859. The philosophy of philanthropy that undergirded this giving can be summarized in the following words: "While I have always recognized that the object of business is to make money in an honorable manner, I have endeavored to remember that the object of life is to do good." Cooper gave an even more direct articulation of the Christian motivation of his philanthropy in the following words: "I am simply responsible for the management of an estate which belongs to Humanity."23

These are some of the significant highlights of the utilization of the doctrine of the stewardship of wealth as an ideological justification for the giving and receiving of exorbitant sums. It seems to be clear, however, that these energetic entrepreneurs believed in their calling and their stewardship, regarding them as moral obligations to do God's work. That they served as an ideological shield against criticisms from a populace that was continually exploited by these humanitarians is undoubtedly part of the reason that these entrepreneurs repeatedly underscored their noble Christian virtues. Let us now see how this process was to continue in the years after the Civil War, the years that have been called the Gilded Age.

23 Ibid., p. 76.

24 Ibid.
A Protestant-based educational philanthropy and its foundation in the Pauline doctrine of the stewardship of wealth did not end with the conclusion of the American Civil War. On the contrary, the dynamic economic growth of the post-war era gave birth to an unprecedented increase in philanthropic activity; moreover, this philanthropic giving found its motivation and a good deal of its justification in a Christian creed that was, as we have suggested, endemic to the American mind. This cultural mind-set, this Protestant ideology, was not limited to the pronouncements of the business class. Yet this dominant business mentality provides the most glaring examples of an ideology that has provided an underpinning for much of the national experience. It is this ideology as it was manifested in the theory and practice of educational philanthropy in the field of higher education in the late nineteenth century that we will continue to analyze.

The analysis will be limited to investigating the philanthropic activities of leading American businessmen; it will thus ignore many of the myriad manifestations of Protestant ideology found throughout the culture. However, this pervasive Protestant ethos will be recognized and incorporated in our understanding of the theory and practice of businessmen-philanthropists. Let us now turn to a few concrete cases.

The Gilded Age was an era of sharp contrasts. This was true for differences between the 'haves' and the 'have nots', the rich and the poor, capital and labor; and it was also true in the lives of the era's great philanthropists. In large part, these men were the great "robber barons," titans of treachery. They were the products and creators of an age of tremendous progress and incredible poverty.
Means and ends were too often separated by these economic entrepreneurs; they seemed to endorse a philosophy that all revolutionaries seem tempted to follow: making the end justify the means. But this pattern of employing exploitive economic means needs to be contrasted with the vigor with which they entered philanthropic activity; and, what seems even more contradictory, the justification they used. In both cases, that is, the Christian doctrines, first of the calling, then of stewardship, provided these financial giants with an ideological shield against criticism. The philanthropy of John D. Rockefeller Senior is a case in point.

Rockefeller began life as the son of an itinerant Ohio salesman. By 16 he was already keeping accounts on his meager financial affairs; he even jotted down the fact that he gave close to one tenth of his income to charities; here was stewardship at its best. This was in the 1850's. But it would not be too many more years before this same man would crush all his competitors in his drive to monopolize the business of refining oil. Teaching Sunday School at the local Baptist church would go hand-in-hand with driving the little man to the wall. Rockefeller, it seems, embodied the vices and virtues of the Protestant ethic. Yet when asked why he had spent the last half of his life giving away his money, he produced the following philanthropic creed: "Every man owes a debt to humanity, and in accordance with the manner in which he discharges that debt will he be judged." 25

Rockefeller went even farther than this; for when asked where he had gotten all his money the great magnet humbly said, "The good Lord gave me the money." It was thus no wonder that Rockefeller's chief financial adviser in his philanthropic giving was a Baptist clergyman, Frederick T. Bates.

Other examples of stewardship range from the educational gifts of the hat manufacturer, John B. Stetson, who attributed his support and creation of a Florida college to his belief in the stewardship of wealth, to the benefaction of a Georgia pharmacist and inventor of Coca-Cola, Asa Candler. Candler gave an enormous amount of money to the support of the Methodist-based Emory University in Atlanta. Central to Candler's philanthropic creed was his belief that God had blessed him by giving him "such a measure of this world's goods as to constitute a sacred trust." The trust was to be administered "with conscientious fidelity with reference to his divine will."

The ex-Calvinist and admitted Spencerian, Andrew Carnegie, was also influenced by Protestant ideology. This was exhibited in his firm belief in the virtues of hard work central to the Protestant work ethic. It was also present in his famous "gospel of wealth", itself a secularized version of the stewardship of wealth. Implicit in this new doctrine was the old notion concerning the responsibility of the wealthy man to his fellow men. The idea of turning away from business toward

26 Quoted in Bremner, p. 111.
27 Dictionary of American Biography, XVII.
philanthropy came to Carnegie at an early age:

...whatever I engage in I push inordinately....
To continue much longer overwhelmed by business
cares and with most of my thoughts wholly upon
the way to make more money in the shortest time,
must degrade me beyond hope of permanent recovery.
I will resign business at thirty-five. 29

All of these examples attest to the fact that an underlying
Protestant ideology is interwoven in the fabric of American educational
philanthropy. This religiocultural foundation provided the businessman
with a system of thought with which he could justify the making and
giving of large sums of money. The businessman-philanthropist had, as
we have noted, more than an amorphous historical background to remind
him to give: Besides the continual parade of statements on the steward­
ship of wealth, there was an educational system that embodied and
exhibited a strong faith in the dictates of a Protestant ethic that, as
was shown in the McGuffey readers, had a special word for the wealthy:
"God gives a great deal of money to some persons in order that they
may assist those who are poor."30 Yet another element in this social
support system was the popular reference to a secular calling. This,
in fact, was a major justification for making fantastic sums of money.
For instance, the affirmation of a calling was affirmed by a Milwaukee
Methodist minister, Charles P. Masden. In 1898, Masden declared that
business was not just an occupation but a divine calling: "It is sacred.

29 B. J. Hendrick, The Life of Andrew Carnegie (Garden City: Doubleday
and Company, 1932), I, pp. 146-147.

30 William Holmes McGuffey, McGuffey's Newly Revised Eclectic Second
Reader (Cincinnati: W. B. Smith, 1844), p. 47.
It is a means of grace. It is building up for eternity, and laying up treasures for heaven.\footnote{31} 

The same Protestant-based ideological underpinning could act as a wall of defense protesting the business community from critical attacks. Witness the fact that in 1902 a J. P. Morgan spokesman, George F. Baer, pronounced "God, in his infinite wisdom," had "given control of the property interest of the country" to "the Christian men."\footnote{32}

Other examples of an intimate union of business and Protestant ideology did not go unnoticed. For instance, Mathew H. Smith, who had a double career as a clergyman and a Wall street journalist, said, in 1878, that whoever wrote the history of American business would also have to write the history of religion.\footnote{33} In America, God and Mammon were linked in an intimate fashion. The tie runs throughout the business mind: From educational philanthropy to social Darwinism to the success ethic to the gospel of wealth to the myth of the 'self-made' man there is, as we will show, a constant thread of Protestant thought. It is part and parcel of the mind-set of the businessman-philanthropist.

This, in sum, is a portrait, a profile, of the religiocultural base of the philanthropic mind of the late nineteenth century. To assume that this foundation is the driving force behind the theory and

\footnote{31}{Charles P. Masden, \textit{Sacredness of Business}, p. 6.}


practice of all educational giving of the time would be wrong. Yet to ignore the powerful influence of this culture framework would be no less unfortunate. In the end, the Protestant ethic must be merged with the other patterns of thought that we have yet to analyze; if this is not done, we can only produce a lop-sided and misleading picture. Let us, then, turn to an analysis of our next subject of concern—social Darwinism.

**Social Darwinism, Businessmen, and Philanthropy**

Set within the cultural transition from a predominately individualistic and agrarian American to a land that was increasingly industrial, urban, and collectivistic, was a phenomenal scientific discovery that was to rock the stability of the American mind. This scientific discovery continually gained influence in both the academic world and the business world of the Gilded Age. Our analysis will now turn to an investigation of this new scientific insight as it took form in a philosophical-social posture that could and did do service in the field of educational philanthropy.

In 1859, the great English biologist, Charles Darwin, published the epoch-making book, *The Origin of the Species*. The book's central message was to hit America like a thunderclap in the years after the Civil War. The central thesis, as is well know, involved the notion that men, interacting with their environment, evolved, over generations, to their present condition. In addition, humans were but one link in a long evolutionary chain that found man directly related to the ape. Another essential element of evolutionary theory was Darwin's notion
of natural selection: biological life is subject to a sorting out process in which the weak die while the strong continue to survive and reproduce. Perhaps Darwin's greatest contribution, then, was to bring history to science.

But Darwin's thesis also touched a sensitive nerve in the American mind. Americans responded with alarm when they thought that this new scientific discovery meant that mankind would be knocked off its religiously supported pedestal, falling to the mundane level of a mere link in an evolutionary chain. In a religious America, how could this new doctrine be anything but anathema? Scholars and layman alike were thrown off course by this disturbing doctrine. Many began to wonder whether the gains of science would be paid for by the loss of a personal and social stability that was rooted in the bedrock of religious belief.

This novel theory attacked the whole American Weltanschauung. The American image of an ordered moral cosmos supported by a set of moral absolutes was being undermined by evolutionary thought; moral absolutes—as well as all else—were now relative to the mundane factors of time and place. Intellectual confusion was exasperated by a social context that was itself fluid and fragmentary: "The social background of the evolution controversy is one of the keys to an understanding of it. Darwinism intensified the uncertainties which succeeded rapid social change, while rapid social change exaggerated the threat of Darwinism." Evolution was thus becoming a social as well as a scientific phenomenon.

The relationship between the intellectual community and evolutionary theory was indicative of things to come for intellectuals quickly began treating evolution as a plausible scientific theory. But this new attitude did not mean that Darwin's theory would get immediate vote of approval. However, people did take notice; and a high degree of disapproval can often mean a strange sort of approval--one is given credence. This is what happened with Darwinism. Between 1859 and 1880 the American intellectual community gradually integrated evolutionary theory into its life. From Harvard biologist, Asa Gray, who was instrumental in giving Darwin's position a positive introduction to America, to the popularizer of evolutionary theory, Edward Youmans, to the harmoniser of religion and science, John Fiske, many men were to become advocates of evolutionary thought. On the other hand, Darwin's intellectual adversary, the Harvard biologist Louis Agassiz, was to become a spokesman for an outmoded intellectual position. In a scientific world one could not describe a biological species as "a thought of the creator." Religion, not science, was the mother of that mind-set.35

But the most phenomenal aspect of the meeting of America and Darwinism came in the fact that much more was to come of this meeting than either party had suspected. Darwin's theory of evolution, in other words, was not to remain an esoteric scientific theory. Rather, it was to be universalized--what was true for matter was true for human

society. The application of evolution to society was to be called social Darwinism. Its progenitor was the English philosopher, Herbert Spencer. Its major American supporter, at least among intellectuals, was William Graham Sumner. But what are the dynamics of this off-shoot of Darwinian thought? To begin to understand this world is to take a step closer to understanding the mind and milieu of the educational philanthropist of the late nineteenth century. This is our quest.

As evolutionary theory was gradually regarded with less suspicion, so too was social Darwinism. But before we unfold the dynamics of social Darwinism and its supporters, let us come to terms with the central thesis undergirding this new social-scientific philosophy. The thought of Herbert Spencer is a good place to begin such an analysis.

Herbert Spencer's major thesis involving social life can be stated quite simply: He proposed that an evolutionary pattern of development existed in the biological world that could be universalized to include all aspects of man's social existence. Evolutionary development, in other words, was endemic to the life history of all matter. What was true for seaweed was true for human society. The evolutionary process was also the key element in Spencer's "synthetic philosophy;" a philosophy that attempted to employ evolution as a synthetic agent common to all of life; the concept would literally tie the world together.

Yet Spencer should not be regarded as just another devotee of Darwinian theory. For Spencer was working on his own evolutionary model during the 1850's. Spencer, however, did not extend his evolutionary hypothesis to the animal world as Darwin would do. Yet
both men were in basic agreement, both were indebted to the English
classical economists, Ricardo and Malthus. Whereas Ricardo stated that
there was a direct ratio between a limited quantity of wages and
capital, Malthus stated that there was a direct ratio between land and
population. Land would only support a limited number of people. Once
this limit was reached, something had to give. This something was
people; the group that was weeded out, of course, was the weakest, the
one which could no longer succeed in the struggle for existence. Both
of these classical economist unwittingly gave credence to Darwin's and
Spencer's belief in a competitive struggle to survive. In fact, the
economists' stance of laissez faire—a policy supporting an unbridled
open market—fit in well with an evolutionary scheme that included a
doctrine of natural selection. The doctrine also included the notion
that life was a struggle for existence involving a continual adaptation
of an ever-changing, an evolving, environment. Those who could adapt
survived; those who could not adapt became weak and were weeded out.
This selection process left, in Spencer's words, the strong and adapted
to survive. This group was nothing more nor less than the "survival
of the fittest."

Spencer grounded the evolutionary process in the iron laws of
natural development. According to these laws, all matter slowly evolved
from homogeneity to the more complex condition of heterogeneity. This
transition could be seen in human history: The prehistoric world of
apes and alligators was less differentiated, more homogeneous, than the
complexity of a highly differentiated human brain and human society.
The shift from homogeneity to heterogeneity could also be found within
a single human life: One starts with the joining of two cells and ends with the billions of intricately related cells that comprise the self-conscious existence of a human being. Spencer regarded the transformation as essential to his understanding of evolution; it is at the heart of his definition of the term:

An integration of matter and concomitant dissipation of motion; during which matter passes from an indefinite, incoherent homogeneity to a definite, coherent heterogeneity; and during which the retained motion undergoes a parallel transformation.

Spencer clarified this definition by stating that a homogeneous condition was inherently unstable, for the balance that comes from the equalizing tension of heterogeneity was not present. Moreover, matter naturally evolves toward this more balanced condition in its struggle for adaptation and survival. The final goal in evolution was a condition that Spencer tagged as "equilibration."  

This evolutionary edifice was constructed around the notion of competition and adaptation. Though evolution, was an irreversible struggle for existence, it was, for that very reason, something to be optimistic about. Optimism, according to Spencer, stemmed from the fact that the pressure to survive demands that men devise new and more efficient ways to adapt to their environment. Spencer then makes a conceptual leap by relating this pressure to adapt to the concept of

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"The ultimate development of an ideal man is logically certain—as certain as any conclusion in which we place the most implicit faith; for instance that all men will die.... Progress, therefore, is not an accident, but a necessity. Instead of civilization being artificial, it is a part of nature; all of a piece with the development of the embryo or the unfolding of a flower."\(^{38}\)

Thus, evolution connotes progress in the Spencerian system; a progress that should not be impeded by any attempt to redirect the evolutionary process; for this process was monistic—it could not be transcended or transformed by the dictates of the human will. It was therefore, autonomous, making all efforts at reform futile. And there was no exit.

When this condition was coupled with the Lamarckian theory of "acquired characteristics," progress was assured. It was assured because acquired characteristics, gained through continual adaption to environment, could be past down through the generation, (witness the long neck of the giraffe acquired after generations of reaching up into trees for food). This inheritance which included both mental and physical characteristics, was an accumulative progress leading to a more progressive state.

Once this evolutionary edifice was in place there was no transcending it. Moreover, one did not want to transcend it because it lead directly to progress. Spencer made all of this very clear in a portion of his book, Social Statics:

Inconvenience, suffering, and death, are the penalties attached by nature to ignorance, as well as to incompetence—are also means of remedying these. And who thinks he can mend matters by dissociating ignorance and its penalties, lays claim to more than Divine wisdom, and more than Divine benevolence. If there seems harshness in those ordinations of things, which, with unaltering firmness, punish every breach of law... which send lingering agonies to follow the inadvertent swallowing of a noxious herb--which go on quietly, age after age, giving fevers and argues to dwellers in marshes... and which, now and then, sweep away by pestilence tens of thousands of unhealty livers... if there seems harshness in such ordinations, be sure it is apparent only, and not real. Partly by weeding out those of lowest developments and partly by subjecting those of who remain to the never-ceasing discipline of experience, nature secures the growth of a race who shall both understand the conditions of existence, and be able to act upon them. It is impossible in any degree to suspend this discipline by stepping between ignorance and its consequences, without, to a corresponding degree, suspending the progress. If to be ignorant were as safe as to be wise, no one would become wise. And all measures which tend to put ignorance upon a par with wisdom, inevitably check growth of wisdom. Acts of parliament to save silly people from the evils which putting faith in empires may entail upon them, do this, and are therefore bad. Unpityingly as it looks, it is best to let the foolish man suffer the appointed penalty of his foolishness. For the pain...he must bear it as he can: for the experience... he must treasure it up.... To others as to himself will his case be a warning.39

Though dark and troubling, there was, according to Spencer, light (progress) at the end of the evolutionary tunnel.

Evolutionary monism lead Spencer beyond a support of the status quo to a position of philosophical anarchism. Man was literally to

39 Ibid., p. 412.
let nature take its course for there was nothing that anyone could do to alter the present condition of man or beast. If this meant that thousands should die because of poor sanitation than be it. Spencer went so far as to oppose both public sanitation and public education. In fact, all public programs were viewed as absurd in their attempts to alter an evolutionary course that was rooted in natural law. Natural law left Spencer with only one sensible alternative: a course of extreme individualism--a social, economic, and political policy of laissez faire. This course of action supported a natural design of competitive struggle; a struggle, moreover, that could only end in the "survival of the fittest."

It was from this biological springboard that Spencer jumped to a conservative individualism that revolted against all attempts by state or federal authorities to "interfere" with the individual's freedom to succeed or fail in the struggle for existence. Nothing must come between a man and his sufferings. Man's condition could neither be altered by the private charity of individuals nor the public benefactions of the state; private benefaction, moreover, was no better than public relief when it enabled recipients to "elude the necessities of our social existence."40 Yet this stance did not negate all charities: Spencer supported the charity of "helping men to help themselves."41 This doctrine meshed with the Christian notions of charity and with

41 Ibid.
Spencer's extreme individualism. Spencer's evolutionary thesis was applied to the subject of charity in an aspect of his book, *Social Statics*, itself a conscious defense of the premises and practices of laissez faire economics. To read Spencer's words on charity is to discover the logical continuation of his evolutionary thesis:

Of course, in so far as the severity of this progress is mitigated by the spontaneous sympathy of men for each other, it is proper that it should be mitigated: albeit there is unquestionable harm done when sympathy is shown, without any regard to ultimate results. But the drawback hence arising are nothing like commensurate with the benefits otherwise conferred. Only when this sympathy prompts to a breach of equity--only when it originates an interference forbidden by law of equal freedom--only when, so doing, it suspends in some particular department of life the relationship between constitution and conditions, does it work pure evil. Then, however, it defeats its end. Instead of diminishing suffering, it eventually increases it. It favours the multiplication of those worst fitted for existence, and, by consequence--leaving, as it does, less room for them. It tends to fill the world with those to whom life will bring most pain, and tends to keep out of it those to whom life will bring most pleasure. It inflicts positive misery and prevents positive happiness.\(^42\)

Therefore, philanthropy should be limited to supporting people who are strong enough to make it on their own given a little boast. This belief in helping those who help themselves as well as its corollary--not helping the ignorant and the idle--found a warm welcome in the social-historical context of a Protestant-based post-bellum America.

And since the central economic ideology of the period--laissez faire--

\(^42\) Spencer, *Social Stance*, pp. 415-16.
was adapted by most of America's business leaders, it should not be too surprising to find some member of this burgoning business class supporting the Spencerian system as a philosophy congenial to their own established thoughts and interests. Richard Hofstadter, in fact, has drawn a close comparison between this philosophy and the business practices of the nation's "successful" business leaders:

With its rapid expansion, its exploitative methods, its desperate competition, and its peremptory rejection of failure, post-bellum America was like a vast human caricature of the Darwinian struggle for existence and survival of the fittest. Successful business entrepreneurs apparently accepted almost by instinct the Darwinian terminology which seemed to portray the conditions of their existence.43

Assuming that there was some degree of continuity between the details of this social theory of evolutionary development and the dynamics of the American scene, one must not only ask how deep the relationship ran, but how essential it was to the developing business ideology of late nineteenth century businessman. This ideology was, in large part, a reaction to the rising current of criticism that was beginning to wash away the traditional foundations of status supporting America's upper classes. These industrial buccaneers needed to fashion a new ideological shield to protect themselves against the arrows of social criticism flung at them by the spokesman of the nation's exploited poor, both rural and urban. From Henry George to Edward Bellamy to Ignatius Donnelly, critics of American capitalism were speaking out and finding an audience. The old ideology of hard work and independent

43 Hofstadter, p. 44.
achievement was having a hard time justifying the millions of dollars won by speculation and land grabbing. And as American industry bureaucratized and collectivized, the individual became more and more but a cog in the machine. There was thus too much money and too little work to justify the new wealth enjoyed by America's entrepreneurial elite. 44

Whether social Darwinism was an aspect of this emerging business ideology is a question that can be more deeply understood by turning to the thoughts of America's major spokesman for this social philosophy, William Graham Sumner. To come to terms with this zealous advocate of social Darwinism is to begin to understand the uniquely American flavor that is part and parcel of this social-philosophical creed.

To apply the Spencerian model of evolution to society would mean a support of the status quo: the present position of society was the only position it could possibly be in given the dictates of evolutionary development. This development, as has been stated, left the American traditions of rugged individualism and hard work the most logical courses of action. Also, fitting this individual action within the broader context of laissez faire economics seemed natural to many men who had not even heard Darwin's name let alone read through the esoteric tracts of Herbert Spencer. This dominant conservative mood, itself a by-product of many sources including America's endemic Protestant ethic, found a secure resting place in the mind of the Yale professor and ex-

Episcopalian minister, William Graham Sumner. Sumner took this conservative mood and wedded it to the Spencerian system of evolution. Yet this puritanical preacher-professor turned Spencer's major promises into a foundation for a uniquely American innovation in the evolutionary edifice of social Darwinism. Sumner rejected Spencer's assumption that evolutionary development provided a firm foundation for optimism; he did not believe that evolution lead to progress and harmony of relations between men. Instead he cut a new course, stating that the very conditions that Spencer said would lead to progress actually led to more hardships, more struggles, in the battle for survival. The conditions might change, according to Sumner, but the competition, the struggle for existence, was everlasting. Whether it was primitive survival or capitalist competition, there would always be winners and losers, the adapted strong and the non-adaptive weak. It was a law of nature; a law, moreover, that provided Sumner with a firm foundation for his own brand of thorough-going pessimism and passivity.

Sumner lived in a deterministic world. The absolute quality of this determinism was reflected in his popular essay, "The Absurd Effort To Make The World Over." The essay was directed at social reformers like Edward Bellamy—a man who wanted to infuse an age of economic exploitation with a sense of reason and humanity. The essay also affirmed the monistic quality of evolution. According to Summer, one might as well rebel against the law of gravity as to try to reform the present state of industrial society. The status quo was unshakeable in its hold on the conditions of all men:
Everyone of us is a child of his age and cannot get out of it. He is in the stream and is swept along with it. All his sciences and philosophy come to him out of it. Therefore the tide will not be changed by us. It will swallow up both us and our experiments. It will absorb the efforts at change and take them into itself as new but trivial components, and the great movement of tradition and work will go on unchanged by our fads and schemes.

Yet this rejection of social reform and government intervention was not the most essential aspect of Sumner's philosophical position; it was not, that is, the quality that provided the most defining characteristic of his creed. Perhaps this central characteristic can be found in the religiocultural ideology that we have shown to be endemic to the American ethos.

When discussing the Puritan-Protestant underpinning of the American scene one should remember that Spencer was a direct intellectual descendent of this enduring tradition. He was a member of a lower-middle class family; a man raised in the shadow of New England Congregationalism. Though Calvin's God was secularized, He was still present in the Protestant virtues of hard work, frugality, sobriety, and perseverance in a calling. And just as social Darwinism had its strong and weak, the Puritan-Protestant tradition had its winners and losers, its elect and unregenerate; and there was very little that anyone could do about either condition. Being a child of this tradition, Sumner brought this religious mind-set to his devotion to a scientific formula for social evolution. He attempted to translate Calvin's

religious elect into Spencer's evolutionary strong. Sumner made the
correlation perfectly clear in an address given in 1879 on the effect
of hard times on economic thinking. His response to economists who
bemoaned the outcome of competition on the weak was expressed in the
following words:

> They do not perceive that here 'the strong' and
> 'the weak' are terms which admit of no definition
> unless they are made equivalent to the industrious
> and the idle, the frugal and the extravagant.
> They do not perceive, furthermore, that if we do
> not like the survival of the fittest, we have
> only one possible alternative, and that is the
> survival of the unfittest. The former is the
> law of civilization; the latter is the law of
> anti-civilization.46

Sumner's alternatives were clear-cut and absolute. His ideal was
fixed in religious and evolutionary cement. This ideal manifested
itself in Sumner's "Forgotten Man." Here was the independent, hard-
working individualist par excellence. He worked hard; he persevered
in his daily struggles. Taking care of himself and his family, paying
his bills punctually, working from dawn until dusk, this man was the
embodiment of the Protestant work ethic of the American middle class.
The middle class virtues of these "commonplace" men and women formed
the backbone of society; these people were the ones to be counted on to
pay their taxes and ask little of any individual or institution. But,
according to Sumner, this same individual was ignored, "forgotten," by
the very society that so desperately needed him. In this moralistic
message, Sumner should be regarded as a critic and not a spokesman for
plutocratic America; he was a spokesman for the collective voice of

46 Hofstadter, p. 57.
middle class America. He demanded, as do many of the conservative taxpayers of contemporary California, that the man of the middle class receive his rightful place in the sun:

If it is desired to bring about social improvements, bring us a scheme for relieving the Forgotten Man of some of his burdens. He is our productive force that we are wasting.... Let us turn our pity on him instead of on the good-for-nothing.... Why should we not also have the satisfaction of thinking and caring for a little while about the clean, honest, industrious, independent, self-supporting men and women who have not inherited much to make life luxurious to them, but who are doing what any can to get on in the world without begging from anybody, especially since all they want is to be let alone, with good friendship and honest respect. Certainly the philanthropists and sentimentalists have kept our attention for a long time on the nasty, shiftless, criminal, and good-for-nothing people, as if they alone deserved our attention.47

What is this but a middle class backlash against an equality that constricted liberty that is central to social Darwinism? A condition of unqualified liberty meant that Sumner could describe the main rule of the world as "root, hog, or die...."48 This was an especially brutal image of the Spencerian premise of the survival of the fittest. Was this Calvinism made scientific? It appears that in large measure, this was the case. Sumner's sociology was deeply colored by the rich hues of Protestantism. Hard work and self-sufficient


individualism were the marks of God's and nature's winner. It was a condition that was at once religious and scientific. In fact, the themes of evolutionary science, laissez faire economics, and Puritan-Protestant religion joined together to form the internal dynamics of social Darwinism. This inherently conservative theory gave full support to the status quo. Andrew Carnegie, John D. Rockefeller, and Daniel Drew were in their rightful places as victors in the struggle for existence; on the other hand, their industrial lackeys were also in their rightful places. And there was, as Edward Youmanns was to tell the reformer, Henry George, "nothing that any of us can do about it." Sumner went on to strengthen this evolutionary stance by stating that the millionaire was not only an inevitability but a great benefit to society:

Millionaires are a product of natural selection, acting on the whole body of men to pick out those who can meet the requirement of certain work to be done.... It is because they are thus selected that wealth—both their own and that entrusted to them—aggregate under their hands.... They may fairly be regarded as the naturally selected agents of society for certain work. They get high wages and live in luxury, but the bargain is a good one for society. There is the intensest competition for their place and occupation. This assures us that all who are competent for this function will be employed in it, so that the cost of it will be reduced to the lowest terms.

