

2014

## Introduction to "The Difficult Art of Giving Patronage, Philanthropy, and the American Literary Market"

Francesca Sawaya

*William & Mary*, [fsawaya@wm.edu](mailto:fsawaya@wm.edu)

Follow this and additional works at: <https://scholarworks.wm.edu/asbookchapters>



Part of the [American Studies Commons](#)

---

### Recommended Citation

Sawaya, F. (2014). Introduction to "The Difficult Art of Giving Patronage, Philanthropy, and the American Literary Market". *The Difficult Art of Giving Patronage, Philanthropy, and the American Literary Market*. Philadelphia: University of Pennsylvania Press. <https://scholarworks.wm.edu/asbookchapters/133>

This Book Chapter is brought to you for free and open access by the Arts and Sciences at W&M ScholarWorks. It has been accepted for inclusion in Arts & Sciences Book Chapters by an authorized administrator of W&M ScholarWorks. For more information, please contact [scholarworks@wm.edu](mailto:scholarworks@wm.edu).

## INTRODUCTION

---

### “The Difficult Art of Giving”

About the year 1890 I was still following the haphazard fashion of giving here and there as appeals presented themselves. I investigated as I could, and worked myself almost to a nervous break-down in groping my way, without sufficient guide or chart, through this ever-widening field of philanthropic endeavour. There was then forced upon me the necessity to organize and plan this department of our daily tasks on as distinct lines of progress as we did our business affairs.

—John D. Rockefeller, 1909

The road to the free market was opened and kept open by an enormous increase in continuous, centrally organized and controlled interventionism. To make Adam Smith’s “simple and natural liberty” compatible with the needs of a human society was a most complicated affair.

—Karl Polanyi, 1944

IN KARL POLANYI’S classic economic analysis of the nineteenth century, he emphasizes the intervention of the state and business in constructing and enforcing what he describes as the “utopian” (138) fiction of the free and self-regulating market.<sup>1</sup> The paradox Polanyi highlights—the naturalizing of a powerful and resilient narrative of free markets *through* radically “interventionist” methods—is central to this book. Polanyi analyzes not only the social necessity for such interventionism to stave off the worst excesses of “catastrophic dislocation” (33) caused by a market system, but also the variety of forms such interventionism takes (through the establishment of trusts, cartels, tariffs, and currency policy, as well as through collective bargaining, workers’ rights, and unions).<sup>2</sup> This book, by contrast,

highlights the emergence of a much more directly expressed form of interventionism, one nonetheless closely linked to the kind Polanyi focuses on: the large-scale, corporate-based philanthropy that emerges at the turn of the twentieth century, which, as one recent study puts it, has powerfully “influence[d] the course of . . . history” in the United States and elsewhere.<sup>3</sup>

Corporate-based philanthropy is a complex phenomenon that cannot help but bear witness to the failures of market capitalism. Once John D. Rockefeller begins “giving,” he finds an “ever-widening field of philanthropic endeavor.” The blandness of the language, its aim at establishing philanthropy as an area of professional expertise, nevertheless fails to contain the fact of an “ever-widening field” of need. Indeed, this famously unreadable and private man claims he is led to “nervous break-down” as he “grope[s]” his way through the apparently numerous “appeals” made to him.<sup>4</sup> Yet he is not therefore led to question the system that has created such “ever-widening” need. To Rockefeller the solution instead lies in the system itself, in capitalism. As he puts it, he seeks to “organize and plan” his philanthropic interventions and model them on his “business affairs.” Philanthropy must be carefully managed so that it not only supports but also resembles a market economy.<sup>5</sup> This book focuses on the kind of large-scale, corporate philanthropy Rockefeller and others helped create in order to investigate quite directly the multiple paradoxes of this form of “continuous, centrally organized and controlled interventionism” that enforces the utopian fiction of the free market.

This book’s governing argument is that the form of philanthropy that emerges at the end of the nineteenth century is an expression of the crisis in liberal capitalism over interventionism, a crisis that led in a quite different direction as well—through Progressivism and a long bumpy road to the welfare state.<sup>6</sup> A genuine hysteria is evident among defenders of liberal capitalism, business leaders, and intellectuals at the turn of the century that intervention will destroy the (putatively) free and self-regulating market system. At the same time, as Andrew Carnegie points out in his famous manifesto for corporate-based philanthropy, “The Gospel of Wealth” (1889), without intervention it is also possible that “Socialism,” “Anarchism,” or “Communism” will be validated and be successful at “overturn[ing] present conditions.”<sup>7</sup> Philanthropy is both a problem and an uneasy solution for defenders and proponents of liberal capitalism.<sup>8</sup> What Polanyi refers to as the “veritable faith” (135) and the “militant creed” (137) of liberal economics is profoundly challenged by philanthropy in these years,

even as the creed is anxiously restored through a carefully circumscribed definition of what philanthropy is, what it can do, and what it must never do at great risk of endangering the (fiction of the) free market, and thus the "progress of the people" ("Gospel," 17). Nonetheless, and despite the anxious restoration of the creed of liberal economics, philanthropy cannot also help but bear witness to failure. My analysis of philanthropy as an expression of crisis seeks to highlight this dynamic. I hope to avoid the Scylla and Charybdis that plague analyses of philanthropy: on the one hand, the naturalization of it as an expression of the benevolent progressivism of corporate capitalism, or more simply of the good intentions of individual capitalists; on the other hand, its reduction to an easy and unchallenged capitalist hegemony.