Yet Sumner ends by being horrified by the "great barbeque" that was the economic exploitation of late nineteenth century America. He was

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afraid--and rightfully so--that the dominate motif of laissez faire economics was giving way to the plutocratic plundering that took place as Grant's presidency oversaw the transformation of a relatively small federal government and an agrarian notion into an industrial nation headed by a favor-granting federal government. The Yale professor thus employed Spencerian individualism as the key ingredient in an antidote against the spread of plutocrats and an expanding federal government. (Of course, such a policy contradicted his avowed determinism.) Sumner juxtaposed this large government to the weak government of the Jeffersonian heritage and affirmed the latter. He became a mouthpiece, if not the embodiment, of the fears and anxieties of the nation's middle class.

Social Darwinism also became an element in an emerging business ideology that acted as a shield against critics of capitalism and as a blueprint that could be used to make sense out of an increasingly fragmented age. Moreover, this ideology seemed to increase its support of laissez faire economics in direct proportion to the actual practice of the creed. For the greatest practice of laissez faire economists was before and not after the American Civil War: Post-Civil War America was an age of increasing collectivization in which business and government were often very supportive of one another; it was not, that is, an age of increasing individualism; the small farmer and the small government were slowly fading into the sunset of agrarian America.

By attempting to stick to the old guns of Protestantism (itself a bastion of middle class values), Sumner was fighting change; he was demanding stability in an age of discontinuity. To hold to individualism
was also to hold to the values of a Protestant based, middle class America. Individualism, the core of his passive social philosophy, would be, as Donald Fleming observed, "an instrument of national regeneration, recalling men from the sordid transactions of the Gilded Age to the old American ideal of equal standing under an incorruptible government of laws." 51

In the end, Spencer and Sumner were conservative, Protestant, and scientific in their evolutionary determinism. The strong were the victors of both religious and scientific battles--their swords were tempered with the hardwork and perseverance of a Protestant ideology made to merge with modern science. Fleming expressed the underlying continuity well, noting that religion and science were bound together by the advocates of Darwinism:

The path of Darwinism was smoothed by the fact that, however much it imperiled theology, it reinforced the prevailing ethical climate of Protestant America. Where the Protestant ethic taught men to lay up riches to the greater glory of God, social Darwinism taught them to fulfill themselves to the improvement of the species. 52 Both turned self-concern into a social good.

Perhaps nothing could have been more congenial to America's dominate religio-economic ideology than this new social-scientific philosophy. It provided a traditional mind-set with a scientific support system. Rising business entrepreneurs--a group that increasingly needed an expanded ideology to provide it with a justification for a

51 Fleming, p. 129.

52 Ibid., p. 127.
fantastic wealth gained at the expense of an equally fantastic exploitation of masses of industrial workers--could find shelter in a philosophy that affirmed the essential elements of their own established Weltanschauung. That evolutionary philosophy won favor in both the intellectual and religious community between 1860 and 1880 is an established fact;\textsuperscript{53} that its by-product, social Darwinism, also won wide support is yet another question. But it is this latter question that concerns us most. In particular, we are concerned with whether or not social Darwinism influenced the thinking of American business leaders--and particularly those leaders who devoted a large amount of time and money to educational philanthropy. The question, then, is this: Did social Darwinism influence the educational philanthropy of successful businessmen working in the field of American higher education? If so, to what degree did this influence extend?

Even a cursory examination of historical writing on the relationship between social Darwinism and the business community of the Gilded Age reveals the relationship to be an intimate one. Historians have attempted to piece together a case that regards many of the entrepreneurs of the late nineteenth century as both practical and philosophical social Darwinists. It has already been shown that Richard Hofstadter underwrote this thesis. Other well-known American historians such as Henry Steele Commager and Merle S. Curti have also given credence to the view. Commager, in fact, supported the notion that Darwin and

\textsuperscript{53} Loewenthal, pp. 341-43.
Spencer held a high and powerful place in the American experience during
the half century after Appomatox: "Between them, Darwin and Spencer
exercised such sovereignty over America as George III had never
enjoyed." The ideological significance of social Darwinism was
affirmed by Curti: "(I)t admirably suited the needs of the great
captains of industry who were crushing the little fellows when these
vainly tried to compete with them." The assumption that business
leaders of the Gilded Age latched on to social Darwinism as an
ideological shield against the weapons of social criticism and social
action (e.g., industrial strikes) was also expressed by Stewart
Holbrook in his classic work, The Age of the Moguls. "It was welcome
balm to their impaired consciences," declared Holbrook, "to be told
they enjoyed their riches simply because of the working of natural laws
over which neither they nor anyone else had control."

It thus seems that historians have earmarked social Darwinism as
a powerful weapon within the ideological arsenal of business leaders
of the Gilded Age. Our task, however, is to question this very
assumption, trying to gauge the significance of social Darwinism in the
theory and practice of educational philanthropists. Again, our question

54 Henry S. Commager, The American Mind, (New Haven: Yale University

and Brothers, 1951), pp. 568, 571, 640.

56 Stewart Holbrook, The Age of the Moguls, (Garden City: Doubleday
is as follows: Was social Darwinism a powerful force in the ideology of American educational philanthropy in the Gilded Age?

We can begin by realizing that any historical consensus needs to be peopled with the words and deeds of real-life characters. Historical hypothesis must relate to practice if it is to begin to make sense out of the world. According to our consensus, historians have found the best expressions of social Darwinism within a relatively small group of business leaders. Unfortunately, these entrepreneurs rarely engaged in philosophical discourse, making it difficult to find concrete examples of their support of social Darwinism. Nevertheless, examples of social Darwinian language as used by businessmen in the justification and explanation of their economic practices are supposedly legion. Yet the facts do not seem to be as convincing as historians' proclamations seem to suggest. This is not to say that there are no clear-cut examples of businessmen proclaiming their allegiance to a Darwinian interpretation of social-economic phenomena; there does, however, appear to be very few supporting examples.

For instance, most historians who see an affinity between business thought and social Darwinism hold up Andrew Carnegie as a prime example. Carnegie, in his autobiography and elsewhere, stated that he was a disciple of Herbert Spencer's. He was entirely explicit about his respect for Spencer: "I was one of his disciples." This extremely prolific writer also discussed his rejection of the Calvinistic

Presbyterianism of his youth and his support of the secular philosophy of social Darwinism as it was expressed by Spencer:

Not only did I get rid of theology and the supernatural, but I had found the truth of evolution. 'All is well since all grows better' became my motto, my true source of comfort. Man was not created with an instinct for his own degradation, but from the lower he had risen to the to the higher forms. Nor is there any conceivable end to his march to perfection. His face is turned to the light; he stands in the sun and looks upward.58

A sacred belief in the essential depravity of man had been supplanted by a secular belief in the eventual perfectibility of man. Though the path to this perfection would be strewn with the bodies of those that were too weak to survive nature's selection process, it was all for the best: "It is here; we cannot evade it; no substitutes for it have been found; and while the law may sometimes be hard for the individual, it is best for the race, because it insures the survival of the fittest in every department."59

Andrew Carnegie is thus the most prominent example of a thorough-going devotion to social Darwinism. It was a justification, as we shall soon see, for his status as a multi-millionaire and his great desire to turn to large-scale philanthropic activity. This can be seen in Carnegie's "gospel of wealth;" a philosophy that was deeply imbued with the Spencerian evolutionary thesis. An analysis of this philan-

58 Ibid., p. 327.

thropic philosophy will be undertaken in our study of Carnegie as a representative businessman-philanthropist.

Other examples of an alligiance to social Darwinism by business leaders are hard to come by in the years between the Civil War and 1900. Richard Hofstadter has attempted to fill in this gap by presenting several different representative businessmen who were supportive of social Darwinism. Unfortunately, as Irwin G. Wyllie has clearly pointed out in his article, "Social Darwinism and the Businessman," Hofstadter's four examples are either not representative or they are misleading. For instance, Hofstadter lists the publisher, Henry Holt as a devotee of social Darwinism.60 Holt, however, does not seem to be particularly representative of the business class of his time; he was much too involved with intellectual pursuits to be classed as a typical representative of a business leadership which generally held education in low esteem. Given this fact as well as the practical mind-set of most successful business men, it seems strange that these men would go to great lengths to read the esoteric tracts of an English philosopher.

Another devotee of social Darwinism is the oil magnate, John D. Rockefeller, Senior. Hofstadter attributed Rockefeller with the following Darwinian phraseology:

The growth of American business is merely a survival of the fittest.... The American Beauty rose can be produced in the splendor and fragrance which bring cheer to its beholder only by sacrificing the early buds which grow

60 Hofstadter, p. 34.
up around it. This is not an evil tendency in business. It is merely the working-out of a law of nature and a law of God. Unfortunately, this beautiful example of social Darwinism cannot be attributed to Rockefeller. It can, however, be attributed to his son, John D. Rockefeller, Jr. It was part of an address given in 1902 to the YMCA at Rockefeller's alma mater, Brown University. Though significant in itself, the remark is representative of a new century and not the Gilded Age.

What we are left with are a few scattered remarks by business moguls of the Gilded Age. Several of these remarks were made at a farewell party given for Herbert Spencer at Delmonico's Restaurant in New York City. This gala event witnessed great accolades for Spencer from religious leaders like Henry Ward Beecher and from businessmen like Andrew Carnegie. But no matter how influential, this was an extremely small group of Spencer's disciples.

Other supportive remarks include the one made by Henry Clews in 1888. A member of the Wall Street community, Clews noted that Wall Street experienced a transformation after the Panic of 1857. This transformation involved the replacement of a conservative old guard by an adventurous group of financiers. Clews described the change as "a fine exemplification of the survival of the fittest." He went on to say that this same phenomenon "proved that there was a law of

61 Ibid., p. 45
natural selection in financial affairs that superceded old conservatism and sealed its doom.\textsuperscript{63} Other business leaders such as the president of the American Sugar Refining Company, Henry O. Havemeyer, and an independent tin-plate manufacturer, Nathan A. Taylor, testified that the post-bellum business world was based on the natural law of the survival of the fittest.\textsuperscript{64} These few examples, however, hardly support the contention that the exceptance of social Darwinism was axiomatic to the business mind. This lack of support also appears in the fact that the intensive Congressional investigations of large-scale business practices in 1888 and 1889 turned up very little evidence of social Darwinism as an explanation or justification for business practices.

Perhaps, then, the entrepreneurial mind was less concerned with the dynamics of evolutionary thought then might have traditionally been surmised. Beyond men like Henry Holt and Andrew Carnegie, who were both intellectually inclined, there is very little evidence that social Darwinism played a crucial role in the thought of America's successful businessmen. Yet this lack of concern for Darwinian theory is not surprising given the educational level of the business class: As late as 1900, 84 percent of the businessmen listed in \textit{Who's Who in America} had not been educated beyond high school.\textsuperscript{65} Their views toward

\textsuperscript{63} Ibid.


formal education tended to coincide with this lack of formal education: The majority of the nation's business leaders found education to either be unnecessary or even a stumbling block to business success. School years were often viewed as a waste of time when compared to the fact that these same years could have been spent in the moral adventure of pursuing a business career. Examples of this disdain for formal education are legion. Yet most businessmen were too concerned with the Christian character of their Protestant work ethic to wholeheartedly enter into an evolutionary battle for personal and financial survival--this outlook was too close to the unprincipled view of a non-Christian misanthropist. Perhaps Robert Harris, the president of the Chicago, Burlington, and Quincy Railroad, best illustrates this regard for Christian fair play:

...as a general proposition, it seems to me that the strong should help the weak, now by one course and now by another; and in exercising authority to do it as we would wish it done to ourselves.66

(A deeper look at the success ethic that this notion of fair play was an aspect of will provide a picture of the business life of the Gilded Age that reveals a much stronger affinity with the religiocultural ideology of a Protestant and capitalist society than it does with the rather esoteric dynamics of an imported English philosophical system.

This disregard and ignorance of social Darwinism was articulated by an important publication of the business community. In 1874, The Commercial and Financial Chronicle repudiated social Darwinism as an explanation for the numerous business failures that had occurred during

the previous year of economic depression. The paper left "this fashionable philosophy... to spin its shining web and to apply its specious theories where it can." Nevertheless, it went on to state that the philosophy would reinforce old addages such as "experience keeps a dear school, but she teaches well." In sum, it appears that social Darwinism fits in well with thoughts and actions already occurring within the business community of an industrializing and urbanizing America. But it was the prevailing Protestant ideology with its fierce belief in the virtues of hard work in a secular calling, and its belief in the prerequisite of good character for success and salvation, that carried America's business elite through the rough seas of social criticism and revolt.

Before concluding, let us come to our central point: social Darwinism was not a pervasive element in philanthropic philosophies of America's business elite. If anything, it would be easier to make Darwinian interpretation serve the cause of parsimony. Yet the philosophy of Andrew Carnegie cannot be ignored. This outstanding example of social Darwinism at work in the field of educational philanthropy will be intensely explored when we deal exclusively with the philanthropic theory and practice of the steel baron. It will be a picture that shows social Darwinism at its greatest moment; it will, however, also show that this social philosophy was peripheral, fitting into a groove of thought that it sustained but did not create.

68 Ibid.
In the end, social Darwinism may have done no more for the business community than furnish it with a scientific terminology for the traditional ideals endemic to a broader American ethos. Yet it was symbolic in its belief that scientific analysis was to become the wave of the future. To choose Darwinism was to choose progress. In any case, Irwin Wyllie seems to be right in his remark about the influence of social Darwinism on the businessman: "He would not have been ideologically naked without the Spencerian formulation."69

Thus, the businessman drew his social and economic ideals from more than one source. Social Darwinism, in other words, was a dimension of thought that fit into a pre-existing mold that defined and helped create a bulwark of conservatism that attempted to provide an age of change with a bedrock of unalterable stability. This monistic conservatism was peopled with the sanguine images of a frontier society: rugged individualism and the liberty of open competition were potent images of a young nation attempting to become thoroughly commercial and capitalistic. These factors were woven together to create a tapestry of ideological thought. In short, laissez faire economics and protestant thought created a world that could welcome social Darwinism with open arms.

However, that this economic creed was becoming less and less true to reality in the years after Appomatosx is well known. The robber barons were engulfed in historical irony: They were madly working, through their monopolies and trusts, toward the creation of an industrial

society that would cancel out any hope that their own social-economic philosophy would hold sway. They were destroying the very basis of their religious and economic belief system. Hard work and frugality were less and less attributes of successful men who had to speculate and spend to increase their profits. Social Darwinism, in short, was a scientific support of conclusions that would have been chosen whether the business elite had ever heard of this new system of thought. It spoke for an ethos of individualism that was creating its opposite in a collectivized society. Sumner's Forgotten Man was increasingly ignored—a technological age demands spending and debt. This age not only disintegrated the autonomy of individual and group, but it destroyed the rootedness and identity that is community. John Dewey saw the writing on the wall: "The great society created by steam and electricity may be a society, but it is no community."70

The same mind that seemed to ignore the dictates of social Darwinism supported a success ethic that gloried in the middle class virtues of Protestant America. The heroes of Horatio Alger novels symbolized the great American belief in an opportunity for upward mobility and material success that was as egalitarian as it was elusive. This belief in the American myth of "rags-to-riches" is woven throughout the fabric of Post-Civil War educational philanthropy. It is part of a deeper more pervasive Protestant ideology. Yet it is distinct in its ability to render service to the theory and practice of educational philanthropy. The notion of an American success ethic

70 Quoted in Russett, *Darwin in America*, p. 88.
and its relation to educational philanthropy is the subject of the next section of the chapter.

The Success Ethic, Businessmen, and Philanthropy

Americans of the Gilded Age seem to have been pulled in opposite directions by their quest for success. Success was regarded as a virtue and a vice. It was virtuous when it was the product of one's moral obligation to labor in a calling; on the other hand, it was a vice when this same calling became an overly zealous concern with riches for their own sake. This was a transformation from the glorification of God to the sinful condition of human arrogance and depravity. The almost neurotic nature of this often contradictory quest for success—a condition that made for a stormy marriage between God and Mammon—was articulated by one of the Gilded Age's most prominent Protestant minister, Lyman Abbot:

The ambition to succeed may be an always ought to be a laudable one. It is the ambition of every parent for his child. It is emphatically an American ambition; at once the national vice and the national virtue. It is the mainspring of activity; the driving wheel of industry; the spur to intellectual and moral progress. It gives the individual energy; the nation push. It makes the difference between a stream and a people that are a pool; between America and China. It makes us at once active and restless; industrious and over-worked; generous and greedy. When it is great, it is a virtue; when it is petty, it is a vice.

Perhaps it was only natural that a Protestant minister should have given voice to the contradictory character of America's search for success. For this search can only be understood within the cultural

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71 Wyllie, p. 1.
framework of Protestant America. In the post-bellum years this Protestant cultural factor had an extremely powerful impact on the notion of success. Since this period produced an outstanding success ethic which influenced the thinking of America's leading businessmen-philanthropists, it seems fitting that we briefly sketch the outline of American Protestantism in the Gilded Age.

Protestantism of the late nineteenth century experienced, as Arthur M. Schlesinger has noted, a "critical period" in its development: 1) it was confronted with challenge to its system of thought in the form of a "higher criticism" rooted in the historical nature of evolutionary theory; and 2) its social program was confronted with the fact that the rural roots of American Protestantism had no way of dealing with the massive complexity and heterogeneity of a nation that was rapidly becoming urban and industrial. This diatribe against American Protestantism was also an attack upon the religious foundation of the American mind. This, as Merle S. Curti has noted, was an intellectual as well as a social-religious phenomenon:

The most striking fact in the intellectual history of the last third of the nineteenth century was the blow to the historic doctrine of supernaturalism by new developments in the biological and physical sciences.

But as we have already stated, this apparent fissure was quickly sealed:


between 1860 and 1880, leaders of the nation's intellectual and religious communities began to tame the tiger of evolutionary theory through a process of intellectual assimilation. Men like Henry Ward Beecher and Lyman Abbot joined evolution and religion. Beecher stated that evolution was merely "the deciphering of God's thought as revealed in the structure of the world." Lyman Abbot joined John Fiske in recognizing that "evolution was God's way of doing things." These popular ministers represented only part of the American religious scene.

Evangelical Protestantism also commanded a large and vigorous following. These people rejected evolutionary theory, believing that a return to a strict following of biblical scripture was the only path to salvation. In part, the movement was a reaction to modernity; an attempt to find shelter in the security of a self-serving literal interpretation of biblical injunctions, an effort at warding off the insecurity of an age of incredible change. One of the movement leaders and an ex-shoe salesman, Dwight L. Moody, responded to the unsettling pronouncements of the 'higher criticism' by stating that the "bible was not made to understand." When asked what his theology consisted of, Moody responded with the following remark: "My theology! I didn't know I had any. I wish you would tell me what my theology is."

75 Quoted in Loewenberg, p. 357.
76 Quoted in Schlesinger, p. 5.
The anti-intellectual undertones should not be ignored; for this movement represented a large faction of folks that had been ignored and alienated by the intellectual controversies of a Beecher and a Lyman: Evangelicals wanted answers to deep spiritual problems, not the obfuscations of an intellectualized faith.

Division within the ranks of American Protestantism was significant. Yet it was undergirded by a deep sense of unity. Unity transcended denominational bounds and reached into the heart of the American experience; for during the last third of the nineteenth century, American Protestantism united with another powerful ideology. This was the secular ideology of Americanism; a rather amorphous term encompassing a democratic equality that had its roots in the rational precepts of the Enlightenment. It is a system of thought that acknowledges the equality and opportunity of all men. This union of the secular and the sacred meant, for one, that capitalism's defense of the status quo, itself centering around the policies of a laissez faire economics, would be affirmed by mainline Christian theology. Sidney Mead, a student of American church history, has noted that this amalgamation of Protestantism and Americanism centered around "an idea of progress compounded of a Christian doctrine providence and the scientific idea of evolution."78 This notion of progress touched an optimistic nerve in American ethos of opportunity and success. It also provided an age of rapid social development and consequent fragmentation with a sense of purpose: Progress, in a word, made rapid social change tolerable.

The union of these ideologies meant that the status quo would be defended to the last degree. The defense was described by Henry May. May noted that in 1876 "Protestantism presented a massive, almost unbroken front in its defense of the social status quo." At first glance, this conservative union seems to ignore the vast amount of plurality in America's sacred and secular character. But closer examination shows that this plurality has been undergirded by a high degree of religious commonality. This common faith was observed in the early nineteenth century by that insightful Frenchman, Alexis de Tocqueville:

The sects which exist in the United States are innumerable. They all differ in respect to the worship which is due from man to his creator; but they all agree in respect to the duties which are due from man to man. Each sect adores the Diety in its own peculiar manner; but all the sects preach the same moral law in the name of God.

By the 1870's this amalgamation of religion and the democratic spirit of Americanism had given its vote of approval to an industrial age that bowed to the God of progress. Industrial and technological advancement, steel mills, and steamships were the very embodiment of progress. It is no wonder, then, that this ideology connected progress with evolution. Evolution was not only "God's way" of doing things, it was the most efficient way of doing things: to evolve was to progress. The union of science and religion was symbolized in the fact that the


80 Quoted in Mead, p. 140.
New York Chautauqua of 1893 gave over its platform to a series of lectures by the well-known Scottish evolutionist, Henry Drummond. The incident was not lost on the press. The Nation noted that "it is a sign of the times which no observer can neglect."\(^{81}\)

Religion, laissez faire economics, and a firm faith in personal and national progress were thus joining together to provide a fragmented age with a coherent ideology. This ideology helped fill in a void created by the loss of the traditional landmarks of agrarian America; landmarks that had been plowed under by the machinery of an industrial age. This advancement and success, which were part and parcel of an enduring American dream, were made manifest with the opening of every oil well, manufacturing plant, steel mill, railroad, and western territory. This same American dream was also used to defend the practices of a new entrepreneurial elite. To be American, these men intoned, was to be successful; it was to be a "rugged individualist," a "self-made man," who could work his way from "rags-to-riches."

This great age of success was not lost on the clergy—Protestantism could provide men with the means to attain success. Hard work, perserverance, frugality, sobriety, these Protestant virtues were nothing more nor less than the steps to success. The business mentality of a burgeoning bourgeois class thus meshed well with Protestant morality. But this was a two-way street: Just as businessmen began adopting the language of the church to defend their actions, so the church began adopting the language of business to help drive

\(^{81}\) The Nation, LVII (July 13, 1893), p. 21.
home the relevance of its Christian message. This message, which combined Christianity and business (as well as denominationalism and Americanism) was repeated throughout America. In one pulpit after another, the union of business practices and religion became the voice of a pervasive reaffirmation of an old message of self-help. That this message was indeed pervasive is suggested by Henry Ward Beecher's belief that a man's failure may not always be his own fault, but "looking comprehensively through city and town and village and country, the general truth will sound, that no man in this land suffers from poverty unless it be more than his fault--unless it be his sin."\(^2\) In religious terms, poverty was a sin; in social terms, it was a failure, an almost unAmerican act.

A multitude of ministers joined in a chorus of agreement with Beecher's conclusion that business success was both moral and American. This phenomenon was even noticed by the English novelist, Rudyard Kipling. During his travels through America, in 1891, Kipling witnessed a Chicago preacher with "a voice of silver and with imagery borrowed from the auction-room."\(^3\) The preacher was, according to Kipling, describing:

\begin{quote}
...a heaven on the lines of the Palmer House (but with all the gilding real gold, and all the plate-glass diamond), and set in the centre of it a loud-voiced, argumentative, very shrewd creation that he called God. One sentence...
\end{quote}


\(^3\) Rudyard Kipling, American Notes, (Boston: F.F. Lovell Co., 1899), p. 97.
caught my delighted ear. It was apropos of some question of the judgement, and ran:—'No! I tell you God doesn't do business that way.'

The insistence on a causal connection between wealth and morality was not born in the Gilded Age. Apostles of success can be found throughout the nation's history. From Cotton Mather's Essays To Do Good, which extolled the virtues of a secular calling, to the moral maxims of Benjamin Franklin's Almanac, to Ralph Waldo Emerson's belief that a thirst for success was the driving wheel of civilization, many have tried to show that a quest for material success was sanctioned by both God and man. Yet this Gilded Age was to surpass previous attempts at drawing a line between God and Mammon.

The late nineteenth century continued this tradition of identifying success in financial terms. In 1885, an English observer wrote that "success is identified to some extent with fame; still more with power; most of all, with wealth." This theme was also underscored by Harper's New Monthly Magazine in an 1853 edition. It stated that the vast majority of Americans (males) regarded success in financial terms: "The idea instilled into the minds of most boys, from early life is that of 'getting on'". This, of course, fit the model of success preached by the nation's religious and business leaders.

Affirming the unity of material wealth and religious piety, a Unitarian minister, in 1885, told his congregation that wealth was "a

84 Ibid.

85 Frederick W. Farrar, Success in Life, (Boston, 1885), p. 21.

blessing from the Lord. It is a sign of divine approval." The same theme was trumpeted by an Episcopalian Bishop of Massachusetts, the son of the businessman-philanthropist, Amos A. Lawrence. The son, Reverend William Lawrence, wrote a famous article entitled, "The Relation of Wealth to Morals," in which he stated that the spiritual and material success of man was intimately joined together: "... We, like the psalmist, occasionally see the wicked prosper, but only occasionally.... Godliness is in league with riches." This age-old maxim joining the Protestant ethic and the spirit of capitalism was also well understood by the leading Baptist spokesman of success, Russell Conwell. In a fantastically popular success sermon, Acres of Diamonds, Conwell drew the standard picture of success. He underlined the middle class virtues of success by stating that 98 out of 100 rich Americans stood above their fellowmen in honesty, and, declared Conwell, "that is why they are rich." Conwell's pious message was reaffirmed in his belief that it was every man's "Christian and Godly duty" to seek wealth. A similar message was broadcast by a Methodist minister, Daniel Wise. Wise synthesized the Protestant success formula into a few words when

87 John W. Chadwick, Rich and Poor (Boston, 1885), p. 89.


90 Ibid.
he advised a group of young men that, "Religion will teach you that industry is a Solemn Duty you owe to God, whose command is, 'Be Diligent in Business.'"  