While this crisis among defenders of liberal economics over interventionism is central to my book, I am primarily interested in the exchange between literature and philanthropy. In particular, this book focuses on the relation between American literature and the emergence of corporate-based philanthropy at the turn of the twentieth century. While sociologists, historians, and art historians have explored this form of philanthropy extensively, the relation of modern literature to philanthropy has not been fully investigated.<sup>9</sup> Indeed, scholars rely on what Geoffrey Turnovsky has called "the standard narrative" of literary markets to argue that in the post-bellum United States patronage and elite amateurism gave way to a free market in literary goods as well as self-supporting professionalism.<sup>10</sup> Modernism is seen as an ambivalent or critical response to the expansion of this market in both the social world and cultural work, and thus as an attempt to create an autonomous sphere for art—even as modernists frequently marketed their putative autonomy. Rethinking the modern literary field in terms of the continuation of patronage and the emergence of philanthropy challenges this economic history that relies unconsciously on the fiction of the free and self-regulating market borrowed from liberal economics. I argue that in the expanding literary market social practices like patronage do not disappear from the literary field, even as new social practices with residual characteristics—like philanthropy—are emerging. In the literary market, just as in markets generally, different kinds of social interventionism remain and new ones become important. Philanthropy raised questions for artists about interventionism in their work generally, but it also enabled them to reflect on the social changes a market economy creates, as well as its foundational narratives. The variety of fictional representations of patronage

and philanthropy by American writers in this period—from women and minority writers (Abraham Cahan, Willa Cather, Charles Chesnutt, Sarah Orne Jewett, Zitkala-Sa, Edith Wharton, and Anzia Yezierska) to the successful men of this book (Henry James, William Dean Howells, and again Charles Chesnutt, Mark Twain, and Theodore Dreiser, among others)—suggests how central those social practices were to modern literature.<sup>11</sup> If modern literature has historically been read as an ambivalent or critical response to the necessity of the market, this book argues that it is equally profoundly an ambivalent or critical response to the necessity of patronage and an emergent philanthropy.<sup>12</sup>

Philanthropy, however, does not simply present us with a rich set of paradoxes and narrative possibilities to explore in the history of economics and literature. With the fall of Soviet communism and what has been heralded as the triumph of liberal capitalism, there has been today, as Scott Shershow puts it, “a broad resurgence of intellectual interest in the question of the gift,” in which “an ideal of generous giving now presents itself, at least to some thinkers, as an ethical and political alternative to Marxist socialism.”<sup>13</sup> But if Shershow usefully links this resurgence of intellectual interest in the gift to the apparent triumph of liberal capitalism, one could again link it simultaneously to a legitimation crisis. As Warren Buffett said directly when he gave \$31 billion to the \$30 billion Bill and Melinda Gates Foundation in 2006, “A market system has not worked in terms of poor people,” and philanthropy today, as in the past, cannot help but highlight the human and environmental failures of the market.<sup>14</sup> The “ideal of generous giving” is everywhere celebrated, whether in the *New York Times* special section called “Giving,” which charts new trends (microlending, dot.com, and profit-oriented philanthropy), on the prime-time television show *Oprah’s Big Give*, or in the numerous articles about celebrities of the Brangelina variety. But the celebration is often also openly anxious, highlighting the strange conjunction—as a student of mine forthrightly put it—of “rich people holding dances to raise money for poor people.”<sup>15</sup> Before but especially in the wake of the economic crisis of 2008, philanthropy cannot help but reveal the systemic inadequacies and injustices of global capitalism, to which it can apparently provide sometimes only palliative, sometimes only paradoxical or self-defeating solutions.

Shershow’s point, however, that this is a “resurgence” of interest is certainly correct. The media regularly chart the growing inequality between haves and have-nots, as well as business titans’ and celebrities’ response to

such inequality through philanthropy, denominating our era a “New Gilded Age.”<sup>16</sup> Likewise, our era’s most famous philanthropists, Bill Gates and Warren Buffett, cite Andrew Carnegie and John D. Rockefeller as models, while a host of books argue that the modern form of philanthropy that remains an object of scrutiny today became powerfully articulated, particularly effective, and enormously controversial at the turn of the twentieth century.<sup>17</sup> A sign of this resurgence is the interest academics and intellectuals have expressed in rethinking different conceptions and configurations of gift-giving, a rethinking to which Shershow’s book offers exemplary testimony. Such a resurgence arguably coincides with the current changes in the relation between institutions of higher education and philanthropy. Since World War II, universities have sponsored much intellectual and artistic work, and as these institutions increasingly face cutbacks in federal and state sponsorship, the close relation between intellectual work and corporate-based philanthropy in the United States is highlighted.