The notion that business was itself a highly moral enterprise was emphasized by the educator, Theodore Parker. Parker noted that the spiritual and material were united in business. He did this by describing the merchant in moral terms as:

a moral educator, a church of Christ gone into business--a saint in trade... the Saint of the nineteenth century is the good merchant. He is wisdom for the foolish, strength for the weak, warning for the wicked, and a blessing to all. Build him a shrine in Bank and Church in the Market and the Exchange... no Saint stands higher than the saint of trade.

At the summit of this veritable mountain of success literature was an ex-Unitarian minister named Horatio Alger, Jr. Alger was and is the apotheosis of the American apostle of success. From Ragged Dick to Mark, The Match Boy Algers characters forged their way to success by dint of hard work and determination. (It should be noted success for Alger's heroes, meant middle class respectibility and involved fortuitous meetings and plain old luck.) The traditional traits of the American Protestant work ethic were affirmed as the steps to success. In short, working hard to get ahead was the dominant message in Alger's

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91 Daniel Wise, Young Man's Counsellor, pp. 129-130.

92 Quoted in Wyllie, pp. 61-62.

books. It was a message that affirmed the qualities of a good character as axiomatic in any climb to success. Witness the closing lines of Alger's work, Struggling Upward:

So, closes an eventful passage in the life of Luke Lurkin. He has struggled upward from a boyhood of privation and self-denial into a youth and manhood of prosperity and honor. There has been some luck about it, I admit, but after all he is indebted for most of his good fortune to his own good qualities.94

In the end, the success ethic and its accompanying doctrine of self-help were aspects of a broader Protestant-American ideology. It could act as a defense against the cries of social critics who found the light of American opportunity fading out due to the exploitative practices of a monopolistic capitalism and the close of the safety valve (whether real or imagined) of the American frontier. The anxiety voiced by these critics struck at the foundation of the American work ethic: Many wondered whether hard work still paid off in moral and material rewards. This same sentiment was voiced by the liberal editor of The Nation, E. L. Godkin:

So many great fortunes are now made, every year, by lucky strokes, or by a sudden rise in the values of property over the vast field opened, in our day to enterprise and speculation... that the old mode... by slowly "working one's way up," by frugality, the practice of industry and the display of punctuality and integrity merely95 may be said to have fallen into disrepute.


An even stronger disregard for the Protestant-American notion of success in a land of opportunity was expressed by the Progressive economist, Richard T. Ely:

If you tell a single concrete working man on the Baltimore and Ohio Railroad that he may yet be the President of the company, it is not demonstrable that you have told him what is not true, although it is within bounds to say that he is far more likely to be killed by a stroke of lightening. 96

That American success literature expanded in response to this frontal attack on an emerging entrepreneurial elite is not surprising. The two cannot be understood in isolation of one another.

Still, this does not mean that the success ethic was merely an ideological defense employed by greedy capitalists. On the contrary. When businessmen-philanthropists spoke the words of self-help they attempted to do more than keep the little man in his place, for they were intent on religion, laissez faire economics, and an optimistic belief in progress. For instance, John D. Rockefeller expressed his belief that self-help was a necessary element in any philosophy of philanthropy. This meant that philanthropy should not be directed in an indiscriminate manner; nor should it disable people by making them dependent on alms. The "best" investment, according to Rockefeller, would produce jobs for people and not hand-outs. 97 Implicit in this notion of creating useful labor is the idea that one should help those


97 John D. Rockefeller, Random, p. 142.
who help themselves. Rockefeller was very explicit about this
"fundamental thing" in all philanthropy:

If the people can be educated to help themselves, we strike at the root of many of the
evils of the world. This is the fundamental
thing, and it is worth saying even if it has
been said so often that its truth is lost
sight of in its constant repetition.
The only thing which is of lasting benefit
to a man is that which he does for himself.
Money which comes to him without effort on his
part is seldom a benefit and often a curse."98

Coupled with this discourse on the virtues of self-help was Rockefeller's
strong belief that success rested on the attributes of a sound,
Christian character; a character that does not drive a man to take
from the world, but a character that demands that he give to the world:
"The man will be most successful who confers the greatest services on
the world."99 The obverse of this statement was also true, according
to Rockefeller: "... the failures a man makes in his life are due
almost always to some defect in his personality, some weakness of body,
or mind, or character, will, or temperament."100 From this point,
Rockefeller leaps to the conclusion that the individual and not society
can correct economic inequalities. This, indeed, is an ideological
defense of the status quo:

98 Ibid., p. 152.
99 Ibid., p. 143
100 Ibid., p. 153.
It is my belief that the principle cause for the economic differences between people is their difference in personality, and this it is only as we can assist in wider distribution of those qualities which go to make up a strong personality that we can assist in the wider distribution of wealth. 101

Rockefeller, as he himself inferred, was not the only one to express a belief in the virtues of self-help. Nor was he the only businessman-philanthropist to incorporate this mind-set into his philanthropic giving. In fact, the majority of men who gave large sums of money to develop or found American colleges and universities in the late nineteenth century regarded the money spent on the field of education as a form of philanthropy presented to a deserving group of people; a group that was being helped because they were also helping themselves. This philanthropic policy was, as we shall soon see, an integral part of Andrew Carnegie's philosophy of philanthropy. For Carnegie regarded education as a ladder upon which the aspiring poor could climb and thus prosper by the work of their own hands and minds.

Let us, turn to the philanthropic theory and practice of Andrew Carnegie. In doing so we will discover how a representative businessman-philanthropist of the Gilded Age dealt with the American success ethic and with the whole complex of thoughts and events that helped shape the educational philanthropy of the late 1800's.

Business and Philanthropy: Andrew Carnegie as a Representative Model

Before proceeding with an investigation of Andrew Carnegie's philosophy and practice of philanthropy, it seems appropriate to first

101 Ibid., p. 154.
focus on the evolving business ideology of post-bellum America. We have viewed this ideology from the vantage point of educational philanthropy, finding several themes of thought that, taken together, have both formed and informed the mind-set of American businessmen-philanthropists. These themes, however, do not fully consider the more economically-rooted aspects of the American scene. Nor do they come to grips with the shifting economic infrastructure upon which this business ideology was built. This changing economic base is not now to be exhaustively dissected. Rather, we will look at it in relational terms, attempting to illustrate the fundamental socio-economic dynamics of the post-bellum period; a conflict-ridden time, it demanded that America's emerging business elite create a new ideological apparatus of defense.

These major socio-economic changes fall into three broad categories: (1) the accumulation of huge amounts of capital in single enterprises that were often monopolistic in their efforts to control entire branches of industrial life; (2) the development of a small but incredibly wealthy entrepreneurial class of unprecedented power; (3) the development of a propertyless class whose chief characteristics were its massive numerical proportions and its staggering economic immobility.102

These conditions produced a fantastic array of tensions between the 'haves' and the 'have nots'. They also produced a high degree of anxiety within a broad stratum of a middle class that felt that the pressures of organized capital and organized labor. This tense

102 Metzger, p. 43.
situation, which was continually compounded by an increasing concentration of wealth, meant that America's entrepreneurial elite would have a difficult time defending its new position of power. From labor strikes to the religious criticism of the social gospel to the demanding character of populism and patrician reform, American businessmen were hit hard. Critics claimed that a cause-effect relationship existed between business practices and social dilemmas. The relationship was depicted by writers like Henry George and Edward Bellamy whose social consciences were offended by the brutalities of America's industrial revolution. It was also portrayed in more statistical studies. Charles B. Spahr, for example, prepared an essay on the distribution of property. He studied New York City's surrogate court records for three months of 1892, and then compared them to the 1850 figures of four free states. He found that New York's top 53 estates had a value of 12,432,511 dollars, whereas the bottom 704 were worth 590,172 dollars. The 1850 figures, on the other hand, showed that of 11,911 people owning realty, only two individuals owned realty worth 50,000 dollars or more. 103

These critics were representatives of a broad-based social criticism directed against an impersonal business leadership. Businessmen began to realize that their status was being undermined; that the old ideological justification for wealth were beginning to buckle under the weight of criticism. The severity of the situation was reflected in several pronouncements of eminent business figures of the period. These pronouncements soon produced a growing chorus of support for the virtues

103 Ibid., p. 46.
of an ever-increasing concentration of wealth. Andrew Carnegie supported the group by declaring, in an authoritative manner, that the "great inequality of environment" is the price that must be paid for "the concentration of business, industrial and commercial" life.104 Neither was Russell Sage to pale before the great socio-economic differentiation of industrial society:

To rail against the accumulation of wealth, is to rail against the decrees of justice. Intelligence, industry, honesty and thrift produce wealth... So long as some men have more sense and more self-control than others, just so long will such men be wealthy, while others will be poor.105

This ideological defense of capitalist accumulation was produced in an effort by this new entrepreneurial elite to acquire a de jure recognition by a suspicious public. That this was indeed a difficult task was underlined by the iron master, Abram Hewitt:

The problem presented to systems of religion and schemes of government is, to make men who are equal in liberty--that is, in political rights and therefore entitled to the ownership of property--content with that inequality in its distribution which must inevitably result from the application of the law of justice.106

The 'law of justice' that Sage and Hewitt alluded to did not seem to empress the steel workers at Carnegie's Homestead plant or Pullman's


railroad workers or the small farmer that was slowly robbed by the railroad. They all rebelled. Rebellion produced a counterreaction: entrepreneurs realized that they had to stem the tide of revolt by building an ideological bridge between the rich and the poor. The emergence of such an ideological gap is not uncommon. It is a phenomenon that has been illustrated by several historians. Walter Metzger, in fact, describes the condition as an essential aspect of ideology: "In a democratic society, the purpose of ideology is to enable a group to acquire new power or to make acceptable the power it has already acquired."\textsuperscript{107} The problematic nature of this ideological abyss is also portrayed by Thomas Arnold in his book, \textit{The Folklore of Capitalism}. In it, he makes the generalization that "laws and morals are always arrayed against new groups which are struggling to obtain a place in the institutional hierarchy of prestige."\textsuperscript{108} Again, this problem, the resistance of thought-systems, of entrenched ideologies against the emergence of new and powerful interests, has been shown to be a key element in the study of intellectual history.\textsuperscript{109}

There was much in the American past that militated against the new entrepreneurial elite of the post-Civil War era. The group had broken with old stereotypes. Instead of being the heroes of American life

\textsuperscript{107} Metzger, p. 40.


they were becoming its villians: A business ideology that praised the
virtues of hard work could not handle the shrewd speculations and
sharp practices of business monopolies relying on favoritism and
political corruption. In addition, this entrepreneurial elite was
entirely too rich; a situation which contradicted the American
egalitarian tradition of natural rights which guaranteed an equality
of opportunity for all men. This economic scenario even contradicted
the laissez faire philosophy of the old business creed—even Adam Smith
opposed the stifling atmosphere of trusts and monopolies. And finally,
the entire social scene with its strong division between rich and poor
(itsel itself a product of capitalist accumulation) was regarded as a sinful
condition by a strong strain of Christian thought.110

These emerging historical trends were ideologically problematic.
Businessmen answered the dilemma by devising new formulas based on a
Protestant-capitalist ideology. Yet these efforts were not elements
of a conscious conspiracy; rather, they were part of an ideological
defense permeating the theory and practice of late nineteenth century
businessmen-philanthropists. It is our task to show that this emerging
ideology acted as the foundation and framework within which the three
ideological themes of this investigation operated.

When we continue by investigating the philosophy of philanthropy
of Andrew Carnegie, we should realize that his theory and practice, in
both business and philanthropy, was profoundly influenced by this under­
riding ideological task of coming to terms with the fragmented (and often

110 Metzger, pp. 49-54.
hostile) nature of a rapidly changing industrial society. His educational philanthropy can only be understood as an element within this broader ideological matrix.

The choice of Andrew Carnegie as a representative figure in the world of late nineteenth century businessmen-philanthropists is based on pure practicality: Carnegie's ideas are readier for analysis than any other businessman-philanthropist of his time. For, as Allen Nevins noted, "Our industrial leaders have usually been inarticulate; those who possessed gifts of expression, like Carnegie, John Wanamaker, or Abram S. Hewitt, have been rare." Added to this purely pragmatic consideration is the fact that Carnegie's philanthropic philosophy--particularly his essay "Wealth"--had a powerful impact on many of his successful contemporaries; a list that included such men as John D. Rockefeller and Charles Pratt. Other business leaders such as Stanford and Vanderlip, shared Carnegie's belief in a vocational education that was easily accessible to the masses. And finally, Carnegie produced a consistent response to the ideological dilemma of big business. In the end, it was only his strong devotion to Spencer that was not shared by a significant number of his peers.

Andrew Carnegie was the apotheosis of the great American success story. Here was a refugee from Scotland; a man who with little education rose from the obscurity of genteel poverty to the fame and

111 Allen Nevins, John D. Rockefeller: The Heroic Age of American Enterprise, V. II (New York: Charles Scribner's and Sons, 1940),

112 Metzger, p. 89.
fortune of an international celebrity. Carnegie, was the son of a "well-to-do master weaver" who had lost his bustling middle class enterprise to the fierce competition of the factory system. Due to this loss, the family emigrated to the United States. Shortly after landing in their first American home--Alleghany City, Pennsylvania--Carnegie, youth of 13, went to work as a bobbin boy. From this dismal occupation he moved to the more flexible position of a messenger boy in a telegraph office. And it was there that he came in contact with Thomas Scott, a superintendent of the Pennsylvania railroad. Scott asked for Carnegie's services as a telegraph operator. Carnegie accepted and after 13 years became the superintendent of the Pittsburgh division.

From this station, Carnegie and Scott began making business investments. These investments would eventually lead them to the new industrial phenomenon of steel production. Carnegie, as is well known, developed these early steel interests into a multi-million dollar empire. When, in 1901, he sold his steel interests (holdings which were to be called the United States Steel Corporation) he was one of the richest men in the world.

Carnegie was no plutocratic miser. He fervently espoused a new doctrine of philanthropic giving that would enable his phenomenal wealth to be spread across the nation and indeed the world. This philosophy of philanthropy was articulated in a now-famous essay written

in the 1889 edition of the *North American Review*. The essay was simply entitled, "Wealth." Its opening line was straight-forward and unequivocal: "The problem of our age is the proper administration of wealth; that the ties of brotherhood may still bind together the rich and poor in harmonious relationship."\(^{114}\) Here was an avenue out of the ideological morass that America's entrepreneurial elite was bogged down in. Rich and poor would find harmony in the proper administration of the fabulous fortunes produced by the Gilded Age. This blatantly paternalistic proposition allowed Carnegie to safeguard his own self-interests without contradicting his new-found faith in a social Darwinism that portrayed society as one aspect of a comprehensive struggle for existence. This Darwinian scenario partially supplanted Carnegie's Calvinistic heritage; it was a smooth transition from one set of winners to another; an attempt to provide scientific answers to pressing personal problems.

Spencerian philosophy permeated Carnegie's writings. And, as we have already noted, he regarded the brutalities of the law of competition as the unalterable price of progress: "It is here, we cannot evade it; no substitutes for it have been found; and while the law maybe sometimes hard on the individual, it is best for the race, because it insures the survival of the fittest in every department."\(^{115}\) This amounted to a defense of the status quo. Social critics, it appeared, might as well rail against the law of gravity as to complain about the present dispensation:


\(^{115}\) Ibid., p. 655.
We accept and welcome, therefore, as conditions to which we must accommodate ourselves, great inequality of environment; the concentration of business, industrial and commercial, in the hands of the few; and the law of competition between these, as being not only beneficial, but essential to the future progress of the race.\[116\]

Carnegie continued his defense of capitalist accumulation stating that the progress of civilization depended upon this progress. Thus, the accumulation of wealth could not and should not be eradicated. In fact, the erosion of the individualistic foundation of social progress would militate against human nature. Man, it seemed to Carnegie, was naturally individualistic, not communistic or socialistic.\[117\]

Why, Carnegie asked, should we erase successful individuals from the social scene just because they did not live up to our every expectation? We might as well "urge the destruction of the highest existing type of man because he failed to reach our ideal as to favor the destruction of individualism, private property, the law of accumulation of wealth, and the law of competition; for these are the highest results of human experience."\[118\]

Coupled with this defense of the economic status quo was Carnegie's belief that the problems between the rich and the poor were solving themselves. The millionaire not only distributed his money by spending it on needed goods and services; but he also, in many cases, made

\[116\] Ibid.

\[117\] Ibid, p. 656.

\[118\] Ibid., p. 657.
commodities cheaper by advancing the mode of production. The mass production of steel would be a case in point. Thus, the gap between rich and poor would gradually close due to industrial and technological progress.  

With this ideological fortress secured, Carnegie restated the problem his critics had been voicing: Since the by-product of the law of competition was a severe disparity in the distribution of wealth, this system, which was ultimately in the best interests of humanity, gave rise, according to Carnegie, not to revolutionary change, but to a question of the proper administration of wealth. Carnegie, in short, had placed a large pair of ideological blinders on the horse of social reform. Big business would now have an ideological shield. But what did this mean for philanthropy.

Carnegie commenced his analysis of philanthropic giving by pointing to two traditional, though poorly conceived, channels through which surplus wealth might flow. The first of these was that of leaving wealth to one's family. Carnegie detested this approach. It was an injudicious course of action, an unnecessary disservice to one's family. Inherited riches, according to the steel baron, robbed a man of motivation and initiative: "There is nothing so enervating upon the qualities which lead to the highest achievement, moral or intellectual, as hereditary wealth." Disfavor with inherited wealth was also apparent in the following declaration: "I would as soon leave to my son

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120 Ibid., p. 10
a curse as the almighty dollar." Inheritance, in other words, should be treated for what it was: not the welfare of children and wives, but an expression of family pride and arrogance.

A second alternative involved giving surplus wealth for public purposes after one's death. For Carnegie, this method had several pitfalls: (1) It lent itself to family conflicts and to the impossibility of being able to control one's money; (2) often its real object was thwarted; and (3) the notion of holding one's surplus wealth for a lifetime was selfish in fact, Carnegie regarded the entire position as a selfish stance toward life:

> Men who leave vast sums in this way may fairly be thought men who would not have left it at all had they been able to take it with them. The memories of such cannot be held in grateful remembrance, for there is no grace in their gifts.

That Carnegie truly believed in the selfish nature of these first two methods of philanthropic giving is reflected in his belief in a strict enforcement of inheritance taxes:

> The growing disposition to tax more and more heavily large estates left at death is a cheerful indication of the growth of a salutary change in public opinion.

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122 Ibid.

123 Ibid., p. 659.

124 Ibid.
Again, "By taxing estates heavily at death the state marks its condemnation of the selfish millionaire's unworthy life." This was the moral indignation of a man who rejected the structures of Spencer's view of taxation by opting for the platitudes of a Protestant ideology of wealth.

Having rejected these two philanthropic policies, Carnegie presented his own philosophy. The logical alternative to giving after one's death was, for Carnegie, giving while one was still alive. The advantages were legion. For one, the benefactor could control his giving as well as release his wealth for a broad range of purposes that included the amelioration of the economically-induced tensions existing between the rich and the poor:

...in this we have the true antidote for the temporary unequal distribution of wealth, the reconciliation of the rich and poor--a reign of harmony--another ideal, differing, indeed, from that of the Communist in requiring only the further evolution of existing conditions, not the total overthrow of our civilization.

This was Carnegie's ideological shield, protecting himself and his entrepreneurial elite against social and political assault; it was social change without financial pain--a paternalism writ large.

The same paternalistic spirit, couched as it was in the rhetoric of the self-made man's Protestant ideology of success, animated the form and content of Carnegie's major message to the man of wealth. The rich man was duty-bound:

125 Ibid.
126 Ibid., p. 660.
To set an example of modest, unostentatious living, shunning display of extravagance; to provide moderately for the legitimate wants of those dependent upon him; and, after doing so, to consider all surplus revenues which come to him simply as trust funds, which he is called upon to administer in the manner which, in his judgement, is best calculated to produce the most beneficial results for the community--the man of wealth thus becoming the mere trustee and agent for his poorer brethren, bringing to their service his superior wisdom, experience, and ability to administer, doing for them better than they would or could do for themselves.  

Here were the guidelines to the practice of a new 'scientific' philanthropy. No idiosyncratic philosophy of philanthropy, this was a system of scientific management, the counterpart of the efficient business sense that made Carnegie and America great. Yet this new plan had much in common with older brands of philanthropic thinking. For instance, Carnegie's belief in a course of moderation and temperance for the wealthy man, as well as his belief that the business benefactor was but a "trustee" and a "mere agent" for humanity is nothing more nor less than a thinly-veiled restatement of the Christian doctrine of stewardship. This doctrine, with its belief in helping only the deserving, is implicit in Carnegie's own statement regarding the pitfalls on the path to a sound method of charitable giving: Those who would administer wisely must, indeed, be wise; for one of the serious obstacles to the improvement of our race is indiscriminate charity.  

127 Ibid., pp. 661-62.

128 Ibid., p. 662.
Carnegie continued by supporting his secularized version of stewardship, (which included a faith in a social Darwinism that prohibited the indiscriminate support of nature's unadapted weak):

It were better for mankind that the millions of the rich were thrown into the sea than so spent as to encourage the slothful, the drunken, the unworthy. Of every thousand dollars spent in so-called charity today, it is probable that nine hundred and fifty dollars is unwisely spent—so spent, indeed, as to produce the very evils which it hopes to mitigate or cure.  

That this philosophy of philanthropy was a strange blend of religion and science was affirmed in the closing lines of Carnegie's essay. He stated that the true "Gospel Concerning Wealth" would solve the problem of rich and poor and bring "Peace on earth, among men Good-Will."  

The Protestant ideology running throughout the fabric of Carnegie's writings can also be found in his philanthropic practice. For instance, in an address given at Union College, Schenectady, New York on the uses of wealth, Carnegie reiterated the old Protestant point that poverty is the mother of success:

It is the fashion nowadays to bewail poverty as an evil, to pity the young man who is not born with a silver spoon in his mouth; but I heartily subscribe to President Garfield's doctrine, that 'The richest heritage a young man can be born to is poverty.' I make no idle predication when I say that it is from that class among you from whom the good and the great will spring...." 

\[129\] Ibid.  
\[130\] Ibid., p. 664.  
This belief in the benefits of poverty was predicated, at least in part, on the assumption that poverty encouraged the development of the character traits of hard work and perseverance endemic to the Protestant ethic. These characteristics were also traits of the winners in the continuing drama of Spencer's survival of the fittest. However, these traits could not be produced in the luxurious environment of the idle rich:

"It is not from the sons of the millionaire or the noble that the world receives its teachers, its martyrs, its inventors, its statesmen, its poets, or even its men of affairs. It is from the cottage of the poor that all these men spring."

In this same address Carnegie repeatedly affirmed his support of the dominant values of the Protestant work ethic. If this ethic was followed one would find success. Success would come from an employer who was not looking for more capital, but for "ability, character, and good, thrifty habits."133

Protestant ideology was also implicit in the sequel to the essay, "Wealth,"--"The Best Fields of Philanthropy." In this second essay Carnegie again described the major stumbling block to scientific philanthropy--knowing to whom to give one's money. The question was especially intense because Carnegie feared that indiscriminate charity was personally and socially debilitating. Carnegie answered the question by stating that charity should only be administered in a manner

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132 Ibid.
133 Ibid.
that would efficiently channel resources to the "best" and "most aspiring" poor of the community:

The individual administrator of surplus wealth has as his charge the industrious and ambitious; not those who need everything done for them, but those who, being most anxious and able to help themselves deserve and will be benefitted by help from others and by the expansion of their opportunities by the aid of the philanthropic rich. 134

This theoretical thrust was in harmony with Carnegie's understanding of both Spencer and Christ. Both men affirmed an important point applicable to Carnegie's philosophy: "...to help those who will help themselves; to provide part of the means by which those who desire to rise the aids by which they may rise; to assist, but rarely or never to do all." 135

Anxiety over whether or not he would choose the best recipient reflected Carnegie's scepticism concerning his giving. But this scepticism was tempered by his attachment to four nineteenth century philanthropists: Enoch Pratt, Peter Cooper, Charles Pratt, and Senator Leland Stanford. These men were pragmatic entrepreneurs and discriminating stewards. They were, in Carnegie's words, men

... who know that the best means of benefitting the community is to place within its reach the ladders upon which the aspiring can rise--free libraries, parks, and means of recreation, by which men are helped in body and mind; works of art, certain to give pleasure and improve

134 Andrew Carnegie, "Best Fields For Philanthropy," CXLIX (December, 1889), pp. 685-86.

the public taste; and public institutions of various kinds, which will improve the central condition of the people....

A common thread running through Carnegie's scheme of giving was that of helping the 'deserving' to help themselves; a process that would not create the evil of poor people depending on the narcotizing nature of alms. The concrete manifestations of this thesis came in the form of seven key areas which could best fulfill this philosophy. The seven fields best deserving support were: (1) the founding of a university; (2) the support of a free library; (3) the founding or extension of hospitals, medical colleges, and laboratories for the prevention of human ills; (4) public parks; (5) public halls; (6) city baths; and (7) the support of one's particular church.¹³⁷ The philanthropist, according to Carnegie, would not be in danger of pauperizing any individual or institution by support these vital areas of life. This was guaranteed by a qualifying note attached to most all of Carnegie's support: beneficience was conditional on joint support. For instance, free libraries—which Carnegie considered to be the "best" gift which could be given to a community—had to be "maintained" by the community as an "adjunct" to the public schools. Part of this maintenance included the crucial function of providing libraries with books, for Carnegie never gave a book.¹³⁸ The notion of self-help in

¹³⁶ Ibid.


¹³⁸ Ibid., 689.
philanthropy—the purcursor to the contemporary phenomenon of matching funds—was applied, by Carnegie, to many other projects, including city baths, and the Hero Fund.

Educational philanthropy was also a fundamental aspect of Carnegie's giving. Besides free libraries, which he regarded as free universities for the masses, Carnegie began in 1905, a fifteen million dollar pension fund for retired university professors. The fund (The Carnegie Foundation for the Advancement of Teaching) was to supplement the meager salaries of college and university professors. There was, according to the steel king, "not one person have I ever placed upon the pension list that did not fully deserve assistance. It is a real roll of honor and mutual affection. All are worthy." In this process of subsidization, Carnegie began to stipulate what standards a college must attain to quality for pension funds. Educational endowments, in other words, were to be instrumental in driving colleges and universities into the educational framework that Carnegie had created; otherwise, they would risk losing their professors to schools that did benefit from Carnegie funds. In the end, the Carnegie Foundation became, not a conscious conspiracy to control higher education, but the unofficial national college accrediting agency.