By no means do I seek to exaggerate the relation between philanthropy and the university. Federal and state government funding remains central to private and public universities alike. Indeed, a crucial point David Hammack has made is that exaggerating the influence of patronage and philanthropy in U.S. education and civic life, as opposed to that of the government, is characteristic of both scholars and the general public. I would add to Hammack’s important argument that such exaggerations enforce the fiction of the benevolent efficacy of the free market.<sup>18</sup> Nonetheless, at my own large state university, only 17 percent of the budget came from state government in 2012, as opposed to 38 percent in 1980, even as many of my state’s legislators mount relentless attacks on public education and the university. While raising tuition in the current era of budgetary crisis is the recourse of most (thus, as my university’s president says, “closing] the door of opportunity for countless students”), corporate and private philanthropy also step in. At my university, “private giving” constituted 4 percent of the budget in 1980 but 10 percent in 2012.<sup>19</sup> The university and the corporation have supported each other’s development, as Christopher Newfield has shown in his intertwined history of the two; however, as he also writes, the research university is “a major, if partial, outsider to this business system, having sought to support free inquiry and the pursuit of truth independently of what the market will buy.”<sup>20</sup> New challenges and debates about academic freedom and the relation of the university to the corporation necessarily emerge as corporate-based sponsorship increases at

universities.<sup>21</sup> In short, philanthropy is and has been central to modern intellectuals—seeming sometimes more, and other times less, problematic in how it shapes their work.<sup>22</sup>

If both past and present crises in liberal capitalism and their significance for intellectual work are central to this book, I nonetheless need to make clear that the book is not about the anthropologically inflected term Shershow and others use, namely, the “gift.”<sup>23</sup> Nor, must I add, is it about the psychologically inflected term “paternalism.”<sup>24</sup> Indeed, while I often borrow from theorists of the gift and of paternalism, my attention is focused on philanthropy—a historically specific set of social (and thus economic) practices associated with the emergence of corporate capitalism. Two questions are immediately raised by such a statement: what *is* philanthropy, and why would it be important to focus on that social practice, ignoring the many other social practices of distributing access or giving?

Thus far, my use of the term philanthropy has simply assumed what it is, associating it with corporate or managerial capitalism and loosely connecting it to patronage. The problem here, however, is that both patronage and philanthropy generate an enormous amount of conceptual confusion separately, let alone together. Patronage is typically described as a premodern phenomenon that links individuals in complex, usually personalized ways across institutionalized hierarchies or divides. It is furthermore associated with relations of mutual self-interestedness within contexts of inequality, for example, feudal or aristocratic societies.<sup>25</sup> However, while patronage is seen as premodern, with Dr. Johnson’s famous 1755 letter breaking with his patron Lord Chesterfield used to mark a watershed moment in English literature, such periodization is clearly false. Patronage continues to be important in modernity, though its form may shift, and though the term may be used to describe a variety of different phenomena.<sup>26</sup> In the period that is the object of study here, for example, the term was used to describe a range of practices. Most famously, it described the collusion between the state and corporate interests and between different corporations, both of which helped galvanize the loosely affiliated movement called Progressivism.<sup>27</sup>

Philanthropy as a term represents an even more complex set of historical problems. The *Oxford English Dictionary* provides an etymology that dates back to ancient Greece, defining philanthropy as a “Love of mankind; the disposition or active effort to promote the happiness and well-being of others.” However, the *OED* then goes on to distinguish between that ancient definition and one current today: “practical benevolence, *now* esp.

as expressed by the generous donation of money to good causes” (emphasis added).<sup>28</sup> Without commentary, the *OED* charts the transformation of a concept from a premodern religious or humanist imperative to love others to a modern practice, situated specifically in a capitalist ethos, in which the “generous donation of money” is placed in the service of measurable (“practical”) outcomes.<sup>29</sup> For some historians, therefore, philanthropy *is* the term for expressions of benevolent action in capitalism; there is no prehistory to the term. Robert Gross, for example, distinguishes philanthropy from charity by defining and periodizing the former as an “innovation of the market revolution’s” joint stock company of the seventeenth century.<sup>30</sup> Philanthropy, he argues, sought “to apply reason to the solution of social ills and needs” through “abstract and institutional forms” (31), as opposed to the face-to-face interactions of “charity,” which depend on a religious obligation (44–45). Gross particularly highlights the turn of the century, with Andrew Carnegie as the exemplary figure of philanthropy, contrasted with Jane Addams’s Hull-House as a model of charity.<sup>31</sup> Olivier Zunz’s acclaimed recent history of philanthropy depends on the late nineteenth- and early twentieth-century legal decisions that enabled philanthropy to thrive in the United States and so defines the term in a comparable but much more historically specific manner as “a product of the large organizational revolution that American managerial and financial capitalism orchestrated in the last century and a half.” Against philanthropy, Zunz poses not charity but what he generalizes as “a universal altruistic impulse” (294).

These historical definitions of philanthropy reveal why debates about the practice can be both confused and contentious. Is the modern notion of philanthropy a misuse of the original meaning of the word? Should corporate-based philanthropy be called philanthropy? Especially, after 1913 when United States tax laws were changed (Zunz, 4), should such philanthropy simply be seen as an extension of corporate welfare or crony capitalism, since it became a form of tax relief and evasion, as well as a form of public relations for corporations—part of a systematic policy of representing themselves as inherently progressive and benevolent?<sup>32</sup> Or should philanthropy simply be collapsed into the term patronage, highlighting the forms of self-interestedness (rather than benevolence) and continuous (if changing) inequality that inhere in it? In addition, patronage is often described as an individual practice, but couldn’t one simply say it changed in modernity and became institutionalized and systematic? Or, given the close relationship between the government and corporate foundations,



should corporate philanthropy more rightly be called an ideological state apparatus?<sup>33</sup> Perhaps even more interesting, modern philanthropy forces us to ask: could or did philanthropy ever exist? Given the transhistorical and transcultural account of self-interested Economic Man provided by eighteenth-century liberal economics, was any benevolent expression of a disinterested “love of mankind” ever possible? Hasn’t philanthropy always been a misnomer? But we might reverse the question just as easily: isn’t it possible that our use of the old term for the new phenomenon reveals the way modern philanthropy might well contain residual or emergent forms of sociality that are either precapitalist or anticapitalist?

These questions, which definitions of patronage and philanthropy raise, are central to the conceptual confusion about the two practices. But philanthropy is particularly compelling—today as at the turn of the last century—because (in contrast to patronage) it raises fundamental questions about the beneficence and efficacy of the economic system that has been dominant in the West since the nineteenth century. At the same time, it raises questions about the conception of the human in modernity. For now, however, I simply want to state that I rely in this book on the modern definition Gross and Zunz use. In other words, I see philanthropy as a specific set of social (and thus also economic) practices that emerges out of capitalism and the Enlightenment but is more particularly “a product of the large organizational revolution that American managerial and financial capitalism orchestrated in the last century and a half” (Zunz, 294).

However, I expand Gross and Zunz’s historical definitions in two main ways. First, I see philanthropy as an expression of and an attempt to solve the crisis among defenders of liberal capitalism over what Polanyi calls interventionism. It seeks to intervene in the putatively free market while evading the philosophical consequences of doing so. Philanthropy thus highlights both the failures of the market and the constructedness of the notion of that market. Second, while philanthropy builds on the longstanding (albeit also changing) social practice of patronage and can seem indistinguishable from it, its difference lies in its claim to benevolent morality in a capitalist system. Such a claim attempts to establish capitalist hegemony, yet also expresses the desire to imagine human motives beyond the limited conception provided by the transhistorical and transcultural theory of Economic Man.<sup>34</sup> Indeed, this desire may be one of the reasons philanthropy—despite critiques from both left and right—has been as effective as it has.<sup>35</sup> This desire is also a reason why philanthropy has proven such a fertile topic for literature.

However, the tensions between patronage and philanthropy, as well as between the original and modern meanings of philanthropy, are not the only causes of conceptual confusion in discussing philanthropy, particularly in the United States. There are two other linked confusions: one involving voluntarism and the other exceptionalism. Both confusions stem from what we can call the origins myth of philanthropy in the United States. Historians and sociologists alike typically begin their analyses of philanthropy with an invocation of Alexis de Tocqueville’s account of voluntary aid in *Democracy in America*. De Tocqueville writes in 1835:

Americans of all ages, all stations in life, and all types of dispositions are forever forming associations. There are not only commercial and industrial associations in which all take part, but others of a thousand different types—religious, moral, serious, futile, very general and very limited, immensely large and very minute. . . . if they want to proclaim a truth or propagate some feeling by the encouragement of a great example, they form an association. In every case, at the head of any new undertaking, where in France you would find the government or in England some territorial magnate, in the United States you are sure to find an association.<sup>36</sup>