140 Ibid., p. 268.
Another instance of Carnegie's educational philanthropy was a gift of ten million dollars worth of five percent bonds to Scottish universities. One half of the revenue from this sum was to be used to "improve" the universities, and the other half would be used to pay the fees of "deserving poor" students who could not otherwise attend the university. This pledge was in harmony with Carnegie's prevailing belief in self-help. 141

In America, Carnegie's educational philanthropy was also directed to the field of higher education. Though sceptical about the virtues of a classical curriculum, a curriculum that was not technically and vocationally oriented, Carnegie gave millions of dollars to the support of higher education. This was especially true after 1900. Yet Carnegie's philosophy of philanthropy did not always jive with the practice. That is, this practice often contradicted the course of action that his social Darwinism suggested. Beyond the initial fact of giving, this philosophy should have instructed Carnegie to support educational winners, schools that were strong and successful. But Carnegie was to ignore his own advice: He gave to many small colleges, such as Hampton and Tuskegee, for he liked their technically and vocationally-oriented curriculum. He also felt that small colleges were more in need of his support:

The question of aid to our own higher educational institutions often intruded upon me, but my belief was that our chief universities, such as Harvard and Columbia, with five to ten thousand students, were large

141 Ibid., p. 258
enough; that further growth was undesirable; that the smaller institutions (the colleges especially) were in greater need of help and that it would be a better use of surplus wealth to aid them. Accordingly, I afterwards confined myself to these and am satisfied that this was wise.142

Whether Carnegie developed this perspective out of his own disdain for the classical curricula of the major universities--themselves rapidly moving toward curricular innovation and expansion--is questionable. Though there seems to be little doubt that this consideration was an aspect of his argument, the most fundamental consideration involves the fact that Carnegie was much more interested in the advancement of knowledge through scientific research conducted by agencies such as the Carnegie Institute of Washington. At heart, Carnegie was a pragmatic industrialist.143

Andrew Carnegie's philanthropy was often directed toward the support of educational enterprises. In fact, when education is defined in its broadest sense, which would include free libraries, pension funds for teachers, research, and college endowments, it can be said that the great majority of Carnegie's fortune (perhaps 80 percent or more) was devoted to the promotion of education.144

142 Ibid., pp. 262-63


144 Ibid., p. 832.
Educational philanthropy was so important because it fit the ideas of the gospel of wealth so well: it was a ladder which the aspiring poor could climb, a mechanism of self-help that meshed with the enduring demands of a Christian stewardship of wealth. Educational philanthropy was also part of a prevailing American faith in the schools as a cure if not a panacea for personal and social problems. That Carnegie's philanthropic program was also colored by the hand of social Darwinism seems to be secondary. In fact, Carnegie often ignored many of Spencer's precepts, particularly his refusal to support public education and community services. Where Carnegie did follow Spencer was in his espousal of an individualistic ethic that regarded men of wealth as victors in the struggle for existence. These victors, according to Carnegie, should only help those who 'deserve' help; they should, in other words, only help those who help themselves.

In the end, Carnegie was a representative model of an emerging ideology of the businessman-philanthropist of the Gilded Age. The values of diligent work in a calling, the stewardship of wealth, and an ethic of self-help and success—all aspects of an endemic Protestant-American ideology—were coupled with a compatible admixture of social Darwinism to produce an individualistic ideology that was instrumental in defending the exploitative nature of an emerging entrepreneurial elite. Part and parcel of this ideology was a paternalistic philosophy of philanthropy that often included a perversion of traditional Protestant doctrine; a doctrine that was altered in an attempt to protect the self-interest of individuals and institutions in an American society caught in the conflicts of change.
In sum, Carnegie's gospel of wealth was essentially a restatement of the doctrine of stewardship: "The gospel of wealth but echoes Christ's words." Delivered within the framework of a 'scientific' philanthropy, The plan eventually contradicted Carnegie's message by replacing the hope that the millionaire would give his surplus wealth away in his lifetime with the reality of giving it to a philanthropic foundation. Thought this transition opened the door to a new era in this history of American educational philanthropy, it did not change Carnegie's enduring belief that a man who dies rich dies disgraced.  


The opening decade of the twentieth century proved to be problematic for America's entrepreneurial elite. The revolt against the individualistic ethic of a debilitating laissez faire capitalism that had begun in the late 1800's was to continue into the new century. The issues of social and economic injustice that drove Populists and patricians, as well as social critics like Henry George and Edward Bellamy, to demand that limits be placed on the activities of America's business elite, were also issues that led the urban middle class of the twentieth century to demand that new legislative restrictions be placed on the growing powers of industrial trusts and monopolies. Business, in a word, was still riding on the rough waters of political and economic reform.

Central to this new age of reform was the belief that an increasingly industrialized and urbanized society could no longer operate under the illusion that an individualistic creed of fierce competition— the rallying point of social Darwinists and classical economists— was the correct moral and economic standard for American life. On both planes, in fact, this creed was found to be failing by American Progressives: (1) it failed as a description of a business community that had found cooperation, not competition, to be the key to
financial success (witness the abundance of trusts and monopolies); and (2) it failed as a description of the correct moral life, for brutal competition had driven one 'little man' after another to the wall. Could a nominally Christian nation call this action anything but immoral? Could a politically and economically outdistanced middle class calmly sit back and watch its self-interests be dashed against the rocks of an emerging plutocratic empire of unfathomable proportions? Progressives were out to set limits.

But the Progressive era was more than a continuation of nineteenth century reform. It added its own unique notes to a growing chorus of social protest. These notes were to echo through the twentieth century, leaving their mark on the minds of our own age. What, then, was this unique contribution that the Progressive age gave to modern American reform?

An essential element in this new era of reform was the fact that the urban middle class was caught in a tenuous position between organized capital and organized labor; it was also less tied to the traditional security (political and personal) that had been provided by the ownership of land. Coupled with this fact was yet another poignant reality: a 'status revolution' was taking place in American society, eroding the traditional status of middle class groups in the villages, towns, and farmlands of a largely agrarian America. Large towns, big industry, and huge fortunes were displacing the communal spirit and personal power and identity afforded by a less urbanized and industrialized America.¹

Given this gradual fragmentation of a rather cohesive social fabric—a condition that was exacerbated by the influx of millions of southern and eastern European immigrants—it is no wonder that the mainstay of the Progressive movement, middle class urbanites, longed for a crack-down on the "corruption" of both business and industry. (Incidentally, it is also no wonder that many Progressives participated in the act of American nativism, fearing and resenting an immigrant population that was transforming America into a highly complex, heterogeneous population. Again, we have the Progressive hunger for homogeneity, the need for the cohesive security of a seemingly simpler life.)

This moralistic message was common to the Progressive era's "muckraking" journalism. From Ida Tarbell's devastating study of the Standard Oil Company to Lincoln Steffens' great call for municipal reform, "The Shame of Minneapolis," to Ray Standard Baker's articles on the abuses of labor unions, muckraking journalists covered the pages of popular magazines like McClures, Collier's, and The American Magazine with social, political, and economic exposes. A popular voice of Progressivism, these articles experienced their peak popularity in the first nine years of the twentieth century. Yet these exposes and cries of moral indignation were not the clarion call of an emerging revolutionary group; rather, they represented an effort by middle class journalists and intellectuals to advance the political interests and emotional concerns of an anxious middle class; it was, according to the astute political commentator, Peter Dunne, not a revolution, but "th' people in th' United States batin' a carpet."  

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2Quoted in Goldman, p. 136.
The stick Progressives used to bat the carpet of corruption was a potentially powerful force indeed: local, state, and federal governments. It was good Progressive doctrine to state that different levels of government, given an efficient level of scientific management, could create a system of laws that would regulate activities of business and industry and thus put effective limits on sharp practices of a corrupted capitalism. And once this regulatory apparatus was in place, according to Progressive argument, the essential soundness of the American system of democratic government would both prosper and persevere.

Compulsion to alter an America that had drifted too far from its sturdy agrarian roots was essentially a reaction and response to a fantastic rate of industrial and technological change. Henry Adams spoke for an entire generation when he described the world of 1900 as transformed, entirely different from that of 1860. He wondered whether new inventions, new industry, new urban centers, and the new technology making it all possible really represented "progress." In questioning progress, in doubting the accomplishments of their world, Progressives often saw that progress was at best a trade-off. Large urban centers and new gadgets might represent an undreamed of freedom for some, but they also meant a loss of communal cohesion and personal identity that, in a fundamental sense, spelled social fragmentation for the great masses of men. On the other hand, these Progressives were modern men themselves; they believed, with intellectuals like Lester Frank Ward and Walter Lippman, that men were not marionettes in a predestined puppet show (a la social Darwinism).
According to many Progressives, intelligent men could and did control the very conditions they had created. This control, as we have said, meant, for the Progressives, a rationally planned society led by cadres of experts. Experts would put their knowledge to work to turn the immoral anarchy of capitalist production and competition into a humanely controlled and planned society--a world of democrats and not plutocrats; an age of reason whose goals would be, to paraphrase Walter Lippman, not the debilitating drift of a greedy capitalism, but the mastery of a planned Progressivism. Of course, all of this could only take place given a highly political encounter with the capitalist state itself, for the experts could only institute their plans by gaining access to the federal government. Once this was accomplished (and here it should be noted that many Progressives fell under the unfortunate illusion that they were removing their moral concerns from the realm of politics) society would be on its way to a well-balanced and well-regulated state. The "special interests" of business, industry and labor would be stopped in their tracks. And the days of spoils that had haunted the nation and the White House since the Grant administration would die a sudden death. That this new scenario was itself the embodiment of a political coup by Progressives was rarely discussed--such crass concerns rarely are discussed by moral crusaders.

A great supporter of this Progressive dream was, ironically, an aristocrat--the patrician reformer, Theodore Roosevelt. Roosevelt exemplified a new breed of politician, the Mugwump. Here was a politician who disdained politics; a representative of an elite group that found politics to be a corrupted occupation beneath its dignity as a
collection of men of wealth and culture. Roosevelt, however, was also a practical man; a man alert to the self-interests of his own group. He realized that the 'status revolution' created by the emergence of a group of nouveaux riche entrepreneurs was not only corrupting American social and political life, but was eroding the traditional powers of his own group as well.

Roosevelt's answer to this dilemma was to lash out at "malefactors of great wealth," using the big stick of government intervention. Roosevelt began this process by beefing up the Sherman Antitrust Act of 1890. He also helped push through Congress one legislative act after another in an attempt to stop corporate corruption. A more effective restriction of railroad rebates, an increased activity in the Interstate Commerce Commission, a pure food and drug law, the initiation of federal attention in the neglected field of workmen's compensation, government intervention in the anthracite coal mines of Pennsylvania (the first time the federal government had ever tried to mediate directly a labor strike) and forays into the field of child labor were all obstacles that this Progressive administration placed on the path of business and industry. The days of laissez faire were thus fading into the nation's past; a new age was dawning.

No witness to this brief sketch of American Progressivism should assume that this social-political position represented the extreme left in the political spectrum of the prewar years; on the contrary, these years gave birth to an American radicalism that surpassed any previous period of American history for its popular backing and political

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3Ibid., p. 127.
vitality. Stemming from the same political passions that enlivened populism, the radical cause of the prewar years substituted the sophisticated rhetoric of socialism for the cries of populism. Farmers, industrial workers, and middle class intellectuals joined to create the backbone of the Socialist front. Gaining support from the defenders of a defunct populism, the Socialist party railed against the special interests of corporate capitalism. As opposed to the Populists, however, the Socialists saw the need for a fundamental change in the structural make-up of capitalist society; they believed that change must take place if the victims of capitalist exploitation were to free themselves from their oppressive yoke. The Socialist challenge was supported by trade unionists, western miners (the victims of Ludlow and Cripple Creek who also gave their support to the radical cause of the Wobblies, the International Workers of the World), and refugees from the exploitative conditions in rural farmlands and industrial workshops. The powerful nature of socialism was also underscored by the fact that these prewar years were not noted for their depressed economic conditions. In fact, these were years of prosperity when compared with the extremely depressed conditions of the 1890's.

The upsurge of Socialist support was quickly translated into political power in the presidential election of 1912. The election was the culmination of twenty years of popular revolt against the political and economic domination of the country by a small but powerful group of highly privileged industrial entrepreneurs. To unfold the dynamics of this election is to take a step toward realizing that socialism's small
minority, when viewed within the wider perspective of Progressivism, was a potent part of a broad-based movement of reform.

The presidential election of 1912 was a four-cornered contest. Theodore Roosevelt had taken the wing of Progressive insurgents within the Republican party and, upon the nomination of the conservative trust-buster, William Howard Taft, bolted the party, forming his own Bull Moose Party. The rallying cry of these insurgents was the New Nationalism. The New Nationalism—a position that called for a planned economy regulated by a strong federal government—assumed that the key to an efficient and effective economy was cooperation. Since this was the case, large monopolies and corporate conglomerates were considered to be the most efficient economic arrangement. Therefore, all that these industries needed was a strong government to regulate their practices, making sure that there were no violations of fair play. Pitted against Taft and Roosevelt was the Democrat, Woodrow Wilson. Wilson and his followers marched under the banner of a New Freedom. The freedom that Wilson was talking about was economic freedom. He saw the main task of the federal government as an effort to provide the means by which business could be freed from the chains of monopoly and special privilege. Wilson, did not share Roosevelt's belief that an efficient economy was an economy dominated by a governmentally-constrained group of big businesses. He had the distrust of an intellectual, a

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5 Ibid., p. 21.
a southerner, and a friend of the small businessman. He was in a word, an avid critic of big business.

The Socialists were the remaining combatants in this four-cornered contest. The least supported and the most radical of the four, Socialists rode into the public arena on a wave of popular protest against the excesses of a business-dominated society. Led by their candidate, Eugene V. Debs, the party (whose very presence in the presidential race should be taken as a key to the radical nature of the times) gained six percent of the popular vote (901,873). In addition, Socialists captured many political posts in this election year: Boasting a membership of 118,000, the Socialist Party of 1912 held 1200 offices in 340 cities, including 79 mayors in 24 states. Indeed, socialism reached its peak amidst an incredibly reform-minded America. From the farmer to the trade unionist to the patrician to the middle class public and their intellectuals, America was concerned with reforming the new conditions brought about by rapid industrialization and urbanization. This tumultuous time was searching for a new stability on many levels: the political, the social, the economic, and, in the most fundamental sense, the cultural. Reform in this setting proved to be an unending task.

(Two newer interpretations of the Progressive era also deserve attention. The first view, advanced by Gabriel Kolko, regarded the era as a triumph of conservatism. The central reason for this rather ironic perspective lies in the fact that American business leaders realized

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that a strong, centralized government was the best means of regulating, rationalizing, and stabilizing a highly competitive market place. Instead of affirming laissez faire capitalism, business leaders were searching for the security provided by a cooperative capitalism in control of an expanded federal government capable of dealing effectively with the complexities of an advanced urban-industrial society.7

A second interpretation, offered by Robert H. Wiebe, pictures the Progressive era as a search for order within the chaos of social change. Reacting to novel conditions that reflected a shift away from the relative cohesion of agrarian America and toward a more modern, fragmented society, the product of urbanization and industrialization, the Progressive era, according to Wiebe, directed its greatest efforts toward the task of rationalizing this highly complex world. Spearheaded by a new middle class with a heightened professional conscience, this movement was characterized by the rise of bureaucratic and managerial government. That at least one segment of the business community supported every major program for federal control of the economy was, for Wiebe, ample proof of the fact that businessmen tried to make new programs of social and economic reform work for their own self-interests.8 In short, both of these insightful historians have chosen certain powerful themes within a diverse Progressive movement and held them up as the hallmark of the age.


Progressivism and the Business of Benevolence

While much of the nation was caught up in a lively rebellion against big business, many entrepreneurs, who had made their fortunes in the golden years of capitalist accumulation that was the late 1800's, were quietly establishing philanthropic foundations. These foundations were established for the express purpose of distributing surplus wealth. The first decade of the twentieth century witnessed a fantastic boom in the birthrate of these charitable organizations: While the entire nineteenth century produced five foundations, the first ten years of the twentieth century produced ten new foundations. We will soon see that two of the most prominent founders of these organizations--John D. Rockefeller and Andrew Carnegie--aptly represented the thoughts and actions of an entrepreneurial elite that wanted its personal philanthropy placed in the same organizational domain as its profitable business transactions. This, as we shall see, would become an increasingly persistent pattern of philanthropic practice.

Both men came to the conclusion that a permanent organization of large-scale philanthropy was the only feasible course of action open to them: neither man could give his money away faster than he was making it. Both men also realized that if philanthropy was to become institutionalized, there was no reason why it should not be based upon the same

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9 As a working definition, foundations will be regarded as private legal agencies created for the purpose of receiving and appropriating funds without profit to itself. In legal terms, the foundation is a charitable organization endowed for a purpose deemed "eleemosynary," and administered by a board of trustees working under a government charter.

principles of sound management that guided their profitable businesses. Concern with efficiency in organized philanthropy led John D. Rockefeller to coin a new term for the scientific philanthropy that was supplanting the idiosyncratic methods of a more personally oriented giving; he called this new empire of giving a "business of benevolence."^11

Foundations represented an attempt by business leaders to fulfill their desire to place large-scale philanthropy on the sound footing of efficient business practice. The effort was a direct continuation of Carnegie's belief that the proper administration of wealth was the key to personal and social tranquility. From Rockefeller's General Education Board to Carnegie's Foundation for the Advancement of Teaching to the Harkness Fund and the Commonwealth Fund, nineteenth century entrepreneurs channeled their millions into modern philanthropic organizations that were created in an attempt to take personal priorities (and class interests) and turn them into systematic processes of philanthropic production. As with business, philanthropy would be rationalized, systematized, and bureaucratized all in the name of a grand humanitarian spirit. And since this trend was a crucial current in the changing waters of philanthropic theory and practice, it is no wonder that John D. Rockefeller stated that "... at least the same energy and thought should be expended in the proper and effective use of money when acquired as was exerted in the earning of it."^12 If anything, this level of energy was to increase beyond all expectations as the complexities of modern

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^11Rockefeller, Random, p. 188.

^12Ibid., p. 167.
industrial society began to crowd the limits of comprehension of the individuals and institutions trying to come to grips with the dynamics of philanthropic theory and practice. In their practical efforts at understanding this world, philanthropists and their funds and foundations would gradually refashion the ideology of philanthropy that they had both created and inherited.

The 1900's witnessed little opposition to this growing trend toward the establishment of philanthropic funds and foundations. For instance, the two major supporters of benevolent trusts, Carnegie and Rockefeller, both petitioned Congress for federal charters. In 1902, Rockefeller petitioned for a charter for his General Education Board. The charter was granted without a negative comment from either the legislature or the press. The act itself was quite simple, providing for a self-perpetuating board of trustees and exemption from federal taxation. Essentially the same course of events was followed in 1904 and 1906, the years that Andrew Carnegie petitioned the government for a federal charter for his Carnegie Institute of Washington (1904) and his Carnegie Foundation for the Advancement of Teaching (1906). And all of this in the midst of a great age of reform.

But by 1910, history was to catch up with the entrepreneurs and their foundation building. In that year, John D. Rockefeller petitioned Congress for a federal charter for his proposed Rockefeller Foundation. Being international in scope, the foundation wanted the power and prestige of a federal sanction. Unfortunately, Rockefeller had chosen an inopportune moment to make his bid for a charter. Not only was his name directly associated with (if not the embodiment of) the alleged
wrongdoings of big business, but during this very year of 1910 Congress was prosecuting the Standard Oil combination for violations of the Sherman Anti-Trust Act. The evidence against the oil company was staggering, indeed; in fact, in 1911 the Supreme Court of the United States called for the dissolution of the Standard Oil of New Jersey. The political pressure became powerful enough to lead Rockefeller to drop his petition. But before he could do this, the spokesmen of a hostile Progressivism began to voice their criticisms of the philanthropic practices of Rockefeller in particular and big business in general.

The criticisms lodged against Rockefeller were, in large part, a continuation of a Progressive ideology that was strongly anti-big business. For instance, in 1905, a spokesman for the social gospel, Washington Gladden, lambasted Rockefeller for giving ill-gotten funds to the moral missions of the Congregational church. Reverend Gladden described this money as inherently "tainted" by the immoral means by which it was obtained:

The money proffered to our board of missions comes out of a colossal estate whose foundations were laid in the most relentless rapacity known to modern commercial history. The success of the business from the beginning to now has been largely due to the unlawful manipulation of railroad rates.\textsuperscript{13}

Though it later came to the surface that the Congregational church had petitioned Rockefeller for these funds, it did not diminish the profundity of Gladden's ethical question. Progressives, of course, understood the moral of the story and repeated it far and wide.

\textsuperscript{13}Quoted in Nevins, John D. Rockefeller, II, p. 538.
The same sort of criticism resurfaced during the 1910 debate over a federal charter for the Rockefeller Foundation. The editor of the influential, *The Survey*, Dr. Edward T. Devine, was a spokesman for a group of militant social workers who violently opposed Rockefeller's bid for a federal charter. Devine pointed to "the brutal power of concentrated wealth, even when embodied in a philanthropic foundation;" and suggested that it "may not always work on the side of the real public welfare." He continued by questioning the liberality of the charter, wondering whether there should be public representatives on the board of trustees of the foundation. He also advocated that foundations be subject to federal taxation.

Fear of the unregulated powers of the Rockefeller Foundation was also expressed by an anonymous senator. He feared that the unlimited growth of the foundation would take it "practically beyond the control of ordinary government restrictions." A similar concern was expressed in *The Nation*. This liberal magazine praised Rockefeller's proposed foundation for its open-ended policies—a quality of indefiniteness that could mean the support of worthwhile but diverse causes. On the other hand, *The Nation* also realized the danger of a possible abuse of power:

... the fact cannot be blinked that the lodging of such great discretionary power in a self-perpetuating body controlling a vast fund raises serious questions.

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15 Ibid., p. 902.
Progressives were thus beginning to question the limits of a business power and a business ideology that included the philanthropic practices of the oil king, John D. Rockefeller, Senior.

During this same session of the 62nd Congress, President William Howard Taft could be found agreeing with his Attorney General when the latter said that the Rockefeller proposal was an act "to incorporate John D. Rockefeller." As Attorney General Wickersham phrased it, never before had there been "submitted to Congress, or to any legislative body, such an indefinite scheme for perpetuating great wealth as this." The political pressure was too much for the oil baron. He simply turned to the state of New York, receiving a state charter without delay on April 24, 1913.

But these developments continued. One of the last acts of the 62nd Congress was to pass a bill empowering the President to create a Commission on Industrial Relations. The Commission was to be composed of nine members: three were to represent management, three labor, and three to represent the general public. Though the Commission did not include a legislator among its membership, it may be regarded as the first extensive investigation of philanthropic foundations by a governmental authority. These hearings, which were chaired by a flamboyant Kansas

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19 Ibid.
21 Ibid.
City lawyer, Frank P. Walsh, ran from 1913 to 1915.

The Commission was to cover critically problems ranging from labor conflicts in western mines to labor conditions in eastern factories. Along the way chairman Walsh revealed his own Progressive prejudices by raising the question of industry's "concentration of wealth and influence." The Commission, in other words, had the makings of a good political controversy.

In the closing months of the Commission's investigations the topic of philanthropic trusts was raised. This was in the winter of 1915. During the months of January and February, witnesses were called for the state and the defense. The state's witnesses included the labor leader, Samuel Gompers and the "people's lawyer," Louis Brandeis. Both men aptly pointed out the pitfalls of large-scale philanthropy. Brandeis' words were particularly powerful. He began his remarks with the comment that corporate control of the nation represented a "benevolent absolutism." He continued by saying that though he had thought very little about the problems of philanthropic foundations, he nevertheless felt

grace apprehension at times as to what might ultimately be the affect of these foundations when the control shall have passed out of the hands of those who at present are administering them to those who may not be governed by the excellent intent of the creators.

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22 Ibid., p. 27


24 Ibid.
Brandeis concluded by reiterating his fear of an abuse of power and in so doing termed the whole system to be "inconsistent with our democratic aspirations." 25

Variations of this Progressive theme of critical reaction to the philanthropic practices of big business were voiced by several public spokesmen. For instance, an eminent Unitarian minister, John Haynes Holmes, was an advocate of corporate socialism who testified before the Commission. Holmes projected a religious zeal in his adament stance against big business:

We have here in the midst of a society supposed to be democratic that which is essentially an autocratic system of administration, or an institution which represents power, which is, of course, simply stupendous, and that relationship therefore, of the most serious character to mankind . . . 26

Holmes followed this insight with a straightforward pronouncement on the condition of foundations: He regarded them as "essentially repugnant to the whole idea of a democratic society." 27

Other critical observations on the philanthropic practices of big business came from outside the formal realm of the Commission on Industrial Relations. An article in the Atlantic Monthly is a case in point. The article pointed out the disturbing fact that philanthropy becomes more plentiful the more anti-business sentiment increases. The efforts of muckrakers and other Progressives had prodded businessmen-philanthropists into giving to protect their own self-interests. Yet

25 Ibid.
26 Ibid., pp. 7-8.
27 Industrial Relations Commission Hearings, 8:7916.
this was not what the article's author wanted: "All the gifts by which wrongdoers contrive to cover their nakedness with the mantle of respectability, cost society more than they are worth. It would be well if gifts of ill-gotten wealth were cast back into the teeth of the giver until he gave evidence of repentance and restitution."  

Another criticism came from Edward T. Devine. Writing in The Survey, Devine affirmed the prevalent ideology of Progressive reform. But Devine was more than another knee-jerk reactionary; he knew that business practices mitigated by philanthropy were better than business "unalloyed":

... but it is no adequate safeguard for human interests. A deeper change than any that has yet been made voluntarily by business itself is essential. Industrial democracy in the spirit of philanthropy is essential; by which we mean the actual participation—not by sufferance but by established custom—the sustained and effective participation of industrial workers in determining the conditions of their work.  

Spurred on by pressures generated by this anti-business environment, Chairman Walsh used his flamboyant style to his advantage by attacking one defender of business-philanthropy after another. Walsh employed these tactics in his cross-examination of John D. Rockefeller, Junior. Walsh asked if more public service resulted from the foundations as might have been rendered through giving this surplus capital to employees. Rockefeller's reply, when viewed within the context of the times, was less than convincing:


I think my father has always felt . . . that one of the best forms of philanthropy is in the investment of money in the building up of a productive industry. I think that at the same time he has felt that while that was doubtless one of the highest and most productive forms for the use of money, that there were certain things which could best be accomplished by gifts of sums to other organizations (philanthropic foundations).30

Rockefeller again failed to persuade when he responded to Walsh's demand to know about the dangers inherent in the "interlocking directorates" of the Rockefeller philanthropies: "I should think if a man was a desirable member of one board, another that had generally the same kind of questions to deal with would be equally glad to get him, if they could."31 Interlocking directorates, for Rockefeller, were not causes for concern but the epitomy of good business efficiency. Rockefeller, moreover, felt that large foundations could not be a menace to education or to the general public, for "these foundations, as is true of all modern corporations, are subject to the reserved power of legislative bodies which created them, to modify or repeal their charters whenever the public interests require."32 This built-in safeguard against any abuse of power by philanthropic foundations meant that the younger Rockefeller could advocate "voluntary" public reports on "fiscal matters," as opposed to mandatory reports supervised by the government.33 This stance also allowed him to respond negatively to any questions concerning possible dangers that foundations might create in their work in higher education:

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30 Industrial Relations Commission Hearings, 8:7850.
31 Ibid., 8:7859.
32 Wormser, p. 8.
33 Ibid., p. 9.
"There is a possible danger, if the giver retains any kind of control; I think it unwise," Thus by formally disavowing any control of his foundation, Rockefeller and his business-based ideology could hold the line against Progressive attack.