De Tocqueville’s analysis has led many scholars to argue that modern, corporate-based philanthropy is a uniquely American phenomenon that represents the same democratic impulse that galvanizes all voluntary associations and grassroots organizations in the United States.<sup>37</sup> The objections to such logic seem to me strikingly self-evident. The argument presumes that the work of abolitionists and Rockefeller’s huge fund for education in the South, the General Education Board, the publication of temperance tracts by religious societies, and the Flexner Report on medical education (funded by the Carnegie Corporation) not only are expressions of the same comparable and equivalent American democratic and voluntaristic spirit, but work in the same way. In fact, these quite different expressions of sociality and civic life often operated in direct opposition to each other. As I will discuss below and throughout the book, what made Rockefeller’s and Carnegie’s philanthropy objects of particular attention to their contemporaries was their link to corporate interests, their wealth, and the disproportionate power they could therefore wield in a democratic society. Likewise, the exceptionalism of American philanthropy is also easily disputed. As

Thomas Adam, among others, has made clear, philanthropy and the kind of cultural and social interventions it made is a transatlantic phenomenon.<sup>38</sup> He shows through case studies in Germany, Britain, the United States, and Canada how members of a mobile, urban, cosmopolitan bourgeoisie directly borrowed from each other's philanthropic models, even as they competed with each other. Philanthropic activity, Adam asserts, is central to bourgeois self-definition throughout the West.

Therefore, this book insists, first of all, on a distinction between corporate-based philanthropy and other forms of voluntary association or grassroots organization. As I will discuss later in this chapter, there is an ongoing struggle between the quite different forms of interventionism of corporate philanthropy and of other associations and organizations involved in social reform or change. Likewise, I insist that philanthropy is a transatlantic phenomenon, though I primarily analyze U.S. literary texts. This latter focus requires some explanation. My reasoning here is that large-scale philanthropy does become particularly associated with this nation at the turn of the twentieth century and continues to be so today, despite all evidence to the contrary. The American Century is one in which American philanthropy comes to the fore. When Henry James, for example, decides to write about the bad faith of wealthy philanthropists engaged in poor relief, he focuses on the American-born Princess Casamassima, even though his story is set in England and could as easily have focused on the English-born Lady Aurora. Likewise, when James decides to delineate the rise of American imperialism and contrast it with a declining British empire, he focuses on millionaire American cultural philanthropist Adam Verver and his daughter Maggie, even though he sets his story again in England. To James, modern American philanthropy is noteworthy because it is linked to the nation's current position as a newly puissant empire. Philanthropy is by no means unique to Americans in James, but the American version of philanthropy bears intensive scrutiny because it has become a key expression of American imperial power.

James's analysis builds on what we now know is a well-established relation between imperialism and philanthropy at the turn of the twentieth century. From the beginning, both Carnegie's and Rockefeller's philanthropy was focused not just on the nation, but also on "extending the 'benefits' of Western science, technology, and value systems abroad" (Arnove, 5)—an extension that was intended to make economic sense. A 1916 Rockefeller report describes the relation between philanthropy and

imperialism this way: to “peacefully penetrate . . . areas of the Philippine Islands,” and “for the purposes of placating primitive and suspicious peoples,” “medicine has some advantages over machine guns” (quoted in Richard E. Brown, in Arno, 132).<sup>39</sup> Scholars have argued that American imperialism differed from British in that it sought to open commercial routes rather than gain control of land, but as James’s fiction and the historical record suggest, the differences could be further examined by specifically linking it to modern philanthropy—in all its institutional, economic, and ideological complexity.<sup>40</sup>

Philanthropy, then, helps us to ask important questions about “the economic superstitions of the nineteenth century” (56), as Polanyi puts it, particularly about the free and self-regulating market. Like many others, I see these superstitions as having had and continuing to have—through the form of neoliberalism—a devastating impact on human life and the environment.<sup>41</sup> At the same time, philanthropy often, and paradoxically, provides a record of the resistance to that devastation—even if in inchoate, contradictory, profoundly problematic, or self-defeating ways. A focus on philanthropy furthermore helps us look at the ways in which, seemingly unconsciously, the field of literary studies has also relied on and translated these superstitions. While this reliance may not have been as destructive as it has been in our society at large, it does demonstrate how deeply the idea of the free and self-regulating market has saturated all aspects of our thought: it has narrowed down the kinds of questions we ask about our world and the histories we tell about it.

Finally, however, I want to repeat that my central concern is literature itself—how it responds to and also how it shapes the debates about the crisis in liberal capitalism and the market. As Polanyi’s work highlights, the notion of a free and self-regulating market has been one of the most resilient and powerful, yet also palpably fictional narratives of the West in the nineteenth, twentieth, and twenty-first centuries. I argue that it has therefore lent itself well to fictional treatment. The field of literature since the nineteenth century has often seen itself, as Pierre Bourdieu writes, as “the economic world reversed.”<sup>42</sup> While for Bourdieu this reversal signifies finally the irreducible economic rationality that determines literary production, I argue in the chapters ahead that the reversal also means that literature turns an analytical eye on the classical narratives about the “free market,” in part because literary texts see and perform themselves in reverse. It is not simply that the densely particularistic texts of the late

nineteenth and early twentieth centuries read economics socially, though that is often—productively and problematically—the case.<sup>43</sup> As we shall see, it is also true that the writers of those texts, in seeing literature as the reverse of the “real” economic world—a world of free and self-regulating markets—acknowledge (often quite ambivalently) the variety of ways such freedom is *not* true in the production of literature, and then extend that analysis—tentatively or insistently—back upon the larger world they seek to represent.<sup>44</sup> The fiction of the market helped produce philanthropy, and philanthropy generated fiction—in terms of both production and content. For the remainder of this introduction, I want to explore the dominant fiction of the market at the turn of the twentieth century that helped produce philanthropy, before turning to a brief delineation of the ways that philanthropy generated fiction.

**“The miseries everywhere being suffered”: Laissez-Faire  
Capitalism and the Crisis of Liberal Economics**

To understand the fiction of the free and self-regulating market at the fin de siècle, I want briefly to invoke Adam Smith’s foundational formulation of it in the eighteenth century. Smith’s theorization of the market first appears in *The Theory of Moral Sentiments* (1759), not in *The Wealth of Nations* (1776), and the “invisible hand” is thus defined by the way it works to oppose and counterbalance the fundamental self-interestedness of human beings. Smith writes of the wealthy:

[in] spite of their natural selfishness and rapacity, though they mean only their own conveniency, though the sole end which they propose . . . be the gratification of their own vain and insatiable desires, they divide with the poor the produce of all their improvements. They are led by an invisible hand to make nearly the same distribution of the necessities of life, which would have been made, had the earth been divided into equal portions among all its inhabitants, and thus without intending it, without knowing it, advance the interest of the society.<sup>45</sup>

Here, the “invisible hand,” countering naturally selfish human beings, expresses its benevolent “love of mankind,” dividing necessities between

those who have and “the poor,” in “the interest of society” as a whole, rather than in the interest of any individual. Two issues are highlighted for us here. First, as numerous scholars have argued, we see the theological roots of liberal economics.<sup>46</sup> Against a fallen, selfish man, there is an “invisible hand” that distributes resources fairly. Second and relatedly, we notice that the free market is conceived of not simply as an economic system, but also as a system of benevolent morality. Thus morality became central in legitimating and constituting the fiction of the necessary predominance of the market. However, this morality must necessarily be disassociated from the human. No action to others can be beneficent in this foundational formulation, given man’s “natural selfishness”; only the mystical workings of the “invisible hand” can be philanthropic. While scholars have shown that Smith’s thought was more complicated than “a naïve glorification of economic selfishness and providential belief that the sum of self-interested acts adds up to the collective good of all” (Liebersohn 35), by the mid-nineteenth century his theologically rooted account of the free market had become a naturalized account of *laissez-faire* capitalism.<sup>47</sup> Noninterference resting on an “invisible hand” of God now rested fully on the “invisible hand” of nature.

Some recent historians and critics have argued that the emergence of corporate capitalism at the end of the nineteenth century represents a significant break from both market and *laissez-faire* capitalism and demonstrates the pragmatic and progressive possibilities of the former as opposed to the latter.<sup>48</sup> What such arguments ignore is the tangled and contradictory ways in which the fiction of a free and self-regulating market and especially its benevolent morality are nonetheless propped up in the culture of corporate capitalism. More particularly, as an expression of the turn-of-the-century crisis in liberal economics, corporate philanthropy developed techniques of rationalization that justified interventionism—even as the fundamental fiction of markets was maintained.<sup>49</sup> To demonstrate this, I turn to two influential philosophers of *laissez-faire* economics who were particularly popular with corporate capitalists: Herbert Spencer and his American epigone, William Graham Sumner.<sup>50</sup> Having examined their theoretical response to the question of interventionism through benevolent aid, I then turn to Carnegie’s and Rockefeller’s ideas on philanthropy to demonstrate how, following the tangled logic of Spencer and Sumner, the two quite different corporate capitalists cum philanthropists rationalize philanthropy

so it can shore up the fiction of the free and self-regulating market and its benevolent morality.

Herbert Spencer's popular *The Data of Ethics* (1879) is a useful starting point for an examination of how laissez-faire thinkers responded to the crisis in liberal economics.<sup>51</sup> An attempt to give a scientific rather than mystical basis to the "ethics" of laissez-faire capitalism, the book popularized the concepts of "altruism" and "egoism" to explain human behavior and to justify noninterference in the workings of the market. Altruism, according to Thomas Dixon's magisterial history, was a concept developed by August Comte to connote his "scientific discovery" that humans are innately benevolent, rather than innately selfish, as both Christian doctrine and Adam Smith had argued (5). Dixon points out that altruism was always confused conceptually; nonetheless, he argues convincingly that it was deeply appealing because it "helped people to think and argue, and to position themselves, in relation to two of the most pressing political questions of the time, namely what to do about the empire and what to do about the poor" (193). Likewise, these were also two of the most important questions with which philanthropy engaged itself, as this book shows. Spencer was "the most influential theorist" (183) of altruism, and his "popularity" (8) across the board, not simply with corporate capitalists, guaranteed that the concept was widely disseminated.