This defensive posture was buttressed by Harvard's ex-president, Charles W. Eliot. When questioned by chairman Walsh concerning foundations as a menace to social well-being, Eliot replied in an unequivocal manner:

I have never known a charitable or educational corporation to do anything which threatened the welfare or the liberties of the American people. I have had no observation on any such corporation—or any such attempts and I have, on the other hand, seen a great deal of the activity and intelligent promotion of the public welfare by such corporations. There is in them, so far as my experience teaches me, not only no menace, but a very great hope for the republic.35

Unfortunately, the Commission on Industrial Relations was not convinced. The editors of the New York Times, in fact, concluded that "the federal inquirers appear to proceed on the assumption that the state should initiate and control educational and philanthropic organizations." This fundamental scepticism concerning the merits of modern foundations was undoubtedly a manifestation of Progressive reform. It was also the unabashed ideological position of the Commission's chairman. Walsh was so blatant in his bias that he refused to wait for the Commission's findings; instead, he produced an unsubstantiated vision of Rockefeller's philanthropic activities:

34 Ibid.
35 Industrial Relations Commission Hearings, 8:7916.
It was shown in the testimony of Mr. Rockefeller and his son and on that of the secretary and trustees of the foundation that there is hardly anything to which the enormous power of the money it employs can not be applied if Mr. Rockefeller deems it proper to apply it. I say Mr. Rockefeller, because Mr. Rockefeller is the foundation and the foundation is Mr. Rockefeller.  

The chairman was not alone in his beliefs. For the final report of the Commission on Industrial Relations, produced by its research director, Basil Manly, listed fourteen charges against philanthropic foundations. The brunt of the criticism fell along the following line: "the domination by the men in whose hands the final control of a large part of American industry rests . . . is being rapidly extended to control the education and 'social service' of the nation." This charge of "creeping capitalism" was specifically directed at the foundation work of Carnegie and Rockefeller. These foundations, the report stated, were exempt from taxation, and "yet during the life of their founders are subject to their direction for any purpose other than commercial profit." The report pressed on by stating that since the "dominant American industries form the financial backbone of most foundations, the policies of these philanthropic institutions must be inevitably colored, if not controlled, to conform to the policies of such corporations."

The Commission pointed to the Carnegie foundations as excellent examples of this hidden danger. The report chastised Carnegie for his

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38 Industrial Relations Commission Hearings, 1:81.
39 Quoted in Wormser, p. 11.
40 Industrial Relations Commission Hearings, 1:82.
attempts to control high school and college curricula through his efforts at standardization and systematization. (This contention was supported by the National Association on Normal Schools; a group that "viewed with alarm" the efforts of the foundation to "control the educational standards of the country."\(^{41}\) The Commission was particularly concerned with the implications of the "Carnegie unit" and the pension system for college professors as attempts to standardize the nation's educational system. The Commission supported this contention with the fact that many colleges had given up their religious affiliations to attain the secular status needed to qualify for Carnegie pension money.

This trend, according to the report, was at best a bad omen:

> It would seem conclusive that if an institution will willingly abandon its religious affiliations through influence of these foundations, it will even more easily conform to their will any other part of its organization or teaching.\(^{42}\)

And finally, the Commission presented a majority opinion on the conclusions reached in regard to the activities of large-scale philanthropic foundations. What follows is but a segment (albeit an important one) of this damning conclusion:

> As regards the 'foundations' created for unlimited general purposes and endowed with enormous resources, their ultimate possibilities are so grave a menace, not only as regards their own activities and influence but also the benumbing effect which they have on private citizens and public bodies, that if they could be clearly differentiated from other forms of voluntary altruistic effort, it would be desirable to recommend their abolition.\(^{43}\)

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\(^{41}\) Carnegie Foundation, Ninth Annual Report, 1914, p. 54.

\(^{42}\) Industrial Relations Commission Hearings, 1:83.

\(^{43}\) Quoted in Worman, p. 13.
Yet the overall outcome of this inquiry was rather inconsequential. Except for a minority report by Frank Walsh and two Commission members (both of whom were labor leaders), asking that the funds be taken over by the state, little legislation was asked for let alone enacted. The legislation amounted to a set of recommendations calling for Congressional regulation limiting the number, size, and scope of philanthropic foundations. Foundations would be asked to publicize their financial standing and limit the accumulation of unexpended income. In addition, there was a call for increased activity in educational and social services in an attempt to balance the power of philanthropic foundations in these fields.\footnote{Lankford, pp. 31-32.}

In the end, none of these recommendations was put into practice. Moreover, the public pressure against business philanthropy was punctured by the emergence of an international crisis that was to turn an age of innocence and isolation away from its domestic problems. The crisis—World War One—helped push the door closed on an incredible age of reform. Though business and its philanthropic practices had come under heavy attack, little had changed in the structure and ideology of educational philanthropy. The same ideology of philanthropy that had been devised by late 19th century entrepreneurs—men like Carnegie, Rockefeller, and Hewitt—was still being employed in the business defense against this new onslaught of Progressive reform. That philanthropy had increasingly become large-scale and business-like was but the continuation and intensification of a pattern begun in the previous century. The ideology of philanthropy, as we have said, was battered
but not broken by an era of Progressive protest.

Growth and expansion were thus the hallmarks of foundation life in the first two decades of the twentieth century. In 1899, there were five foundations in existence; by 1920, Americans had added forty-five philanthropic organizations to this list. This impressive pattern of growth and development may be regarded as an institutional response to the requirements of large-scale philanthropy. Millions of dollars of surplus wealth were thus channeled into foundations and funds that were not only business-like in their organization, but business-like in their support: they were, for the most part, financed by a small group of entrepreneurs, the beneficiaries of the bounties of a booming capitalist economy. Knowing this, however, one wonders why and where these foundations directed their millions. In short, toward what educational ends were these foundations striving when they underwrote educational activities in the realm of higher education? Also, what ideological apparatus did they employ, if any, to protect themselves against possible attack? In addressing this set of questions, perhaps it is best to turn to the educational philanthropy of America's two largest benefactors: John D. Rockefeller, Senior and Andrew Carnegie. To understand the methods and mind-sets of these two tycoons is to take a significant step toward understanding the practical direction and the ideological intent of American educational philanthropy in the prewar years of the present century.

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45 Curti and Nash, p. 213.
In 1902, John D. Rockefeller took steps toward reorganizing his philanthropic endeavors by applying for a federal charter for his General Education Board. The year after he obtained his charter (1905) he gave the Board ten million dollars, his second such gift, the income of which was to be used "to promote a comprehensive system of higher education in the United States." This action was prompted by Rockefeller's financial adviser, the ex-Baptist minister, Frederick Gates. Gates told the oil king that he had two courses of action open to him:

One is that you and your children while living should make final disposition of this great fortune in the form of permanent corporate philanthropies for the good of mankind . . . or at the close of a few lives now in being it must simply pass into the unknown, like some other great fortunes, with unmeasured and perhaps sinister possibilities.47

Gates continued by advising his trusting boss that "a great fund for the promotion of higher education in the United States" would be an excellent direction to follow in an effort to deal with Andrew Carnegie's (and all businessmen-philanthropist's) problem of the proper administration of surplus wealth.48 A devotee of a sacred version of the gospel of wealth—Christian stewardship—Rockefeller took heed and within two weeks of this conversation with Gates he gave the aforementioned ten million dollars.

48 Ibid.
A philanthropic push to fund the affairs of higher education was not completely new to either Gates or Rockefeller: Both men had been engaged in the charitable work of the American Baptist Education Society. This religious organization had been responsible for dispersing spiritual and financial aid to struggling schools—both black and white—in the impoverised educational climate of the South in the post prewar period.

In fact, this interest in southern education (and here we are generally referring to elementary and secondary schooling) would eventually be transferred to the General Education Board. The Board would, in the first decades of the twentieth century, spend millions of dollars upgrading and expanding southern education. The Board united blacks, whites, and local and state governments in a joint effort to bring educational advantages to a large group of educationally disenfranchised citizens, both blacks and whites. However, since the Board's activities did not emphasize work in higher education, we will pass on to activities that are more germane to our focus of concern.

What this focus does encompass is an analysis of educational philanthropy in the world of higher education. The fundamental reason why higher education was chosen as a domain of giving is rooted in the nature of the field of education itself: The period extending from the Civil War to World War One witnessed a rapid transformation of America's colleges and universities. They expanded both horizontally and vertically; that is, they experienced a growth in their educational ceilings with the addition of graduate and professional schools and they experienced a growth and diversification in their curricular structures.

From the great era of university building to the great battle over the
merits and demerits of Eliot's elective system, the hallmark of American higher education was change.

An anarchical atmosphere of change meant that higher education was anything but what Gates referred to as a "comprehensive system" of education. There was, for example, a fundamental question as to exactly what a college or a university was. Colleges ran the gamut from being glorified high schools run by local ministers who served up a strict diet of Latin and religion peppered with small portions of mathematics to a university like Johns Hopkins, which, in modelling itself on the German University, dealt with a myriad of studies that could be pursued through graduate school. Not only was there a wide disparity among institutions, but there was no common system binding them together in a unified educational system. The situation was complicated by the fact that since a frontier spirit of boasterism had produced far too many small town denominational schools, there were not enough students or funds to go around. Ohio, for instance, had forty colleges, which was twice as many as the German empire could claim. This state of institutional chaos and educational laissez faire bothered the business-minded Gates. It was inefficient and uneconomical. Rockefeller, for his part, listened and learned; for even this businessman, who harbored the anti-intellectual tendencies of his class and age, knew that the demands of modern industry and technology meant that the higher learning would increasingly play a key role in American business and American society--there was no turning back. Given this impending reality, Rockefeller and Gates saw no reason why higher education could not and should not be systematized so as to perform efficiently its task of educating
the public. (If this noble task should also help improve the profit margins of America's entrepreneurial elite, so much the better.)

The broad dimensions of this educational dilemma were underlined by Gates' announcement that of the nearly seven hundred private and state colleges and universities in existence in 1902, only twenty-five had incomes of five hundred thousand dollars or more a year; and more than a fourth were struggling along with total revenues of twenty five thousand dollars a year or less. Given the poor financial backing of many of these colleges—as opposed to the rather phenomenal support of a few privileged institutions—the General Education Board, according to Gates, decided on the policy of dispensing the income from the Rockefeller gift of ten million dollars (and later the principle) chiefly to the colleges rather than the great universities, though the latter would not be entirely excluded. This plan would also be directed toward private schools and not state supported institutions; and, since most private schools were under denominational auspices, it would mainly be given to denominational colleges.

The overriding motivation for this plan of action and the cardinal point in Gates' philanthropic strategy was the notion of system. Rockefeller concurred with his chief financial adviser when the latter underscored the need for philanthropic progress toward the goal systematization of American higher education. According to Gates, the purpose of the ten million dollars,

49 Ibid.
50 Ibid., p. 129.
... is not merely to encourage higher education in the United States, but is mainly to contribute, as far as may be, toward reducing our higher education to something like an orderly and comprehensive system, to discourage unnecessary duplication and waste, and to encourage economy and efficiency. Mr. Rockefeller desires the fund all the time to be working toward this great end.51

After outlining this general goal, Gates shifted his attention to a more detailed examination of the criteria with which to choose beneficiaries. He found two persistent patterns in higher education: a few institutions were luckily located within supportive centers of commerce, trade, population and wealth; on the other hand, a majority of schools were floundering within the context of towns and villages located away from these centers of population and trade. Since the latter could not support themselves in a sufficient manner to rate as true centers of learning, Gates suggested that they should and would die of financial starvation.52 (This final comment was not a complete contradiction of Gates' earlier contention that denominational schools would be the ones to gain most of Rockefeller's support: the denominational schools that were poor and isolated would not be supported; but the denominational schools that were already well-financed and located would be fully supplied with Rockefeller dollars. Harvard University was a prime example.)

As this policy of support was gradually formalized and operationalized the General Education Board redefined Gates' objectives: Until the First World War it held to a rather conservative policy of making

51 Ibid.
52 Ibid., p. 130.
gifts for endowment only. This policy not only provided "promising" colleges with needed support, but it protected the foundation against charges that it was supporting special projects that would ostencibly be for the good of all, but would actually be designed for the good of the Standard Oil Company.

The man behind all of this philanthropic activity was no less concerned with the systematization of education and philanthropy. Rockefeller wanted to make sure that his General Education Board reflected his commitment to a well-organized and efficient 'business of benevolence.' The Board, according to Rockefeller, was to operate in "an orderly and rather scientific way." This meant that contributions to higher education—which averaged approximately two million dollars a year—would be made "on the most careful comparative study of needs and opportunities throughout the country." The oil king's faith in Gates' analysis of the chaotic nature of higher education as well as his own ideology of business and philanthropy was reflected in the following remark:

To help an inefficient, ill-located, unnecessary school in a waste. I am told by those who have given most careful study to this problem that it is highly probable that enough money has been squandered on unwise educational projects to have built up a national system of higher education adequate to our needs if the money had been properly directed to that end.55

53 Rockefeller, p. 166.
54 Ibid., p. 168.
55 Ibid., p. 169.
Rockefeller also supported Gates' contention that conditional giving (a process that was first instituted in modern times by the Peabody Fund), by which the beneficiary would match the gift with his own or acquired monies, was the best and the most influential mode of philanthropic practice.  

Thus it was that principles of sound business practice were mixed with a Christian vision of stewardship to produce a consistent ideology of philanthropy. This ideological position reaffirmed Rockefeller's belief in self-help (via conditional giving), and, through a policy of concentrated giving to "promising" private schools, supported his own self-interest as a member of America's entrepreneurial elite. The mindset that animated the philanthropy of the group was, in the end, the same one that shaped their business interests and activities.

Andrew Carnegie, not unlike John D. Rockefeller, also underwrote the activities of a number of individuals and institutions. Much of his philanthropy centered around the support of scientific research, Carnegie's top philanthropic priority in the twentieth century. This was certainly true in regard to the funding of the Carnegie Institute of Washington, the Carnegie Institute of Technology, and the Carnegie Corporation of New York. Though none of these institutions can be completely separated from the enterprise of higher education, they do represent a distinct set of interests. The Carnegie Foundation for the Advancement of Teaching, on the other hand, represents a much more specific effort directed toward funding the future of higher education.

56 Ibid., pp. 182-183.
in general and the retirements of college and university professors in particular. Beginning with a gift of fifteen million dollars, Carnegie took a dramatic step toward funding pension plans for college professors; a step that was to have profound effects on the whole world of higher education.

Embedded in this seemingly noncontroversial grant were social and educational implications that were to be used to fuel the fires of Progressive protest. These educational issues sprang from the same source that caused Rockefeller and Gates to turn to the field of higher education: The entire realm of American higher education was chaotic, due, in part, to an overabundance of poor schools and curricula coupled with little money and next to no activity directed toward the needed goal of systematizing and rationalizing higher education. Carnegie, in short, was coming to the realization that laissez faire practices were disadvantageous in the business world and in the sphere of higher education.

The Carnegie Foundation for the Advancement of Teaching, as we have suggested, addressed this problem via its concern with devising a pension plan for retiring professors. Scanning the diverse field of "colleges" and "universities," the Foundation discovered, as did the General Education Board, that many of these institutions were doing well to operate on the level of a high school, and that many more had no relationship with one another or with the general system of public education.57

Upon recognizing the condition for what it was, the Foundation decided that to distribute funds equally to all of these institutions would do more harm than good. The Foundation's president, Henry S. Pritchett, stated that the board of trustees was "convinced that an educational scrutiny of colleges, universities, and educational conditions in general was necessary for the right administration of the pension fund itself." Coupled with this insight was the Board's realization that there was no educational agency, other than a distant United States Office of Education, overlooking the educational scene of the entire nation.

The result of this scrutiny of American higher education was dramatic: The Board concluded that if it did not want to give its free pensions to just any individual or institution, it would have to set down definite standards defining a college. And it was this attempt at placing standards on higher education that provided Progressives with ammunition to do battle with business-dominated America. Was this, Progressives asked, a conspiracy by big business to shape the educational system of the country? We have already described one of the major political repercussions of this Progressive accusation—the proceedings of the Commission on Industrial Relations. We have not, however, clearly explained why the pension policy carried such a tremendous amount of educational influence.

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58 Ibid.
59 Ibid.
60 Ibid.
The pension plan and the Foundation's attempts at systematizing and standardizing the ill-defined sphere of higher education were so powerful and far-reaching in their effect because of the very condition they were trying to remedy: "Colleges" and "universities" would do most anything in their power to qualify for the pension fund. They knew that this fund would help insure their future by attracting and retaining competent professors and students as well as interested benefactors. The Carnegie plan for defining the colleges was, itself, quite simple. An institution had to require not less than four years of academic or high school preparation or its equivalent. Each unit of high school work was to be labeled a "Carnegie unit" and was defined as "constituting approximately a quarter of a full-year's work.\(^6\) The Foundation also stipulated that each college must have a four-year curriculum and six full-time professors to qualify for the pension fund. Each academic department, moreover, was to be headed by a Ph.D. (This situation greatly accelerated the introduction of accredited scholars to positions that had traditionally been held by local ministers.) In addition, the Foundation required each college to have untouched by any indebtedness, an endowment of two hundred thousand dollars.\(^6\) In conjunction with these requirements was, as we have suggested, an attempt by the Carnegie Foundation for the Advancement of Teaching (and the General Education Board) to weaken denominational control:

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In the opinion of both the Foundation and the General Education Board the chief offenders against standards were the various Protestant religious denominations. Each agreed that there must be a concentrated effort in a few strategically located and adequately supported colleges. This implied that the weak and the ineffective college should be allowed to die from financial starvation and other 'natural causes'."63

For its part, the Carnegie Foundation for the Advancement of Teaching played down its role in higher education. Examples of this abound in the Foundation's annual reports during this period; for instance, in 1910 President Pritchett stated that admission to the accepted list (institutions that past muster according to the Foundation's standards) was a judgment made on the basis of standards created by the majority of the nation's teachers. Pritchett continued by saying that practically the only requirement for admission to the pension fund was the maintenance of these basic standards. By 1912, the president went so far as to say that the Carnegie unit had served its purpose. According to Pritchett, it was never intended to constitute a rigid form of college admission, but merely a means of comparing high schools.64 Besides being a fair representation of the Foundation's intended policy, this stance served the political and ideological purpose of subduing the critics of business and philanthropy.

These politically-induced apologetics continued into the ninth annual report of 1914. In that report, Pritchett flatly stated that the Foundation "had never attempted to dictate to any college what its

63Ibid., pp. 138-139.
standards of admission ought to be." After proclaiming that foundations could do little more than bring educational concerns to the light of day, Pritchett turned directly to an ideological defense and justification of the Foundation's philanthropic practices in the business of higher education:

They have been created by private wealth, and for many years will incur a certain measure of distrust for that very reason. What their ultimate influence is to be, no one can yet say. Quite rightly they are objects of public scrutiny and criticism. Their usefulness will depend entirely on the largemindedness and the sympathetic judgment with which they are conducted. They have possibly one virtue—detachment. A democracy finds various instruments to do its work, and these educational foundations are just as truly the experiments of a democracy as is an endowed college or university . . . 66

Thus it was that both Rockefeller's General Education Board and The Carnegie Foundation for the Advancement of Teaching directed their philanthropic power to the task of systematizing the chaotic world of American higher education. Holding a fairly high degree of independence from their donors (at least on a day-to-day basis), these foundations differed in an important aspect from previous patterns of philanthropic support of higher education: instead of seeking to establish new institutions—such as Stanford, Cornell, and Vanderbilt had done in the nineteenth century—these philanthropic ventures concentrated on strengthening older institutions that showed signs of need and 'promise.' 67 But where this support did compare favorable with the

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66Ibid., p. 56.
67Curti and Nash, p. 213.
philanthropic support of education in the previous century was in its dimensions. For example, in 1913 Carnegie's combined giving placed more dollars in the pocket of American education than was placed there by the federal government.\textsuperscript{68} Moreover, much of the money given in the early years of the present century was not given in an effort to escape the tax man; the income tax was not initiated until 1913 and a law allowing for a five percent deduction for charity was not passed until 1917.

This systematic effort at educational reform was carried out by a business-minded philanthropy that saw a need to place higher education upon an efficient level of organization. Higher education, according to these businessmen-philanthropists, would be differentiated and coordinated; it would be less classical and more pragmatically vocational in its curricular perspectives. Part of this shift in emphasis meant that Rockefeller and Carnegie, in a move that was anything but Progressive, began a policy of endowing a select group of colleges and universities, leaving the rest to struggle on their own for financial salvation. Thus, even when they attempted to follow a non-controversial course of action by limiting their philanthropy to endowments, buildings, and professor's pensions (which these foundations did do throughout the prewar years), they were not only defining what a college was to themselves, but what a college was for much of the public, since without their help many schools would simply perish from the social and educational scene, which is exactly what happened in many cases.

In sum, Carnegie and Rockefeller giving pointed to the central dimensions of mind and method in the educational philanthropy of leading businessmen working in American higher education in the first two decades of the twentieth century. From their push toward concentrated giving, which reinforced the support of capitalist competition and the financial survival of the fittest (a policy, in other words, that meant that the ruling class was supporting and creating its own set of ruling class colleges and universities), to the notion of conditional giving (a modern-day version of the old notion of self-help) to a secularized and bureaucratized implementation of the stewardship of wealth, these businessmen-philanthropists were carrying their ideology of educational philanthropy into the ill-defined field of higher education. This philanthropic practice not only buttressed their own ideological interests as business leaders but it reflected their realization that the modern world of industry and technology demanded that business, if it were to keep pace with progress, make the higher learning work for it by providing trained mechanics and managers of all sorts. Though this function would have been forced on higher education by the very nature of the industrial age, it was pushed ahead by the educational philanthropy that we have been discussing.

In the end, the higher learning, as Veblen saw so well, was being influenced by people of power and wealth via their philanthropic organizations. But what Veblen did not stress is what we must: There were definite limits to the desire and ability of businessmen-philanthropists to chain American higher education to their own economic empires. The
educational philanthropy of these prewar years was less a vehicle of control and conspiracy than an ideological defense produced to quiet the guns of protest of American reform. That this educational philanthropy was also animated by motives that were less politically concerned has, hopefully, been clearly documented and defined.
CHAPTER 4
IDEOLOGY, PHILANTHROPY
AND HIGHER EDUCATION, 1920 - 1939

The 1920's ushered in an era of celebration by America's business class; the lion of Progressive reform had been tamed and was cowering in a far corner to the political arena. Whether this was caused by more than the advent of World War and the general prosperity that followed it did not much matter to an increasingly conservative America. What did seem important to this flamboyant "jazz age" was that it could again turn back to its own particular concerns and self-interests. Two Republican presidents, Warren G. Harding and Calvin Coolidge, helped articulate this new national mood. Harding looked over the social scene and stated that the country was ready for a return to "normalcy;" Coolidge, on the other hand, affirmed the obvious when he stated that the business of America was business.

This conservative mood was also expressed in more startling terms. The American scene became infected with a drive toward conformity that was pushing its way beyond the bounds of democratic sense. This drive manifested itself in such events as the "Red Scare"—an attempt by a minority of Americans to erase the bane of socialism and communism from the national landscape. It could also be found in the restrictions placed on immigration and the ethnocentrism that produced a
"one-hundred-percent-Americanism" that at best attempted to strip immigrants of their heritage and at worst was an unabashed racism. Conformity was also underscored by the Volstead Act, America's abortive attempt at legislating morality by prohibiting the use of alcoholic beverages. Indeed, conformity was part and parcel of the modern characteristics of mass society that were emerging as crucial components of this decade. Physically, this could be seen in the increasing urbanization and mechanization of the national life: technology was running rampant, mass-producing cars, telephones, radios, refrigerators, and electric lights. America had seven million registered cars in 1919; ten years later, thanks to Henry Ford and his cohorts, there were twenty-three million cars on the road.\(^1\) Mobility, convenience, and freedom were but a few of the benefits of a technologically-based progress that also produced the rootlessness of social and personal fragmentation and the homogenizing of life that are always debilitating dangers implicit in mass societies.

It was thus no wonder that Progressives felt that their ranks were depleted, their cause defeated and confused. The "people" that Progressives had based so much of their democratic hopes on had turned out to be a collection of special interests groups; and the powerful federal government (the key to Progressive reform) with its strong arms of regulatory control had been coopted by the very group that it was meant to control. The Progressive historian, Vernon Harrington, recognized

this dilemma and asked a penetrating question:

We must have a political state powerful enough to deal with corporate wealth, but how are we going to keep that state with its augmenting power from being captured by the force we want it to control?²

Unable to answer this question and unprepared to carry-out any new attacks, Progressives gradually became disillusioned spectators on the sidelines of political life.

In the midst of this return to prominence of conservative thought and action was the philanthropic foundation. The foundations, themselves integral elements of the business community, were quietly advancing the practices of giving to higher education devised in the prewar years. The 1920's, however, were to find the foundations expanding on prewar policies for they were no longer hampered by the restrictions of the Progressive era: there were no Congressional investigations and few muckrakers limiting the foundations to their conservative policy of funding general endowments. Little, moreover, was said of the continual concentration of educational giving or the emerging pattern of endowing special projects with "venture capital"—a policy that often meant the difference between educational survival or innovation and the policies of a more economically feasible curriculum. In an effort to animate this educational philanthropy of the twenties with the facts and figures of foundation life, we will return to an investigation of the philanthropic activities of two outstanding leaders in the field: The Carnegie Foundation for the Advancement of Teaching and John D. Rockefeller's

²Quoted in Goldman, p. 239.
General Education Board.

The Carnegie Foundation for the Advancement of Teaching represented, as we have noted, the most direct aid to higher education offered by the many philanthropic organizations funded by Andrew Carnegie. As with other philanthropic organizations, the 1920s witnessed the continued structuring of Carnegie giving along the lines of business practices and principles. A system of rational planning and bureaucratic efficiency was to be a key goal in both business and benevolence. F. W. Taylor's scientific management could be applied as well to the organization of philanthropy as it was to the bureaucratization of the steel industry.