To a reader today, the impact of *Data* is difficult to understand, not only because its reasoning is absolutist and contradictory, but also because its contradictions smack of the familiarity that breeds contempt. At bottom, its central question is whether anything should or can be done to alleviate the extraordinary human suffering witnessed in the nineteenth century, given the necessarily brutal "natural" conditions under which human social evolution and progress occur. After two hundred pages affirming the progressive course of natural laws, the despair at the heart of this question is articulated clearly. Spencer writes: "Life would be intolerable if, while the causes of misery remained as they now are, all men were not only in a high degree sensitive to the pains, bodily and mental, felt by those around and expressed in the faces of those they met, but were unceasingly conscious of the miseries everywhere being suffered" (285).

While Spencer's larger point here is that, thankfully, human adaptation has enabled us to be desensitized to others' suffering (while in the future we will be more sensitive, even as such sensitivity will be unnecessary), this passage is remarkable for the way it acknowledges the "catastrophic dislocation"

(Polanyi, 33) that nineteenth-century capitalism was causing. The passage expresses, however briefly, the crisis in liberal economics as experienced by even one of the most assertive advocates for laissez-faire capitalism, and thus the appeal that direct interventionism raised. *Data* is thus a dogmatist's effort at claiming that the free and self-regulating market will end all suffering, and that any human attempt to stave off suffering is necessarily done in bad faith and will disrupt the unchangeable and beneficent laws of nature—even as the pressure of suffering is so extreme that Spencer is forced to lay out possibilities for momentary human interference.

As is to be expected, Spencer's central argument for nonintervention is naturalized. The “uniform principle” of social evolution, as in nature, is that the “better adapted” leave to their offspring their “better adaptation,” while the “ill-adapted” “either disappear . . . or . . . dwindle away” (217). Therefore, “Whatever qualifications this natural course of action may now or hereafter undergo, are qualifications that cannot, without fatal results essentially change it. Any arrangements which in a considerable degree prevent superiority from profiting by the rewards of superiority, or shield inferiority from the evils it entails . . . are arrangements diametrically opposed to the progress of organization and the reaching of a higher life” (218). Likewise, noninterference is a necessity because one of the unrecognized “self-evident truths” of the natural world is that “a creature must live before it can act,” and therefore “Ethics has to recognize the truth . . . that egoism comes before altruism,” that acts of “self-preservation . . . are the first requisites to universal welfare” (216). Because survival is a necessity, egoism is thus “an ultimate principle of conduct” and “egoistic claims must take precedence of altruistic claims” (218). “Absolute ethics” must therefore be grounded in egoism: “with arrival at finished adaptation . . . those occasions for postponement of self to others, which pure altruism contemplates, disappear” (266).

Much as Smith's theological formulation of the “invisible hand” of morality implied that any action by humans intended to be benevolent is both suspect and injurious to the social whole, so also in Spencer's naturalistic logic. Spencer's primary example of the problem with benevolent aid or altruism is in regard to imperialism, of which he writes:

A society in which the most exalted principles of self-sacrifice for the benefits of neighbors are enunciated, may be a society in which unscrupulous sacrifice of alien fellow-creatures is not only tolerated



but applauded. Along with professed anxiety to spread these exalted principles among heathens, there may go the deliberate fastening of a quarrel upon them with a view to annexing their territory. . . . And as in these cases transcendent altruism in theory co-exists with brutal egoism in practice, so conversely, a more qualified altruism may have for its concomitant a greatly moderated egoism. (231)

There is much that is puzzling here. First, Spencer ignores longstanding arguments that equate imperialism with capitalism, with the “jealousy of trade.”<sup>52</sup> To Spencer, imperialism is linked only to religion, the expression of benevolent aid that masks self-interested greed. Dixon convincingly argues that the “egoistic” “anti-altruists” (321) of philosophical modernism, like Oscar Wilde and Friedrich Nietzsche, are responding critically to Spencer’s popular ideas about altruism. However, I would add, one can also see how deeply indebted such thinkers were to Spencer. The scandal inhering in Nietzsche’s important concept of *ressentiment* is that morality hides a will to power; such a scandal is bread and butter to the notion of Economic Man foundational to a liberal economist like Spencer. (And indeed *ressentiment* becomes a crucial narrative frame in which to discuss philanthropy, as I will show in Chapters 1 and 4.)