The business mind was applied with relish to the reorganization of the Carnegie pension plan for college and university professors. Noting the demoralizing effect of free pensions (this policy did not pay heed to the important doctrine of self-help), the Foundation, with Carnegie's approval, shifted to a contractual policy that affirmed the gospel of wealth. Professors, colleges, and the Foundation would join together in a financial arrangement providing insurance and old age annuities; this new arrangement was formalized through the development of the Teacher's Insurance and Annuity Association. Two years after its inception in 1919, sixty-one colleges and universities had adopted the new plan. The continual refinement and expansion of the pension program was to be a major aspect of the educational work of the Carnegie

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3 The Carnegie Foundation for the Advancement of Teaching, Sixteenth Annual Report, 1921, p. 74.
Foundation for the Advancement of Teaching in the 1920's. According to the annual report of 1920, the other two fundamental components of the Foundation's educational giving included the completion and liquidation of the old system of full paid pensions and the funding of significant educational studies and reports through the division of Educational Enquiry.4

The pension plan continued to evolve throughout the 1920's. Meanwhile, Carnegie officials began to realize that their policy of serving only those schools that qualified as colleges and universities under their own standards had meant that most of their support had gone to teachers in the leading institutions of higher education. The results of this policy of concentration were outlined in the annual report of 1927:

The result of relating the pension system to academic standing has been to apportion the bulk of Mr. Carnegie's generous gift to teachers in the strong and well-supported institutions situated mainly in New England, the North Central, the North Atlantic, and the Western states ... and the stronger institutions of the Dominion of Canada.5

The reality of concentrated giving can be attested to by the fact that as of this report of 1927, Harvard, Yale, and Columbia Universities had each received over one million dollars from the Foundation through the Teacher's Insurance and Annuity Association. Top state supported schools such as the University of Michigan, the University of Wisconsin,

and the University of Virginia also received substantial sums, though much less than the three Ivy League schools received. This amounted to little more than the rich giving to the rich. It was, however, consistent with the self-interests of a rather conservative corporate structure and the businessmen-philanthropists who helped create it. Moreover, this philanthropy gave ideological support and justification to this same group by proving to the nation that these business-based foundations could be good stewards of wealth, willing to share their bounties with the humanitarian cause of higher education. That this ideological function of foundation life was also part and parcel of the religio-cultural base of American society was reflected in the words of an ex-president of the Carnegie Foundation, Frederick P. Keppel. After stating that the motivations behind the establishment of foundations varied—from publicity to tax cuts to vanity to a sincere interest in the object of one's benefaction—Keppel stepped back and in a moment of devotion stated that the "... dominating reason, I am sure, is the recognition of 'the stewardship of surplus wealth'." Keppel continued by stating that there was an even more profound reason for giving; a firm faith in man and his possibilities for progress. Keppel had learned his lessons well: the God of the stewardship of wealth was completely consistent with the secular God of progress.

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7Ibid.
Here was Carnegie's gospel of wealth revisited.

Given this ideological framework, it is not hard to understand why The Carnegie Foundation for the Advancement of Teaching held to its new policy of contractual pensions throughout the twenties; for this policy was given in a spirit of self-help to a concentrated number of wealthy schools. However, since the major dimensions of philanthropic support were not altered during the remainder of this decade, perhaps it is best to turn to the more innovative practices of the General Education Board in our attempt to understand the ideology of educational philanthropy.

The General Education Board gave mightily to higher education in the 1920's. This giving was, in large part, built on a gift of fifty million dollars presented to the Board on Christmas Eve, 1919 by John D. Rockefeller, Senior. This bequest subsidized a program that would help increase the humble salaries of college and university professors.

Rockefeller's attention was directed to this area of concern by a trustee of the Board, Jerome D. Greene. Greene knew, as Carnegie had before him, that the financial state of the college professor was at very best sufficient when compared to the salary levels of other professionals. This condition, as we have noted, motivated Andrew Carnegie to subsidize pension plans. Conditions, however, had worsened with the high inflation rate of the postwar period. These years, according to Greene's estimate, had witnessed the cost of living rise over eighty percent.\(^8\) This inflation rate increased the fear that professors would

move away from teaching in search of more lucrative positions, while prospective professors would simply opt for more promising careers in other professions. The situation so agitated Greene that he wrote Rockefeller, telling him that "the gravity of the situation can hardly be exaggerated, for the vitality of our educational institutions depend almost wholly on the quality of the teaching staff . . . ." Greene was even more emphatic at another point, describing the situation as a "catastrophe to American education and to American life far more serious than the direct ravages of war . . . ." (That there were thousands of bereaved families and multitudes of destitute people who might disagree with this almost stereotypical comment from a sensitive bourgeois concerned with the impending 'poverty' of a class of relatively wealthy professors did not begin to dawn of the consciousness of this trustee.) Greene concluded his plea by proclaiming to the Board that: "In any catalogue of priorities or need it must have first place." When Rockefeller bestowed his gift of fifty million dollars on this new enterprise in higher education, he seemed to show Greene and the world that he was attuned to the pressing needs of higher education:

It is of the highest importance that those entrusted with the education of youth and the increase of knowledge should not be led to abandon their calling by reason of financial pressure or to cling to it amid discouragements due to financial limitations. It is

\[\text{Quoted in Fosdick, p. 141.}\]
\[\text{Ibid., p. 142.}\]
\[\text{Ibid.}\]
of equal importance to our future welfare and progress that able and aspir ing young men and women should not for similar reasons be deter red from devoting their lives to teaching. 12

Within a year, Rockefeller was to remove an important restriction regarding the distribution of all his benefactions. Prior to this time, Rockefeller had given the board of trustees of the General Education Board discretionary power over both principle and income. He had stipulated, however, that before the principle could be spent there must be a vote in which at least two-thirds of the members affirmed the spending of all or part of the principles. 13 But in a letter to the Board postmarked December, 1920, Rockefeller increased the liberality of his policy on perpetual trusts:

If in any gifts heretofore made to you by me there are any restrictions or limitations as to the specific purpose for which they are to be used, or any restrictions on the power of the corporation to distribute principle as well as income, or any special provisions as to notice to be given or the size of the vote to be required in order to authorize the distribution of the principle, I hereby revoke such restrictions, limitations and provisions, and authorize you to use the principle and income, in the discretion of the corporation, for any of its corporate purposes, and to make appropriations from the principle in the same manner as appropriations from income. 14

Indeed, this was a sound rebuttal to cries of Progressive critics who continued to proclaim that Rockefeller held tight reins on his philanthropic organizations, peopling them with close friends and relatives. (However, it was still rather obvious that long-time associates like

14 Ibid., p. 5.
Wallace Buttrick, Henry Pritchett, and Frederick Gates as well as Rockefeller's son, John, were still key figures in Rockefeller's benefactions.

The early 1920's witnessed the continual distribution of Rockefeller's gift of fifty million dollars aimed at aiding in the increase of teachers' salaries. In fact, within six months after the announcement of the gift, the General Education Board had appropriated 15,206,666 dollars to 119 institutions.\(^{15}\) And by July 1, 1921, 26,732,000 dollars had been appropriated through the avenue of conditional giving.\(^{16}\) Of these grants, forty-two were received by non-denominational schools, thirty-six of which were endowed and six of which were state supported. The remaining ninety-one institutions were denominational. The largest number of grants went to a few Protestant schools: Baptist institutions received thirty-three, Methodist Episcopal, thirty-nine, Presbyterian, twenty-eight, Congregational, fourteen. The Catholics, on the other hand, had a meager catch of two grants.\(^{17}\)

The distribution of grants reflected the introduction of a new dimension of policy-making in Rockefeller giving. The Board, that is, began to veer away from its traditional policy of subsidizing only private schools. According to the Board, new conditions in higher

\(^{15}\)Fosdick, p. 146.
\(^{17}\)Ibid.
education justified a change in policy:

Though the Board has hitherto not made contributions to institutions supported by taxation, it was felt that the situation not only warranted, but fairly required a departure from previous policy, especially in states whose resources were already severely taxed. This was particularly true in the South . . . 18

In practical terms, this meant that over half of the 170-odd independent colleges which received permanent endowments were small and in relative need. Richer recipients, on the other hand, were expected to raise large sums to match the Foundation's gift. For instance, to claim 300,000 dollars from the Board, Amherest College had to ask its alumni and friends for 1.2 million dollars.19 (However, this proposed policy of assisting the disadvantaged school was by no means universalized: the General Education Board would give the majority of its funds to the support of well-established and well-financed colleges and universities.)

By the close of 1922, the work of distributing Rockefeller's gift of fifty million dollars for academic salaries was largely completed. One of the major reasons the task was completed with such speed—besides the Board's energy—was the fact that there was a general decline in the value of the Board's securities. This condition led to a decision to finish the funding of academic salaries when

18Ibid., p. 10.
19Fosdick, p. 147.
forty million dollars had been spent.\textsuperscript{20}

By 1924 the Board had cooperated with 134 private (white) colleges and universities, contributing a total of 20,322,040.99 dollars toward a sum to be raised of 96,630,558.63 dollars.\textsuperscript{21} These donations were divided into three categories (1) general endowment, (2) teachers' salaries, and (3) college and university accounting.\textsuperscript{22} The final category of accounting was a direct product of the Board's belief that higher education should be placed on a firm foundation of efficient business practices and principles.

By the close of 1924, the Board officially ended its policy of subsidizing academic salaries. This action was part of a broader movement away from the consciously conservative policy of limiting funding to general endowments. With the business class in the nation's driver's seat, foundations had less and less to fear about venturing into special projects in higher education. Indeed, there was very little substantive criticism of educational philanthropy in the entire decade.

A formal decision to retreat from the funding of general endowments came in 1924.\textsuperscript{23} Between 1902 and 1925, the General Education Board had been a prominent leader in educational philanthropy. The

\textsuperscript{20}General Education Board, \textit{Annual Report 1920-21}, pp. 3-6.
\textsuperscript{21}General Education Board, \textit{Annual Report 1923-24}, p. 3.
\textsuperscript{22}Ibid.
\textsuperscript{23}General Education Board, \textit{Annual Report 1924-25}, p. 6.
intensity of this work was reflected in the fact that approximately three quarters of the financial resources of endowed institutions in 1924 had been obtained since 1900.\textsuperscript{24} During this same period, the Board bequeathed sixty million dollars to 291 colleges and universities.\textsuperscript{25} However, this support was significantly diminished by changing conditions that had greatly affected the dimensions of higher education: In the first quarter of the twentieth century, the general population increased by fifty percent, while the attendance in colleges and professional schools increased by 250 percent; and in graduate schools the increase was by 400 percent.\textsuperscript{26} This population explosion, according to the General Education Board, meant that college endowments were continually being devaluated, eroded in their educational impact; secondly, this process logically directed the Board toward an intensification of its policy of concentrating philanthropy to areas that could be influenced in the most facile manner. This message was clearly articulated in the annual report of 1924:

\begin{quote}
But whatever the solution, the General Education Board has largely finished its work in this particular field. In the first place, the interest of alumni and the general public has been thoroughly aroused; the stimulus, once required in the form of a conditional appropriation, is no longer generally essential. Again, in so far as the
\end{quote}

\textsuperscript{24}Ibid., p. 4.

\textsuperscript{25}Ibid., p. 5

\textsuperscript{26}General Education Board, Annual Report 1928-29, pp. 10-11.
difficulty has to be met by endowment, the sums needed are so large that such contributions as may be made by the General Education Board from its present resources are relatively less important. Finally, virtual withdrawal on the part of the General Education Board from this field may encourage college administrators to devise other ways of handling the problem than meeting the main part of the cost out of the endowment funds.27

This analysis led the Board into a new era of giving which focused on specialized projects in graduate education. Among other things, this meant that the funding of scientific research and study increasingly supplanted the general endowments of an earlier era. The transition was reflected in the Board's involvement in the field of medical education. Since Abraham Flexner's classic investigation into the dangerously inadequate nature of American medical schools (1910), foundations (especially those of Carnegie and Rockefeller) had intensified their efforts at funding medical training and research.

This pattern was continued when John D. Rockefeller, Senior appropriated 45.6 million dollars for the support of medical education and research. The gift was being shared with fewer and fewer schools in the 1920's. The main reason for this was the fact that resources were not sufficient to enable the Board to assist all deserving schools. And the money that was appropriated increasingly financed the development of the underlying medical sciences as well as the major clinical branches involved in the study of medicine.28

28 Ibid., p. 9.
trend toward funding graduate research was emphasized in the Board's work in the general fields of "science" and "research" and in the more specific area of honors courses and curricula. This turn-of-events was underscored in the annual report of 1927-8:

> During recent years the appropriations of the Board to colleges and universities have been mainly directed to the development of graduate activities. A sharp line cannot, however, be drawn. The expansion of graduate work often involves the strengthening of undergraduate instruction. If facilities for research are to be soundly based; a few colleges, distinctly aiming to improve undergraduate instruction, have therefore been assisted. In the main, however, the Board is now looking to the development of graduate instruction and research.

The demarcation between general endowment and specialized projects in scientific research and graduate education was an essential element in the 1928 reorganization of the Rockefeller philanthropies. This reorganization attempted to make Rockefeller's educational philanthropy more efficient by curbing an unnecessary overlapping of functions. It was in this light that the Laura Spellman Rockefeller Memorial Fund, The International Education Board, and the original Rockefeller Foundation were reorganized into a new more inclusive Rockefeller Foundation.

Divided between this new foundation and the General Education Board would be all the educational philanthropy of the Rockefeller organization. While the General Education Board was to continue its

29 Ibid., pp. 6-8.
work in the domain of college education, the Rockefeller Foundation was to take full control of the subsidization of all forms of "scientific research" performed in the vast field of higher education, excluding the realm of medical education and research. The policy was, as the annual report of 1928-29 suggested, a ramification of the Board's new rationale on the funding of graduate work.

The approach was one aspect of a broad-based effort toward:

- raising the standards of scholarship, such as the development of honors courses, research fellowships, more adequate facilities and opportunities for fundamental research and training in the physical and biological sciences and special encouragement in the humanities. The change of program has naturally involved dealing with fewer institutions and the consideration of institutional plans designed to raise the quality of higher education.32

An emphasis on scientific research was vigorously supported by the Board's new president, Wickliffe Rose. Stepping into office in 1923, Rose was instrumental in turning the Board away from its focus on funding general endowments. He wanted to replace this perspective with a stronger commitment to the improvement of the quality of higher education. Rose translated this qualitative focus into a heavy emphasis on the support of the general field of science. Science, according to this executive, was the crucial key to success:

All important fields of activity, from the breeding of bees to the administration of an empire, call for an understanding of the spirit and technique of

32 Ibid., p. 11.
modern science. The nations that do not cultivate the sciences cannot hope to hold their own; they must take an increasingly subordinate place . . . and in the end be dominated by the more progressive states.33

Thus, by the end of the 1920's the Rockefeller boards, not unlike those of Carnegie, had produced an educational philanthropy that was largely centered in the financing of scientific research. Funding, moreover, was increasingly concentrated amongst a select group of colleges and universities. This policy had already become abundantly clear at the very beginning of the decade; in 1920, educational foundations were concentrating their gifts to such a degree that approximately seventy-five percent of all foundation philanthropy was received by twenty institutions.34 The time-honored process of giving to the financially fittest was to be continued throughout the decade; between 1923 and 1929, of the 103,000,000 dollars that the five largest foundations gave to private institutions, 88,500,000 dollars or eighty-six percent went to only thirty-six colleges and universities.35

From a concern for business efficiency (concentrated giving was a relatively influential mode of support) to support of the financially-

33Quoted in Fosdick, p. 229.
34Hollis, p. 44.
fittest to the funding of an elite group of colleges and universities, this new pattern of concentrated and conditional giving easily fit into an ideological mold that was refashioned but not fundamentally altered in this third decade of the twentieth century. But before pronouncing final judgment (if this can ever be done) let us gain a wider view by turning to a detailed investigation of the internal dynamics of foundation life in the 1920's. *Culture and Wealth*, by Eduard L. Lindeman, is the study we have in mind; it is one of the most complete studies of this period of foundation life. In addition, the study represents a critical voice of protest emanating from the conflict-ridden times of the 1930's.

At the heart of this well-balanced study is a critical spirit that has much in common with the Progressive ideology of the prewar years. This is a posture that finds business and its philanthropic practices guilty of the same excesses, the same attempts at mass exploitation for individualistic ends, that animated the laissez faire ideology of the robber barons. Lindeman, for instance, found that business was often motivated by a debilitating, competitive spirit devoid of the type of social goals that (in Lindeman's mind) would advance the humanitarian concerns of a consciously collectivistic society. That Lindeman is no wild-eyed reactionary is evident in his extensive research; it is also evident in his assessment of foundations as social institutions. He regarded the surplus wealth of foundations as an instrument for determining cultural values; and since these foundations are largely conservative, the values they
support are also conservative:

... foundations do not represent a 'conspiracy' on the part of the guardians of vested wealth designated to influence culture in one direction. More accurate would be the statement that these vested funds represent a consistently conservative element in our civilization, and that wherever their appropriations are accepted there enters at the same time this subtle system in existence, that is, of conserving the status quo.  

But, as we have suggested, what is most significant about this study is that its penetrating insight into the ideological nature of business-based philanthropy is fully supported by a concrete foundation of facts and figures.

Lindeman begins by asking two questions: Where does the huge repository of foundation funds go? What projects does it subsidize? The answer to the first question will come as no surprise to an age of increasingly costly bureaucratic systems: the highest expenditure of the one hundred representative foundations in Lindeman's study was devoted to the salaries paid to cadres of professionals, experts of every stripe.  

With regard to the second question, the dominant focus of foundation activity in the twenties was centered in the broad fields of education, health, and social welfare. Education received the largest amount of support: forty-three percent of the total budget of 223,000,543.21 dollars of the one hundred foundations. Health

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36 Lindeman, p. 12.
37 Ibid., p. 19.
38 Ibid., p. 20.
ranked second with thirty-three percent of the total, while social welfare ranked third with 14.4 percent.\(^3^9\) Supported by an historic faith in education as a near panacea for myriad social and personal problems—almost a secularized national church\(^4^0\)—funding for education continued to increase throughout the twenties. In 1921, education received 41.4 percent or 15,071,660.05 dollars. By 1930, this figure had jumped to 32,661,152.40 dollars or 52.9 percent of the total budget of Lindeman's one hundred foundations.\(^4^1\)

Breaking this sum down into its component parts sheds further light on the nature of philanthropic support for higher education. Of the over 223 million dollars devoted to education, almost 136 million dollars was designated for the field of higher education. This amounted to 60.9 percent of the entire educational subsidy.\(^4^2\) And as with educational philanthropy in general, the subsidy to higher education continued to increase as the decade progressed. In 1921, higher education received 8,775,020.19 dollars; in 1926, it received 10,411,128.37 dollars; and in 1930, higher education received 17,980,895.20 dollars of the budget of one hundred of America's most influential foundations and community chests.\(^4^3\)

\(^{39}\)Ibid., p. 24.


\(^{41}\)Lindeman, p. 24.

\(^{42}\)Ibid., p. 26.

\(^{43}\)Ibid., p. 28.
After illustrating this picture of philanthropic distribution, the author turns to an analysis of the men that manned the helms of these benevolent organizations; an investigation motivated by the fact that after the original aim of the benefactor was taken into account and after the dominant cultural values of the particular historical period are taken into consideration, the next significant variable in this philanthropic equation--according to Lindeman--was the group of men who acted as the trustees and top advisors in the modern bureaucracies that are part and parcel of twentieth century philanthropy.

Believing that trustees wielded a power in American life equalled only by the national government (and in so doing reflecting the ideological biases and sensitivities of intellectuals profoundly dismayed by the "cultural crisis" of a depression-riden capitalism), Lindeman discovered what most schoolboys would have already guessed: The trustees of American foundations were, in large part, men of wealth and culture belonging to the white race and the Protestant church. Nevertheless, it is crucial to have this common sense well documented. Using the major foundations and community chests as a model, Lindeman did just this.

Surveying the trustees of seventy major foundations, the author discovered that the trustees' average age was 56.7 years and that 71.4 percent were over 50 years of age. Most of these men were thus born

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44 Ibid., p. 33.
45 Ibid.
in the closing decades of the nineteenth century. The educational background of the majority of these trustees also gravitated around a common denominator: of 402 trustees, 328 or 81.5 percent were graduates of colleges or universities. Of this number, 41 percent or 132 trustees were graduates of either Harvard (48), Yale (41), Princeton (27), or Columbia (16) Universities. Counting these four institutions, thirty-eight eastern schools produced sixty-six percent of the trustees.

The trustees were also grouped along occupational lines. Of 400 trustees, 15 percent were lawyers, 10 percent were corporate officials, 9 percent were bankers, 9 percent were college and university administrators, and 6 percent were physicians. Beyond these dominant groups was a smattering of financiers, clergymen, professors, merchants, foundation officials, and several other poorly represented groups. Taken as a whole, 34 percent of this group of 400 was directly connected with business enterprises, while 17 percent were closely connected with educational enterprises. That such an upper class, business-based perspective was dominant was a direct reflection of the socio-economic and ideological origins of these philanthropic institutions. Trustees, in short, were chosen as representatives of the social stratum that supported foundations, the rich of business and industry.

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46 Ibid., p. 35.
48 Ibid., p. 38.
49 Ibid., p. 39.
And finally, trustees were highly homogeneous in their religious backgrounds. Though 59.9 percent of the total 400 did not claim a religious affiliation, 85 percent of the remaining group (138) belonged to either Episcopalian, Presbyterian, Jewish, Methodist, or Baptist denominations. Of this group, 34 percent were Episcopalian, 20 percent were Presbyterian; 15 percent were Jewish; 9 percent were Methodist; and 7 percent were Baptist.  

Last, but certainly not least, all of the trustees were members of the same white race.

The concluding section of this study of philanthropic foundations in the 1920's was devoted to an analysis of how individuals distributed their surplus wealth. Lindeman based his analysis on a study of the records of wills probated and estates appraised during a three-month period in each of the four separate years of 1927, 1929, 1931, and 1933 in New York City. Lindeman discovered that about one hundred people per year left estates valued at one million dollars or more, an amount representing 47 percent of the total bequeathed by all estates. More importantly, he discovered that those giving to others than relatives and friends, only represented six percent of the total; and of this six percent, only six percent were distributed to agencies and institutions completely removed from the benefit of family and friends. And finally, of this last six percent, only

50 Ibid., pp. 39-40.
51 Ibid., pp. 47-48.
52 Ibid., p. 50.
six percent was devoted to the broad field of education, while the majority of the total was distributed to churches (30 percent) and hospitals and health (20 percent). In the end, Lindeman came to the conclusion that the "cultural importance" of redistributed wealth was of "slight" importance. With this critique, Lindeman punctured a large hole in the ideological defense system of businessmen-philanthropists. That America's powerful business elite would support its own self-interests should have been no surprise to Lindeman or any other investigator of business-based philanthropy. And, of course, this would be especially true in a decade that was so thoroughly committed to the mind and methods of American business life.

Yet we should not ignore the few voices of protest that attempted to be heard over the din of business celebration. Often these voices came in the form of articles in popular magazines and journals. In an effort to illustrate the specific dimensions of this protest against the abuses of philanthropy in general and educational philanthropy in particular, let us turn to a survey of these writings as they appeared in publications of the 1920's.

Protests leveled against philanthropy were far and few between. In the popular press of the decade there was, unlike the previous decade, little direct criticism of large-scale giving. What there was, was usually in close agreement with the Progressive critique of business-based philanthropy. This was illustrated in an article in the

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53 Ibid., p. 49
54 Ibid., p. 50.
American Mercury entitled, "The Modern Maecenas." The author, Suzanne La Follette, lambasted wealthy benefactors for their lack of intellectuality. Holding the Progressive assumption that reason should rule, this woman regarded benefactors as rather unintelligent men who crassly improved the mechanical means of life without looking to the deeper question of improving the quality of life:

If one were living in a hall bedroom and did not know where one's next meal was to come from, one would feel justified in protesting if one's rich friends insisted upon giving one a Rolls-Royce. Something of this sort the country's rich men are now doing. American culture is in need of sustenance and they are feeding it machinery.55

This was not just an attack on the aims of philanthropy; in a deeper sense, it implied an attack on the very existence of philanthropy itself. This, however, might be stretching the author's point a bit too far: Her protest was more epicurean than revolutionary.

Another genteel protest came from the Progressive reformer, Edward T. Devine. Writing in The Survey, Devine pointed to the notion that a poor widow honestly giving a few hard-earned dollars was, relatively speaking, more of a philanthropist than a rich Rockefeller giving millions. This old-line Progressive then turned his attention to the foundations. He began by saying that if they were well-conceived and administered, foundations could have a significant social value. He believed, however, that philanthropy was far too much of a

palliative measure, a substitute for fundamental social reform:
"... the great need of our time is not foundations but social reconstruction. Let us keep a sense of proportion. No large gifts but a large statesmanship is the urgent and indispensable prerequisite."\(^{56}\)

On the same plane of protest was a short article in the *New Republic* entitled, "Fat Boys."\(^{57}\) This was a quick jab aimed at philanthropic advisors (philanthropoids) that rule the bureaucratic roost in foundations. Well paid and well heeled, these were the pompous employees of industrial wealth. The liberal-minded *New Republic* had just taken time-out to put them in their place. No more, no less.

A more penetrating study can be found in Cornelia J. Cannon's, "Philanthropic Doubts." Cannon attempted to reach to the root of the philanthropic question. After paying homage to the complexity of philanthropic motives and methods, she called philanthropists on their kindly paternalism, their social condescension: "I do not wish to be lifted up by you or anyone else. I wish to lift myself."\(^{58}\) This was followed by a brief critique of the dangers implicit in the "dead hand" of perpetual trusts. But her most serious criticism came when she illustrated the ideological function of philanthropy--its attempt at

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\(^{57}\) "Fat Boys," *New Republic*, v. 49, (February 2, 1927), pp. 300-301.

placating potential forces of reform and protecting the self-interests of business elites: "They are the great menders and patchers-up of society, not the surgeons who cut deep into the festering sore and scrape the bone." Cannon continued by criticizing philanthropic institutions for their paternalism, their use of aristocratic methods for supposedly democratic ends:

The major indictment against philanthropy is that it has ignored the opportunities democracy offers for reforms from within. It has distracted our minds and attention from community responsibility for the removal of social defects. It has encouraged us to leave reforms to the activity of self-appointed groups. Its reforms have tended to be superficial, because it has everywhere selected for its leaders those interested in philanthropy, but not in democracy.60

Paralleling this last critique of the undemocratic nature of philanthropy was a work by the social critique and novelist, Upton Sinclair. Entitled, Goose-Step, Sinclair's book was a critical review of the gradual take-over of American education by the nation's entrepreneurial elite: Rockefeller and Carnegie had purchased colleges just as they had purchased railroads. Tied as it was to the utilitarian yardstick of business, Sinclair was sure that America's educational system would be fashioned into an instrument of control, furthering the self-interests of the country's corporate elite: colleges and universities would not have philanthropists; philanthropists

59 Ibid.
60 Ibid., p. 294.
would have colleges and universities.  

There were, on the other hand, many supporters of philanthropic theory and practice. Though most gave their tacit support, there were several who voiced their opinions in print. The majority of these people were conscious of the dangers implicit in philanthropy; yet these same men also came to the defense of philanthropic policies, showing that a rationally-based practice could do great good. For instance, Henry S. Pritchett of the Carnegie Foundation for the Advancement of Teaching paid homage to these philanthropic dangers, stating that giving, even to a good cause, could create "social toxins" which could more than counteract any benefit that might accrue from the original gift. Pritchett continued underscoring the difficulty of giving: "Somebody must sweat blood with gift money if its effect is not to do more harm than good, and this is equally true whether the giving be private or public, whether it be done by the individual or by a trust."  

Pritchett affirmed this position in yet another article. Entitled, "Use and Abuse of Endowments," this piece turned to historic criticisms of perpetual trusts. Quoting Turgot and Adam Smith, Pritchett attempted to show that philanthropy must be made flexible,

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adapting to changing needs and conditions. In this way, according to Pritchett, philanthropic trusts can evade the criticism that the "dead hand" of the past would stifle and ignore the needs of the present. Pointing to the flexibility that Andrew Carnegie gave to his trustees, Pritchett was sure that as long as this open policy was a vital component of philanthropic policy there would be fewer abuses of power.63

A proponent of endowed philanthropies defended educational foundations against the charge that they were "new and ominous" elements in the body politic.64 Writing in School and Society, the author joined the Carnegie Foundation's president, Frederick Keppel, in a rather near-sighted defense of foundation influence on American education and society; that is, both men noted that foundations controlled no more than one percent of the national wealth with Keppel adding that the aggregate endowment of American foundations was estimated to be less than half of what the American people contribute for philanthropic purposes in any single year.65

Another supportive appraisal of philanthropic giving can be found in an article entitled, "Giving--The Great American Game." This was

65 Keppel, p. 7.
nothing more nor less than a celebration of American philanthropy. The author boasted that American industrial and business leaders had become acutely conscious of their "special obligations" to the society that had nurtured them. A tremendous outpouring of philanthropy was the "eloquent" expression of this social consciousness.  

A similar spirit of celebration was reflected in another article --"The New Gospel of Wealth." The author turned to President Hoover's 1929 Report on Recent Economic Changes in his attempt to broadcast the countious giving of American philanthropists. The report revealed that public expenditures for education, libraries, health, and charity more than tripled from 1915 to 1926. The author also quoted an historian who was also the secretary of the Carnegie Foundation for the Advancement of Teaching, Claude Furst:

The United States Bureau of Education reports the increase between 1900 and 1926 of the equipment of our universities and colleges from 162 to 1,356 millions of dollars, their endowments from 147 to 928 millions. The total assets of these institutions increased sixfold . . . The state bureau records an increase in gifts and bequests for education from 15 million dollars in 1900 to 126 million in 1926.  

Indeed, this was the affirmation of a more conservative America; an America whose apotheosis was not Robert La Follette but the fictional character, George F. Babbitt. Americans, in short, were little

66 "Giving--The Great American Game," Saturday Evening Post, (December 8, 1928).  
concerned with educational philanthropy supported by successful business leaders; it was quite content to allow this domain to cut its own conservative course.

In the end, the practical direction and ideological intent of the educational philanthropy of the 1920's had its roots in the ideological matrix created by the entrepreneurial elite of the late nineteenth century. The concentration of giving, the phenomenon of conditional gifts and matching funds, the belief in supporting the financially fittest (well-endowed) colleges while allowing many of the poorly located and financed to die of financial starvation, and the continued support of large-scale philanthropy as a bulwark against social criticism can all be regarded as key elements in the history of an educational philanthropy that had evolved to meet the needs of a new decade. That the criticisms of the twenties were less vociferous than the preceding years of Progressivism meant that the educational foundations could let down their ideological guard, while maintaining the ideological map or mind-set that guided their philanthropic priorities.

Before bringing our analysis of the educational philanthropy of the 1920's to a close, mention needs to be made of the domain of voluntary giving as it took shape in numerous fund raising drives that emerged as vital means of financial support for American colleges and universities.

As we have noted, large-scale educational philanthropy attempted to address the growing needs of a complex industrial society through an institutionalized giving based on business principles of
bureaucratic organization and efficiency. A myriad of difficult social problems—the by-products of increased mechanization, industrialization, and urbanization—would be dealt with, in large measure, by a host of new voluntary organizations that emerged as answers to these far-reaching problems. From the whirlwind campaigns of the YMCA to those of the Red Cross, the Tuberculosis Society, and colleges and universities, the voluntary sector of American society was flourishing in the 1920's.

The trend toward taking traditional concerns of local charitable agencies and placing them in a broader context of bureaucratic organization was reflected in the modern community chest movement. This movement, which had its beginning in Cleveland, Ohio in 1913, was an answer to the growing competition between the large number of local charity organizations competing for a limited number of philanthropic dollars. As in business, the competitive process was often inefficient: there was no guarantee that the services of different organizations would not overlap; nor was there any way of knowing if programs would be funded in the future. The community chests attempted to remedy this situation through a federated fund raising program in which local charitable organizations would band together, sharing all contributions and all costs. And since businessmen usually gave the strongest support to these agencies, they were generally the key figures in the drive toward federation. Federation meant that benevolence by competition was supplanted by benevolence by cooperation. Sharing the costs and profits of fund raising, this united philanthropic front was placed on a business plane. In the end, the community chest was
the local counterpart of the foundation; an office within the business of benevolence.

This new, business-like method of financing philanthropy gave rise to several fund raising firms that made a science out of obtaining millions of dollars. These firms were generally products of the great fund raising drives of World War One. Having raised millions of dollars in pursuit of victory, several men decided to apply their skills to the private sector. A professional fund raising firm that came to fame in the twenties was the John Price Jones Company. Established in 1919, the firm helped raise millions. In higher education alone, it raised 237,206,696 million dollars between 1919 and 1955.68

The growth of professional fund raising was not lost on the nation's colleges and universities. Suffering from the scourge of post-war inflation and dwindling subsidies for general endowment (not to mention an ever-increasing influx of students) the nation's schools needed working capital. That organized fund raising drives went far toward meeting this financial crisis is reflected in the records of the John Price Jones Company. The records reflected a steady increase in giving throughout the twenties: In 1921, the company raised a total of 1,719,000,000 dollars; in 1923, it raised 1,859,310,000 dollars; and in 1927, the company helped raise 2,219,700,000 dollars for colleges

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and universities. In general, this growing trend in giving to higher education reflected economic conditions. For instance, that a need for capital was indeed a function of high inflation was affirmed by John Price Jones in an analysis of the crucial role played by alumni giving in the support of higher education:

High costs made the endowments of colleges of less and less value. Those institutions had to have money. But it did another thing. It organized the alumni as they had never been organized before, and aside from getting money the next most important thing is the organization of the alumni... These campaigns have brought the alumni closer to the college than ever before.

Though colleges often banded together in federated drives, the lion's share of fund raising money (as with foundation money) landed in the coffers of a few schools: of the 51 institutions that the John Price Jones Company kept records for, 5 universities received 46.1 percent of the total support. Included in this list were--Harvard, Yale, University of Chicago, Northwestern, and Columbia. Fund raisers, by selling their skills to prosperous institutions with large drives, continued the foundations' pattern of concentrated giving.

In the end, federated fund raising for colleges and universities represented a commercial business venture by professional fund raising organizations. As an aspect of the business of benevolence, this educational philanthropy with its concentrated giving to the financially

69 Ibid., p. 203.
70 Ibid., p. 255.
71 Ibid., p. 244.
fittest had no problem meshing with the philanthropic philosophy and practice established by educational foundations.

Education, Philanthropy, and Depression: 1929-1939

The economic crisis threatening to collapse the very foundations of American society sent shock waves through the nation's philanthropic community. Foundations, community chests, and benevolent businessmen all felt the effect of an economic depression that was to be the hallmark of the 1930's. For its part, the business community and its captains of industry no longer enjoyed the same degree of political and economic security that had been part and parcel of the prosperous conservatism of the 1920's. The thirties, in other words, were to bring more than Depression: they were to bring a political response to depression. The democrats, under a program of Roosevelt and reform, created new plans, new experiments, new regulations, and new deals within the broad framework of an increasingly powerful federal government, the likes of which would have amazed the New Nationalist, Theodore Roosevelt. That these reforms were deeply influenced by the New Nationalism of Roosevelt, and later, the New Freedom of Wilson is clear; however, how this reform and the condition of depression it was trying to cure affected the dynamics of educational philanthropy is certainly not so obvious.

Many wondered whether the stock market crash and the ensuing depression would spell the end of large-scale philanthropy. Others wondered whether an economic crisis of such proportions would dictate
new directions, new emergency policies, for educational philanthropy. Still others criticized the very notion of philanthropy, believing that a crisis-ridden nation should benefit directly from funds doled-out by paternalistic philanthropists. The qualms, the questions, and the fears placed on the doorstep of American educational philanthropy were both understandable and, in some cases, justifiable. The methods, the motives, and the mind-sets involved in answering these disturbing concerns of a nation on the brink of social and economic disaster are the subjects of our discussion of educational philanthropy in the field of higher education in the 1930's.

Perhaps it is again best to return to an investigation of the benevolent trusts of Carnegie and Rockefeller as they took shape in the 1930's.

As we have already noted, the Carnegie Foundation for the Advancement of Teaching was the key Carnegie trust responsible for aiding the nation's colleges and universities in their attempt to build a viable pension plan for college professors. But by the end of the twenties (and this most probably would have taken place with or without the depression) the Foundation, under new administration, decided to shift its emphasis away from the pension program and general endowments, focusing instead on educational research and development. This decision reflected the fact that the pension program as well as other services to higher education begun in the early years of the Foundation's history has been successfully completed. They had, according to President Suzzallo, "become an integral part of the web and woof of
American education.\textsuperscript{72}

In an effort to select new services, the administration turned to the solving of pressing educational problems through a heavy investment in scholarly enquiry, scientific research, and intellectual demonstration, (all of which would be used to compile facts and figures which could serve as the basis of sound educational theory and practice).\textsuperscript{73} Innovation also meant that educational enquiry would move from a peripheral to a paramount position in the educational priorities of the Foundation:

The significant work of the Division of Educational Enquiry of the Foundation, once a service secondary to that of improving the economic status of the college and university teacher, now becomes, by reason of the completion of established programs and the insistent present need of new types of intellectual inquiry and assistance, the dominant and all pervasive function of the Foundation. We now seek new services through the expansion of our function of educational enquiry.\textsuperscript{74}

Having turned an important corner in its philosophy of philanthropy, the Foundation began to direct its educational enquiries toward the educational problems of depression.

The economic situation in which higher education was embedded meant that several immediate problems would have to be dealt with if

\textsuperscript{72}The Carnegie Foundation for the Advancement of Teaching, \textit{Annual Report 1931-32}, p. 21.

\textsuperscript{73}\textit{Ibid.}, p. 22.

\textsuperscript{74}\textit{Ibid.}
colleges and universities were to remain financially and educationally viable. In large part, the problems were economic: not only were state appropriations smaller under pressure of tax reductions, but investments were failing to provide their normal income. The crisis was compounded by a high rate of national unemployment, which hit the college-age group the hardest, throwing many back into high schools, colleges and universities.\(^7\)

According to the Foundation, this grim situation could begin to be remedied by a program of extreme fiscal austerity. The program could avoid the pitfalls of educational inadequacy by adhering to a financially and educationally efficient policy of "improved learning."\(^8\) The new approach would emphasize a transfer from teacher-centered to child-centered learning: a policy that could mean more independent studies and fewer teachers. The goal of fewer teachers could also be gained by implementing a broad-based program of general education to replace an expensive trend toward specialization. In short, if the curriculum could be constructed around a core of generalized knowledge and skills needed by all individuals to perform as effective citizens, then the colleges could more effectively employ their capital in an effort to establish a sense of quality.

Given this educational direction, it is no wonder that the Carnegie Foundation for the Advancement of Teaching came quite close

\(^7\)Ibid., p. 25

\(^8\)Ibid., p. 27.
(at least in spirit) to proposing a policy of general education advocated by several leading educators, including the president of the University of Chicago, Robert M. Hutchins. Fundamental to this notion was the idea that general education encompass the last two years of high school and the first two years of college. This unit of education would be built upon a core curriculum of general knowledge and skills—the stuff of a liberal arts education in its more traditional design. This education, which was a prerequisite to responsible citizenship in an advanced industrial society would be open to all. The last two years of college, however, would be selective, open only to those of proven ability. That there were elitest undertones in this attempt at dealing with much the same (business-based) vulgarization of higher education that Veblen dealt with cannot be denied; nevertheless, it represented a genuine attempt to advance democracy through the avenue of education; that it fit well with the interests of an often pompous group of businessmen-philanthropists in their effort at advancing American education, was not, of course, criticized in any large degree. Businessmen-philanthropists claimed the best of both worlds: the higher education would retain a sense of standards by separating the masses from the more advanced students; on the other hand, the colleges would not only be an aspect of democratic opportunity, but would continue to retain a curriculum shaped by the practical needs of an advanced industrial society.

Affirming this educational direction did not lead the Foundation into major expenditures in higher education. In fact, by 1939 the
Foundation's four major activities--pension plans, the work of the Division of Educational Enquiry, publication, and educational advisory services--were so heavily concentrated in research that very few funds were directed toward educational institutions. Though there was no clear-cut policy shift, "... it is a fact that current Carnegie grants are being widely scattered and of them not more than ten percent have gone to educational institutions."  

Thus, the depression witnessed the continuation of the patterns of giving already established by the late 1920's. That this policy facilitated the investigation of special needs and problems within higher education in the depression should, hopefully, be evident. As to the question of the detailed distribution of Carnegie dollars to the field of higher education, let us answer this question after we discuss the policies and practices of the General Education Board as they took place in the 1930's.

The General Education Board was also deeply concerned with the impact of the depression on the nation's educational system. Not unlike the Carnegie Foundation for the Advancement of Teaching, the Board devoted large sums to the work of refashioning a high school curriculum that was unable to meet the pressing needs of growing numbers of youth thrown back into schools for lack of jobs. Yet the Board realized that its work in this field of public education could be construed as the meddling of a private foundation in public affairs.

Therefore, the Board decided to devise an educational plan that included the financial support of national agencies already interested in general education.\textsuperscript{78} One of these agencies was the American Council on Education. This agency created the American Youth Commission.

The Commission produced several significant studies on the topics of education and youth. The first report, Howard Bell's, \textit{Youth Tell Their Story}, was a rather shocking expose of the nation's class-bound school system and its failure to meet the personal, intellectual, and vocational needs of masses of American children. Other reports, such as the first systematic study of Negro youth, were underwritten, in large part, by the 1,350,000 dollars the General Education Board contributed to the work of the Commission.\textsuperscript{79}

Work with adolescents and American education was representative of much of the activity the Board subsidized in the 1930's. In fact, child growth and development was one of the three key areas funded by the Board. The other two were southern education (the Board's first and last area of concern) and the broad field of general education.\textsuperscript{80}

The Board also funded several projects including small black colleges, research in the child development, innovative programs in Progressive

\begin{itemize}
\item \textsuperscript{78} Fosdick, p. 242.
\item \textsuperscript{79} Ibid., p. 244.
\item \textsuperscript{80} General Education Board, \textit{Annual Report 1932-33}, p. IX.
\end{itemize}
education (which included money for the development of radio and motion picture productions for classroom use), such as the Progressive Education Association's Eight-Year Study comparing the curricula of Progressive high schools and traditional high schools as well as their respective impacts on college performance. The Board contributed 1,622,000 dollars for this last project alone.81 Other liberalizing influences on American education were supported by the Board. For instance, the development of individualized curriculum materials at Sarah Lawrence and Stephens College for Women was supported by the Board.82

This process of liberalization also included the methods of philanthropy. That is, a trend toward freeing trustees to expend principle as well as interest was continued in this decade. This was clearly articulated in the annual report of 1932-32:

The action taken by the Board this year provides that the income of each future gift shall be used for a period of ten years for the specific purpose for which the gift was made; that thereafter the income may be used for any purpose or purposes, related as closely as possible to the original purpose, that may prove desirable; and that after a lapse of fifty years the principle also may be expended.83

In the end, The General Education Board held to philanthropic policies devised in the twenties and before. Honors courses,

81 Fosdick, pp. 248-58.
82 Ibid., p. 252.
scientific research, and graduate education were still fundamental features of the Board's work in higher education. But by the annual report of 1933-34, the Board noted that its efforts to improve higher education were becoming less important:

The Board now believes that its defined program for the improvement of college education is relatively less important than was the case five years ago. It will participate therefore in plans for new investigation and experimentation in that area only as may be desirable for the advancement of some phase of its program.84

With the annual report of 1936-37 the Board, after noting that between 1902 and 1937 it had given 68 million dollars to higher education (colleges of liberal arts), emphatically stated that college and university funding had moved from secondary status to almost complete nonexistence:

In a sense, the contributions made throughout the years to medical education and to the endowment of liberal arts colleges represent closed chapters of the activity of the General Education Board. The money was expended, the programs completed, and attention directed to other phases of education.85

This proclamation was followed by an even more profound announcement: the Board was planning to go into liquidation. The rationale supporting its disapproval of perpetual trusts was as follows:

The trustees have felt that in the rapidly moving times through which we have lived since the war, it

84 General Education Board, Annual Report 1933-34, p. 4
85 General Education Board, Annual Report 1936-37, p. 3.
was more important to meet challenging opportunities in the development of fields like medical education, for example, than it was to conserve principle funds for some indefinite future. There are no scales, of course, by which the potentialities of the present can be weighed against those of the future. But the present is vividly here with its needs and possibilities; the future is beyond reckoning, and we of this generation must live in the faith that it will find means to provide for itself. This in brief is the point of view which has led the trustees to approach the coming liquidation . . .

Thus, the General Education Board paralleled the work of the Carnegie Foundation for the Advancement of Teaching: both organizations parcelled out less and less support to the general endowment of colleges and universities and more and more to special educational projects involving scientific research. This policy change, however, needs to be peopled with the facts and figures of philanthropic practice. Let us, then, illustrate the dimensions of philanthropic distribution in the field of higher education in the 1930's.

There were two key questions in this area of philanthropy: (1) were the funds dissipating, drying-up, due to the debilitating effects of economic depression; and (2) what was the level of the concentration of gifts and bequeaths to colleges and universities? Answers to these questions can be obtained by reviewing studies of foundation giving in the 1930's. Subsidized by The Twentieth Century Fund, under the direction of Evans Clark, these studies, entitled, *American Foundations and Their Fields*, are concise and well-documented.

86 Ibid., pp. 4-5.
Starting with a survey of 122 foundations with combined capital assets approximating 853,340,114 dollars, the 1931 report discovered that established patterns of philanthropic practice remained intact: the twenty largest foundations held 725,559,829 dollars or 85 percent of total foundation holdings. The Carnegie and Rockefeller foundations, for their part, controlled 54.6 percent of the total assets of these 122 leading foundations.

Money was pumped into several areas of interest, the most popular being the field of medicine and public health. This field collected 18,627,222 dollars or 35.5 percent of the total figure for 1931. The second most popular field of support in 1931 was education; it received 14,619,854 dollars or 27 percent of the total. Of this sum, 9,059,530 dollars was specifically earmarked for colleges and universities.

This pattern of giving was to persist fundamentally unaltered throughout the 1930's. Not only was the distribution of capital stable, but the amount remained fairly constant, revealing that the depression had not compelled any very serious drafts upon endowment. Yet the statistics of the Twentieth Century Fund surveys for 1930, 1931 and 1934 show that less than half as much money was given away

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88 Ibid.

89 Ibid., p. 12.
in 1934 as in 1930. For instance, while education retained approximately the same percentage of support (26.9 percent) it lost approximately five million dollars of support when compared to 1931 figures. This profound drop in disbursements between 1930 and 1934 was clearly outlined in the report of 1934:

The highlights are clear. Foundation grants have been cut in half; but endowments are practically unimpaired. No attempt has been made to go behind the figures and to discover in detail the reasons why disbursements shown have so striking a decline in the face of undepleted portfolios. It is safe to assume, however, that the decline in grants has been primarily caused by the decline in the income of securities held by American foundations. And furthermore, that commitments were carefully enough reduced in advance of declining incomes so that foundations were not compelled on any large scale to sell securities to meet their obligations to beneficiaries.

The figures for 1937 did not contradict the conclusions of the preceding studies: the same basic order of concentration continued to exist. Carnegie and Rockefeller interests still controlled close to 50 percent of the combined endowments of a representative field of 243 foundations. While a comparison of the capital of the leading foundations for 1931, 1934, and 1937 shows increases in capital assets during the last three-year period, this increase only came after losses sustained by the previous three years. And in 1937,
education still gathered 9,170,317.93 dollars or 23.8 percent of the total (for 115 leading foundations). Education thus ranked in second place in terms of financial support—though it ranked in first place in terms of the number of foundations involved in the field.

What was perhaps most profound about this pattern of concentrated giving was that of the 95 leading foundations for which data was available in 1934, 20 disbursed 90.5 percent of the 30,968,728 dollars given; and the seven Carnegie and Rockefeller trusts provided 72.8 percent of this total figure. Moreover, between 1923 and 1935 the Rockefeller, Carnegie, and Commonwealth funds disbursed 78.5 percent of their higher education grants to 15 colleges and universities. Concentrated giving by and for the fittest had indeed been perpetuated into the 1930's.

Another trend in the educational philanthropy of the thirties was the funding of fellowships and scholarships. The popularity of this means of funding 'deserving' students and faculty had grown by leaps and bounds in the twenties: In 1921, 105,351 dollars were devoted to scholarships and fellowships: by 1930, 1,485,673 dollars were bequeathed

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96 Ibid.
to this educational realm. The Rockefeller trusts were particularly responsible for advancing this high level of support. State and federal agencies also underwrote this development. In fact, the National Youth Administration reported 28 million dollars extended to October, 1936 for scholarships and fellowships in higher education.97

Yet another dimension of educational philanthropy came into sharp focus in 1935. In that year, Congress passed a revenue code, making it legal for corporations to deduct 5 percent from their gross profits for purposes of taxation. Prior to this code, the legal right of corporations to give money for charitable purposes was at best unclear. Corporations, that is, had operated under the assumption that they could spend stockholders’ money on local charities alone, for the benefits of these charities would accrue directly to the company and its employees. But when this was struck down by a 1934 Supreme Court decision, corporations and their chief beneficiaries—community chests and local charities—went into an uproar. Pressure was applied; Congress was heavily lobbied; and Roosevelt was begged for his support. In the end, the code past—though it seemed to make little difference in corporate giving until after World War Two: between 1935 and 1945, only one year (1945) saw corporate giving exceed one percent.98

These trends in the theory and practice of educational philanthropy did not go unnoticed by the popular press of the day. Though

97Hollis, p. 176.
98Cutlip, p. 329.
it did not reach the heights of the muckraking Progressive era, the literature of the thirties was laced with critical doubts concerning the nature of American educational philanthropy. In an attempt to come to terms with the social context and the ideological intent of this educational philanthropy, we will turn to a brief review of the dominant themes of these few articles.

Several short articles questioning the funding of higher education all expressed a prevailing anxiety that philanthropic organizations would discontinue their support of higher education. Arnaud C. Marts, himself a professional fund raiser, addressed this anxiety in an article entitled, "Philanthropy Under the New Deal." Arnaud illustrated this anxiety by turning to a speech presented by Dr. Nicholas Murray Butler to a group of Columbia University alumni. In brief, Butler told his audience that the era of large donations had come to an end; the great fortunes were either dissipated or destroyed by depression. But the good doctor had a solution for the future support of colleges like Columbia:

> Columbia University must therefore depend for its prosperous continuance upon thousands of relatively small gifts. A steady flow of gifts, moderate in amount but large in number, must be one of the universities' chief sources of dependence for its continued usefulness in the years ahead of us.99

Marts concluded by suggesting that the erosion of vast reservoirs of concentrated wealth was a step in the right direction—the more equal

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distribution of social and personal wealth. Marts also noted that this new distribution might prove to be more beneficial to philanthropy, since the rich had not been giving to any high degree.  

A more critical appraisal of philanthropy was advanced by Abraham Epstein. In an article entitled, "Do the Rich Give to Charity," Epstein catalogued the great faith Americans seemed to have in the boundless generosity of their philanthropists. He then asked a crucial question: Can private philanthropy deal effectively with the current social and economic crisis? To ask the question is to answer it; Epstein said no:

Even a casual study shows that the myth of our unparalleled generosity has no firmer base than the benevolences of a very few men who have distributed small parts of their extraordinarily large fortunes. Among the mass of well-to-do not many give to charity even in the most generous city, New York.  

Another critical jab reminiscent of the Progressive critiques of earlier years was forwarded by a novelist, Theodore Dreiser. In a chapter of Tragic America entitled, "Charity and Wealth in America," Dreiser claimed that a major portion of the money raised for charity was done so by corrupt, professional fund raisers. These "charity rackets" collected close to 90 percent of all money raised. According to Dreiser, this was but another example of the chaos of capitalistic society. He ended by suggesting that America take pointers

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100 Ibid.

from the planned economy of Russia. This was a Progressive gone sour on America.  

Another angle of criticism was taken by the political scientist, Harold Laski. It was Laski's contention that foundations, in their move away from general endowments toward the funding of research, were nevertheless dominating the university: "I doubt . . . whether the result of the policy will not be to give to the foundations a dominating control over university life which they quite emphatically ought not to have."  

Though no conspiracy, according to Laski, the funding of university research by foundations meant that foundations would have control over who would do research and what they (the researchers) would study--this by the mere fact that the foundations held the purse strings:

And, observe, there is not a single point here in which there is the slightest control from or interference by, the foundation itself. It is merely the fact that a fund is within reach which permeates everything and alters everything. The college develops along lines the foundation approves. The dependence is merely implicit, but it is in fact quite final.  

A final look at this decade of depression--a decade that witnessed little fundamental change in educational philanthropy beyond the


104 Ibid., p. 170.
continuation of policy decisions already advanced in the 20's—will hopefully round out this picture of the ideological intent and the practical consequences of large-scale educational philanthropy in the field of higher education.

In an article entitled, "Philanthropy's Future in Higher Education," Edward Hollis uncovers a philanthropic pattern leading to the substitution of federal and state funds for private funds in the future support of higher education. This, of course, follows the historic pattern of giving that we have been unfolding. By the 1920's, Carnegie and Rockefeller realized that their massive fortunes were no match for the fantastic needs of an ever-expanding world of higher education. The depression made the writing on the wall just that much bolder: foundation funds simply could not meet demands. This was especially the case given a concentrated giving that had placed the vast majority of endowment money in the hands of a few well-established colleges and universities. Of 675 colleges and universities with a combined endowment of 1.5 billion dollars in 1939, only 3 percent controlled 50 percent of the entire endowment; while 25 percent controlled 90 percent of the entire endowment funds. In other words, 20 schools received 73.2 percent of the total grants.\footnote{Ernest V. Hollis, "Philanthropy's Future in Higher Education," School and Society v. 49 (April, 1939), p. 98.} Unable to meet the demands of a growing system of higher education and unwilling to spread their support too thinly, foundations concentrated their powerful gifts in established schools, and, later, in specific research projects.
Julius Rosenwald: A Model of Educational Philanthropy

Before we turn to a detailed discussion of Julius Rosenwald's educational philanthropy the rationale for using him as a model or case study should be clarified. He was a business leader who not only spent a relatively small amount of his time and money in the field of higher education, but one who also spent the vast majority of this surplus capital on the broad support of the Negro. Why, then, do we center our investigation on such a seemingly unrepresentative spokesman for the businessmen-philanthropists working in the field of American higher education in the period under consideration, (1910-1939)? The first reason is, as it was with Andrew Carnegie, one of simple pragmatics: Julius Rosenwald is one of the few twentieth century educational philanthropists who took time to write down his thoughts on education and philanthropy. The second reason is that Rosenwald is not, on closer inspection and particularly on a philosophical and ideological plane, entirely unrepresentative of his age. That his philanthropic practice was heavily weighted on the side of Negro elementary and secondary education is a significant, but, given our focus of concern, a secondary phenomenon. The fundamental importance of Rosenwald's ideological position as a key business leader involved in educational philanthropy is clearly illustrated in the following analysis of his educational philanthropy. He serves, therefore, as a paradigm or model.

Born in 1862 in Springfield, Illinois, to middle class parents of German-Jewish descent, Julius Rosenwald was to become one of the
country's most devoted educational philanthropists; a man fully committed to uplifting the oppressed mass of American Negroes. The financial foundation of Rosenwald's philanthropy was built upon his association with Sears, Roebuck and Company. Beginning his working life in his uncle's clothing business, Rosenwald soon established himself as an independent clothing merchant in partnership with his brother-in-law. It was from this vantage point that Rosenwald stepped into the management of Sears, Roebuck and Company. By 1909, Rosenwald had worked his way to the presidency of this fantastically prosperous mail-order company.

With his company headquartered in Chicago, Rosenwald was able to become an important civic leader. A business leader with a sensitive social consciousness had, in such a complex urban setting, ample opportunity to support budding movements of social welfare. Rosenwald availed himself of this opportunity. Pushed on by the philanthropic perspectives of his Jewish heritage, Rosenwald supported several causes. For instance, by the early 1900's he was giving to the Immigrant Protective League (of Chicago) and the movement to support Jewish colonizers in Russia. But it was on the local level that Rosenwald gave his strongest support. In the first decade of the twentieth century he gave to community projects ranging from the work of Jane Addams' Hull House to the Chicago Hebrew Institute; he also served as the president of the Associated Jewish Charities of Chicago.106

Even in these early years of giving, Rosenwald began formulating the fundamentals of his philosophy of philanthropy. As the president of the Associated Jewish Charities, for instance, he stated that those who gave their support to this federated charity should give without restriction, allowing the principle as well as the interest to be spent at the discretion of the directors and trustees. Another example of the relatively free and democratic spirit of his support came in a comment by one of Rosenwald's close friends, Reuben Brainin. Quoting Rosenwald, Brainin made the following statement:

   I believe in the instinct of the majority. In my philanthropic interests I have adopted the principle of supply and demand. Show me that there is a genuine demand and I will endeavor to help you... In relief campaigns, in charitable institutions, even in institutions of learning, I have found this motto to apply: never would I want to be the sole supporter or sole creator of any institution. It would be too autocratic.

This democratic attitude enlivened Rosenwald's work in the funding of Negro education in the south. However, the real catalyst acting on Rosenwald's decision to support Negro life was his association with Booker T. Washington. A first meeting with Washington in Chicago in 1911 left an indelible mark on the mind of this businessman-philanthropist. Rosenwald listened as Washington spoke of the utter inadequacy of Negro education in the south. With few schools and fewer teachers, with little local or state support, the educational advance

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107 Ibid., p. 103-104
108 Ibid., p. 106.
of the Negro seemed hopeless. Rosenwald became interested in the plight of the Negro race. Thus, in this same year of 1911, after pouring through Washington's, *Up From Slavery*, Rosenwald visited Tuskegee Institute. He was impressed with the emphasis on the development of practical knowledge and manual and industrial skills. The experience so gratified Rosenwald that, in 1912, he became a trustee of the institute. But this was not all. For, through his own thinking and through conversations with Washington, Rosenwald concluded that he would assist with the building of rural schoolhouses, providing Negroes with opportunities to fulfill their right to enjoy an adequate elementary and secondary education. Rosenwald stipulated, however, that all schools must be built through the joint efforts of Negroes (through money and/or labor), local whites and public funds as well as his own support. He also stipulated that these schools must be part of the state school system. To show how quickly Rosenwald moved on this project, note that by the time of Washington's death in 1915, Rosenwald had helped finance the building of 80 rural schoolhouses in 3 southern states.

As the years rolled by Rosenwald's rural school program seemed to grow by leaps and bounds. Schools located throughout the south were planned and built under guidelines established by Rosenwald.

But within a few short years the task grew too complex. Rosenwald met this organizational problem by establishing the Julius Rosenwald Fund. Incorporated in 1917, the Fund carried the chartered purpose of supporting the "well-being of mankind." The board of trustees consisted solely of Rosenwald and his immediate family. At first the Fund acted as a distributing organization for Rosenwald's many benefactions.

From its inception until its reorganization from a personal to a corporate basis in 1928, the major thrust of the Fund's work was the establishment of Negro elementary and secondary schools in the south. In 1920, when the school building program became too extensive to be handled through the Tuskegee Institute, a branch was organized in Nashville, Tennessee, under the direction of S. L. Smith. By the time the Fund concluded its special activities in this field (July 1, 1932), 5,357 buildings had been completed with Rosenwald aid in 883 counties of the 15 southern states.

Before advancing our analysis of Rosenwald's philosophy of philanthropy, a broader historical framework should be established. In other words, Rosenwald's philanthropic work in southern Negro education was but one part of a broader movement led by northern white

111 Werner, p. 320.
112 Embree, Review, p. 23.
business leaders in an effort to ameliorate the completely pathetic conditions of Negro (and white) education. Beginning with the work of denominational missionary societies in the post-bellum period, northern philanthropists continually applied their healing powers to the sick body of southern education. From the pioneering work of the Peabody Fund, the Slater Fund, and the Anna T. Jeanes Fund, northern philanthropic foundations began to contribute to an expansion and revitalization of Negro education.

By the early 1900's, Rockefeller's General Education Board was surfacing as the leader in this field of philanthropy. Subsidizing a large percentage of Negro public education in the south, the Board attempted to cure the ills of both Negroes and whites through the balm of education. That the General Education Board was instrumental in this work is underscored by the fact that many Board members were also members of other philanthropic organizations working in the south. For instance, several members of the Board were also members of the older Southern Education Board. Besides this interlocking directorate, much of the work of the Peabody and Slater Funds was channeled through the General Education Board.\footnote{Louis Harlan, 

Another factor common to these philanthropists (and this includes Rosenwald) was their emphasis on primary and secondary education and...
their decision to support the social philosophy of Booker T. Washington—industrial and manual education was funded while higher education was generally ignored.

One of the leading critics of both Washington and northern philanthropy was W. E. B. DuBois. DuBois, a Negro graduate of Harvard University, realized that the direction taken by Washington and northern educational philanthropy was sorely needed. Yet he also knew that Negroes should be given the opportunity to go beyond this parochial vision. In short, Negroes should not be satisfied with a paternalistic policy that would raise them to the level of educated lackeys segregated from the white world. Criticism, continually surfaced in DuBois' editorial writing for the literary mouthpiece of the liberal National Association for the Advancement of Colored People, The Crisis. This magazine contained strong criticisms aimed at the fact that the poverty of Negro education, its lack of local and state support, meant that Negroes had to rely on a ring of rich philanthropists. This condition, according to DuBois, made for a cessation of honest criticism:

> If someone starts to tell the truth or disclose incompetency or rebel at injustice, a chorus of 'Sh!' arises from the whole black race. "Sh!" You're opposing the General Education Board. 'Hush!' You're making enemies in the Rockefeller Foundation! 'Keep Still!' or the Phelps-Stokes Fund will get you.114

This unhealthy climate led DuBois to a radical critique of racism, the main reason such philanthropy was needed in the first place:

Whether the fear be true or not—whether these organizations or persons would be influenced or not by honest criticism, the fear of the thing is sapping the manhood of the race. It is breeding cowards and sycophants. It is lifting fools and flatterers to place and power and crucifying honest men. We thank the givers for priceless gifts but we eternally damn the system that makes education depend upon charity.115

Until the Fund's reorganization in 1928, then, it limited its activities almost exclusively to the Negro rural school program.116 This reorganization, as we have noted, transformed Rosenwald's giving from a personal to a corporate perspective. The administration of the Fund was placed in the capable hands of a president, his staff, and a board of trustees with Rosenwald staying on as chairman of the board.

But reorganization was more than a shift in the administration of the rural schools program: the Fund began making forays into the funding of industrial high schools and Negro colleges. Non-educational services were also supported; medical services, health agencies, and county library services were just some of the major programs developed by the Fund.117 The financial foundation for this broadened

115 Ibid., p. 152.
program was buttressed by an additional gift of 20,000 shares of Sears, Roebuck and Company stock. This bequest raised the sum total of Rosenwald's giving to somewhat more than two hundred thousand shares of Sears stock with a market value of 20 million dollars. To assure that this sum would be spent in an efficient business-like manner, Rosenwald placed Edwin R. Embree, formerly a vice-president with the Rockefeller Foundation, in the presidency of the reorganized Fund.

1928 was also the year in which Rosenwald published writings reaffirming the key element in his innovative philosophy. In a letter to the trustees dated April 30, 1928, Rosenwald underlined the fact that when the Fund was created trustees were given the discretionary power to spend both principle and income on projects deemed worthwhile. In fact, Rosenwald stipulated that the entire capital assets of the Fund had to be completely exhausted within 25 years of his death. Aimed at discouraging the abuses of the "dead hand" of the past, the letter reaffirmed a crucial tenet in Rosenwald's philosophy of philanthropy:

I am not in sympathy with this policy of perpetuating endowment and believe that more good can be accomplished by expending funds as trustees find opportunities . . . By adopting a policy of using the Fund within this generation, we may avoid these tendencies toward bureaucracy and a formal or perfunctory attitude toward the work which almost inevitably develop in organizations which prolong their existence indefinitely. Coming generations can be relied upon to provide for their own needs

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118 Embree and Waxman, p. 30.
as they arise. In accepting the shares of stock now offered, I ask that the trustees do so with the understanding that the entire Fund in the hands of the board, both income and principle, be expended within twenty-five years of the time of my death. 119

Given the history of large-scale philanthropy, this was indeed an innovative step, freeing trustees to spend the Foundation's principle holdings on present problems. The strength of Rosenwald's commitment was articulated in the popular press.

The first of three articles authored by Rosenwald appeared in the Saturday Evening Post on January 5, 1929. Entitled, "The Burden of Wealth," the article began by affirming philanthropy; for it was, according to Rosenwald, only the principle of perpetual endowments that gave him any quarrel. He then stated that contemporary fortunes should be spent on contemporary needs:

"From the standpoint of both social morality and business efficiency I hold, therefore, that the fortunes which men have made in this day and age should be employed by them in the support of such educational, benevolent or humanitarian enterprises as will benefit their contemporaries--them and their children; no more." 120

There were two major reasons motivating Rosenwald's rejection of perpetual endowments: (1) such a policy implied a lack of confidence in the capabilities and the humanity of future generations; and (2) this policy would inject large fortunes into the affairs of future

119 Quoted in Embree and Waxman, p. 31.
generations whose needs would be wholly unknown to the benefactors of an earlier era. These views, moreover, were not just the pronouncements of the moment: "They are the basis of the program for public welfare for which I stand sponsor. . ."[121]

Rosenwald continued by addressing the recurring problem of the "dead hand" in the history of philanthropy. He underlined the present predicaments in American philanthropy, showing that restricted gifts of past generations were often unable to meet the new demands of a highly complex industrial society where philanthropy had become the "unofficial" administrator of public welfare on a vast scale. In dealing with this issue of perpetual trusts and their inability to predict the future, Rosenwald noted that American philanthropy had, in a few short decades, adjusted to the needs of the modern world by changing the basis of its giving from one of personal metaphysics to that of a social perspective.[122]

That Rosenwald had not, however, removed himself from the dominant ideological domain of his predecessors is apparent in his policy of conditional giving and self-help. It is also apparent in his attitude toward work and inheritance. In fact, Rosenwald supported most of the philanthropic platitudes propagated by Andrew Carnegie. Though Rosenwald stated that leading businessmen were no better or worse in character than the rest of the population (the majority of their success being due to luck), he did affirm the beneficial

[121] Ibid.
[122] Ibid.
character of hard work and the dilatorious nature of the "millstone" of inheritance:

History has been written, discoveries were made and the clock of civilization gloriously moved forward by women and men who were born without the silver spoon of inheritance in their mouth. Work to me is not a burden but a privilege, and my sympathy goes out to the man, and more especially to the boy, who, by the unwise solicitude of a grandfather is deprived of the joy of honest, conscientious labor in a useful field of endeavor.123

And finally, that there was a strong degree of historical continuity uniting Rosenwald and his predecessors is apparent in his attitudes toward college education; Rosenwald saw the need for a college education in dealing with the complexities of the industrial world; nevertheless, he held the businessman's bias--"Although I am convinced that many who go to college would be far better off if they went to work, I believe in college education."124

These principles of philanthropic giving were reiterated four months later in an article in the Atlantic Monthly. Again, Rosenwald reiterated his point that social and business efficiency demanded that perpetual endowments be erased from the characters of philanthropic institutions and from the belief-systems of private benefactors.125

123 Ibid., p. 136.
124 Quoted in Werner, p. 358.
The following year, in yet another article, Rosenwald catalogued the progress made toward the goal of deleting perpetual giving. He found that both Carnegie and Rockefeller trusts had made progress in this direction. Both men, as we have noted, began liberalizing their policies of giving in the 1920's; and Rockefeller, in particular, acknowledged Rosenwald's influence. Other supporters included the Commonwealth Fund, The Falk Foundation, and the work of the Michigan senator James Couzens in his gift of ten million dollars to support programs of public welfare in his home state. In closing, Rosenwald underscored the flexibility that limited trusts could bring to philanthropy, stating that at any given time a fund's support could be devoted to any particular goal.126

Within this philosophy of philanthropy was an ideological assumption involving a recurring theme in the historical mind-set of businessmen-philanthropists working in the field of education: Rosenwald shared the crucial conviction that philanthropy should not be a debilitating, pauperizing program of free charity; that is, rather than being based on a metaphysic of almsgiving, of ministering to the effects of social and personal problems, philanthropy should, with business-like efficiency, attack the root of the problem, acting as a preventive and not a palliative measure. In Rosenwald's words:

In the first place 'philanthropy' is a sickening word. It is generally looked upon as helping a

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man who hasn't a cent in the world. That sort of thing hardly interests me. I do not like the 'sob stuff' philanthropy. What I want to do is to try to cure the things that seem to be wrong. I do not underestimate the value of helping the underdog. That, however, is not my chief concern but rather the operation of cause and effect. I try to do the thing that will aid groups and masses rather than individuals.127

In keeping with this vision, the Rosenwald Fund, after its reorganization in 1928, continued to carry out an expanded program that concentrated on the welfare of southern Negroes. Though the depression brought diversity to Rosenwald giving, an underlying philosophy informed the ideological infrastructure of these various projects. An integral aspect of this philosophy was articulated by President Embree in the 1929 report: "Our aim is to give as little as possible for as short a time as possible. Should any of our projects become permanently dependent upon our help, we should feel that we had failed."128 Here, in short, was a fine example of businessmen-philanthropists affirming the belief that independence through self-help was a goal of philanthropy. (If this independence could be incorporated in the public domain, so much the better.)

Fiscal conservativism—resulting from a fear of pauperizing the beneficiary be it an individual or an institution—did little to increase the Fund's support of higher education. For instance, in 1930


the Fund spent 2,475,455 dollars of its capital resources. Its chief activities included assistance with the building of 256 public schools, contributions to Negro high schools and colleges (public and private), support of pay clinics and health services for persons of "moderate means," gifts to a few experiments in general education and child growth and development, and contribution to the study of social problems (particularly in the south). Of this entire sum, the Fund gave 100,000 dollars to state Negro colleges in Alabama, Georgia, and Virginia. Another 500,000 dollars was donated to private colleges and professional schools; and finally, another 130,000 dollars was devoted to the expansion of scholarship programs for 'deserving' Negroes active in advanced (graduate) work.

By 1931, according to the Twentieth Century Fund's survey (American Foundations and Their Fields), the Julius Rosenwald Fund was spending 507,877 dollars on colleges and universities out of a total budget of 1,938,080 dollars. The following year witnessed a further decline in expenditures for higher education: 32,761 dollars was expended upon higher education with an additional 53,074 dollars spent for the support of fellowships and scholarships.

The Julius Rosenwald Fund report for 1933-35 noted that the largest sum devoted to higher education (60 million dollars) went to

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130 Ibid.
131 Ibid., p. 25.
133 Ibid., p. 46.
the support of a building program at Dillard University. Building money was also distributed to Howard, Fisk, and Atlanta Universities. With a 1934 budget for higher education of 166,283 dollars and a 1937 budget of only 2,676.35 dollars, it is no wonder that the Fund decided to turn its higher education policy toward the limited pursuit of "maintaining a few institutions of the very finest standard."  

In the midst of this rather modest expenditure for higher education the Fund reaffirmed its primary commitment to elementary education:

Large gifts to colleges and universities were also beyond the relatively modest resources of the Fund, and the crying needs seemed to be funding fresh methods of education and strengthening the basic elementary schools, rather than supporting the status quo in college life.  

The Fund also reaffirmed its position on the vital importance of supporting Negro education as one aspect of a broader effort toward equalizing and enriching educational opportunities.  

In the end, the Fund's work in the south represented its most significant effort in higher education; the program itself consisted of four areas of emphasis: (1) the building of rural schools for Negroes; (2) a provision for library services; (3) the education of

\[^{134}\text{Edwin R. Embree, Julius Rosenwald Fund, Report for Year 1939, (Chicago, 1939), p. 49.}\]
\[^{135}\text{Quoted in Embree and Waxman, p. 33.}\]
\[^{136}\text{Ibid.}\]
teachers; and (4) the development of strategic centers of higher education for Negroes. The four major centers of higher education were: (1) Howard University and The Association for the Study of Negro Life and History; (2) the Atlanta University Complex which included Atlanta University, Spelman College, Morehouse College, Atlanta School of Social Work, and Morris Brown College; (3) the Nashville Center which included Fisk University and Meharry Medical College; and (4) Dillard University, New Orleans.

The Rosenwald Fund also contributed to a lesser extent to fourteen additional Negro colleges under private auspices. It was the Fund's goal, as we have already noted, to establish a few strong schools where hundreds of weak and ineffectual "colleges" had once been. Another aspect of this program involved gifts to seven state colleges for Negroes, an industrial school in each of five southern states, and the subsidization of several summer institutes for the training of preachers, teachers, and agricultural workers. In addition, the Fund, between 1928 and 1936, established 389 fellowships for 'deserving' Negroes to do advanced college work, an expenditure totaling 437,615 dollars. The entire direction of this giving to...
higher education emphasized the Fund's efforts toward funding only exceptional colleges that could set high standards of excellence and do pioneering work.

In sum, Rosenwald lived in two stages in the historical development of modern educational philanthropy: He was a man who supported the practical themes of nineteenth century businessmen-philanthropists in his rejection of a "sob-stuff" philanthropy that ignored the dictates of the tradition of self-help, hard work, and a gospel of wealth that demanded that rich men administer their surplus wealth in their own lifetimes to their own generation. In fact, Rosenwald outdid Carnegie in his absolute demand that his philanthropic monies be disbursed within 25 years of his own death. Rosenwald, on the other hand, was a firm advocate of the well-organized, efficient, and business-like 'business of benevolence' that placed its indelible mark on the evolution of twentieth century educational philanthropy. As Rosenwald noted, the foundation of American philanthropy had shifted from a metaphysical to a social basis in the twentieth century. Rosenwald affirmed this movement toward the bureaucratization and rationalization of large-scale philanthropy by asking for the end of inefficient perpetual endowments in education and all other fields.

That Julius Rosenwald did not seem to be as acutely aware of the ideological apparatus that an earlier entrepreneurial elite assembled to arm itself against a continuous burrage of social criticism is a reflection of his own personal perspectives, and, more fundamentally, a reflection of the lack of wide-spread social protest aimed against
the philanthropic activities of the nation's leading businessmen in the 1920's and 30's. That Rosenwald did, on the other hand, share much of the broader and less pointedly political perspectives of his generation of businessmen-philanthropists should hopefully be understood.
CONCLUSIONS:
BUSINESSMEN AND EDUCATIONAL PHILANTHROPY

This historical analysis has attempted to uncover the ideological underpinnings and the philanthropic practices of the entrepreneurial elite engaged in the funding of American higher education between 1870 and 1939.

After a brief examination of ideology and its relationship to historical analysis, the study began with an investigation of the mind-set animating the philanthropic theory and practice of late nineteenth century businessmen. The Protestant ethos ingrained in the fiber of capitalist culture was discovered to have a profound and pervasive affect on business leaders. For example, businessmen often referred to their benevolence in religious terms, viewing themselves as "stewards" and "trustees" of God's wealth. Business leaders also affirmed the tenets of a Protestant work ethic that often connected sacred election with secular (i.e., material) success: hard work in one's calling could have spiritual and material rewards. Translated into philanthropic practice, this meant that instead of supporting idle sinners with free gifts, the wealthy man should follow God's example and only help those who helped themselves. In short, the intimate and causal connection between Protestantism and capitalism served as the keystone of the ideological infrastructure of late
nineteenth century businessmen working on the philanthropic funding of American higher education.

Closely attached to this point were two compatible characteristics of the mind-set of businessmen-philanthropists: (1) an affirmation of the pseudo-scientific doctrine of social Darwinism and (2) a firm belief in an endemic American success ethic. Both of these positions were appropriated by individual entrepreneurs in their personal and political efforts to legitimize themselves and their fabulous fortunes. Social Darwinism with its evolutionary monism, its struggle for existence and survival of the fittest easily adapted to the traditional tenets of America's Puritan-Protestant ethos; an ideology that also divided the world into a select number of winners and losers struggling to survive in a prosperous land of open competition. Social Darwinism was thus employed by certain business leaders as a scientific bulwark against efforts at reforming the status quo. The success ethic, on the other hand, was part and parcel of American's Protestant-capitalist ideology. Specifically, this ethic was a by-product of the Protestant work ethic and its virtues of hard work, perseverance, frugality, punctuality, and self-help; moreover, it can also be regarded, in more secular terms, as an integral aspect of the broader American ethos of equality and opportunity for all people. Woven into the fabric of this broad-based ideology of Americanism, Protestantism, and capitalism was a strong strain of anti-intellectualism manifesting itself in the 'self-made' man's disdain for formal education. In sum, social Darwinism and the success ethic were significant yet secondary
elements in the ideological perspective of late nineteenth century businessmen-philanthropists.

The culturally-based ideology of these entrepreneurs was employed in a more pointedly political manner as this group began to collide with the social criticism of an exploited public intent on placing limits on business's sharp practices. From rural Populists to urban Progressives to wealthy Patricians, business was seemingly surrounded by defiant critics. Countering with a cohesive ideological defense, entrepreneurs like Andrew Carnegie anchored the economic status quo in a philanthropic practice that emphasized the administration and not the re-distribution of surplus wealth.

Though the ideology of businessmen-philanthropists was continually redefined by changing historical conditions, it remained largely intact throughout the period under investigation. This was certainly true in the early years of the twentieth century when entrepreneurs like Carnegie, Rockefeller, and Sage began investing millions of dollars in permanent philanthropic foundations established for the express purpose of distributing, in a business-like fashion, vast quantities of surplus capital.

For example, embedded in this backdrop of organizational development and discontinuity are several strong ties joining the philanthropic precepts of the nineteenth century with the philanthropic practices of the early twentieth century. The paternalism implicit in the control of many philanthropic dollars is a case in point. That is, many business leaders stipulated that the income but not the principle of their
gifts could be spent. Though the trend was reversed by Julius Rosenwald and others, it was nevertheless a crucial component of educational philanthropy in the field of higher education.

Another line of continuity connecting the personal benefactions of individual entrepreneurs with the business-like organization of funds and foundations can be seen in the notion of self-help. An essential aspect of Protestant ideology, this vision of personal independence and initiative also made good economic sense to organized philanthropy: Limiting subsidization to individuals and institutions responsible for supplying a significant percentage of the sum total needed for a given project was a sound policy guaranteeing that beneficiaries would continue to work diligently toward their chosen objectives. In short, the philanthropic fear of debilitating and demoralizing beneficiaries with free gifts would be alleviated by two modern versions of the enduring doctrine of self-help: conditional giving and matching funds. Both techniques demanded that fund raising be defined as a joint effort between benefactor and beneficiary.

A pattern of concentrated giving to well-endowed colleges and universities also fit within the confines of this broad ideological framework. For instance, capitalists like Carnegie and Rockefeller wanted to transform the chaotic conditions of turn-of-the-century higher education into a system grounded in efficient business practices and principles. Central to this philanthropic policy was a decision to devote a majority of support to the financially-fittest schools, allowing the poorly endowed to die of financial starvation. This policy of
supporting educational winners was a manifestation of two interrelated ideologies—capitalism and Protestantism. The possibility that this policy could make good economic and educational sense should not be disregarded.

Central to the evolution of philanthropic theory and practice was the businessman's attitude toward higher education. With their utilitarian focus and practical bent these pragmatic business leaders often saw no great need for an advanced education: It was difficult for 'self-made' men to live in the midst of their own progress and prosperity and support a classical, college curriculum geared toward an understanding of a seemingly useless past. But this attitude was to undergo fundamental change in the closing years of the century; for businessmen began realizing that a highly industrialized society with a sophisticated technological base demanded the presence of trained technicians and educated managers of all sorts. According to most businessmen-philanthropists, this development meant that colleges and universities would have to be refashioned to meet these new social and industrial demands.

In the 1920's and 30's philanthropic foundations increasingly transferred their emphasis from the funding of general endowments to the support of special projects such as scientific research, teachers' salaries, graduate education, and general education. Though these projects attracted biting criticism, they were, for the most part, left to cut their own course, free from the attacks of a suspicious public. Nor did the public seem to notice the continuing pattern of
concentrated giving perpetuated throughout these two decades by funds and foundations.

In addition, the trend away from funding general endowments reflected an emerging pattern: Higher education (in the period under investigation) had grown by leaps and bounds. The financial dimensions of this vast educational system meant that the foundation millions that had once supported and sustained a myriad of colleges and universities could no longer fundamentally influence and finance the structural development of American higher education. This relative loss of power meant that private philanthropy's role in the funding of higher education would increasingly be performed by expanded state and federal governments.

Thus, there are strong lines of historical continuity running through the theory and practice of business leaders working in the world of American educational philanthropy between 1870 and 1939. The study shows these men to be the products as well as the creators of their historical conditions. Transcending the role of rapacious businessmen searching for a social legitimization that would assure a continuation of the political and economic status quo, these business leaders forged a coherent ideology that incorporated many of the fundamental dynamics of the American historical scene.

In closing, it is significant that the practical manifestations of this ideology do not imply a conscious conspiracy by businessmen-philanthropists to control American higher education. Rather, they
reflect a value-laden vision, an historically-rooted mind-set that had a profound impact on the nature and nurture of America's colleges and universities.
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