Spencer’s second example of the problem of benevolent aid, as Dixon predicts for us, is in poor relief. Spencer’s argument is a bit more layered here than in regard to imperialism. Imperialism, to Spencer, represents selfish greed masking itself as altruism, but apparently it is only those whom he dismisses as uncivilized savages who are hurt. By contrast, poor relief in a civilized society is a problem not only because it masks selfish greed but also because it injures both the selfish giver and the selfish recipient: “Most thinking people now recognize the demoralization caused by indiscriminate charity. They see how in the mendicant there is, besides destruction of the normal relation between labor expended and benefit obtained, a genesis of the expectation that others shall minister to his needs; showing itself sometimes in the venting of curses on those who refuse” (227).

This notion of the serious problem of “indiscriminate charity” and of the ungrateful and “destruct[ive]” mendicant appears again and again in the writings of this period (and today in the various reimaginings of the “welfare queen” Ronald Reagan popularized). In Spencer’s thought to give is to injure and to receive is also to injure. As he puts it in a virtuoso

tautology, the giver "injure[s] self in benefiting [others]," while the recipient is "regardless of others . . . [in] accepting benefits which . . . [others] injure themselves in giving" (270).

While demonstrating the problems altruism causes between nations and among the rich and poor, Spencer nonetheless and surprisingly cannot decide whether or not egoism is or should be the only imperative guiding human behavior. He acknowledges that altruism in nature is "no less essential than egoism" because "race-maintenance" through offspring is necessary for species survival and involves "expenditure of individual life to the end of increasing life in other individuals" (232). He furthermore argues that altruism is a sign of the higher "Aryan" civilization. As opposed to "wild," "polygamous" (236) societies, where Spencer asserts there is little "subordination of self to others" and little "social co-operation," Aryan societies are able to organize themselves into an interdependent society and thus create "altruistic relations in the political group" (236). Spencer furthermore equates the egoism of the uncivilized with that of the working class in order to describe the destructive impact such an ethos has on both the nation and on the others outside it. He writes that the "industrial classes, absorbed in questions about capital and labor, and thinking themselves unconcerned in our doings abroad, are suffering from lack of that wide-reaching altruism which should insist on just dealings with other peoples, civilized or savage" (251). Likewise, working-class political agitation is the "complete appropriation by each of whatever benefits are due to him, and consequent exclusion of his fellows from such benefits" (277).

Nonetheless, what renders Spencer's argument broadly consistent is that, after much tortured vacillation, he concludes that altruism *is* egoism. Repeatedly he explains, "the state of mind accompanying altruistic action, being a pleasurable state . . . cannot be other than egoistic" (247). He thus reconciles the contradictions of his position by arguing that while both altruism and egoism are required in a society, altruism represents a "higher egoistic satisfaction" and egoism a "lower egoistic satisfaction" (282). (Mark Twain was to have much fun parodying this particular distinction, as Chapter 3 explores.)

Still, Spencer's desire for balance and his evolutionary logic mean necessarily keeping the terms altruism and egoism analytically separate, so "pure egoism and pure altruism are both illegitimate," and "a compromise is the only possibility" (253). This ideal compromise of egoism and altruism can only emerge in the future with "Absolute Ethics." Spencer acknowledges,

however, that the future has not yet arrived. Thus while Absolute Ethics is the horizon of possibility, we must necessarily be mired for the present in “Relative Ethics” (332–34). The balance of altruism and egoism in Relative Ethics provides “compromises that are the least objectionable” (329) as “approximately true answers” (334). And so it is that “the multitudinous philanthropic societies” (277) of elites reveal to Spencer an example of the temporary and imperfect, but nonetheless important, compromise of Relative Ethics, in which the claims “of personal well-being” made by the working class are balanced out by the “regard for the well-being of others” (277) of the upper classes through their philanthropic societies.

If through tortured vacillation, Spencer finally endorses elite philanthropic interventionism, his epigone in America, William Graham Sumner, aggressively constricts such interventionism, arguing against the kinds of concessions Spencer makes. Sumner limits the possibilities of interventionism particularly by reading it in the post-Civil War context as a form of paternalism. However, even as Sumner’s market fundamentalism outstrips Spencer’s, Sumner nonetheless develops a formula that was very influential in rationalizing philanthropic intervention in the United States and representing it as nonintervention. In *What Social Classes Owe Each Other* (1883), Sumner formulates his central question in a different way from Spencer’s. Sumner asks “whether there is any class in society which lies under the duty and burden of fighting the battles of life for any other class,” or more specifically, should the class of “the rich, comfortable, prosperous, virtuous, respectable, educated, and healthy” seek to make the “less fortunate or less successful in the struggle for existence” “as comfortable as the former?”<sup>53</sup> The answer is an unequivocal no, and the same basic assumption that guides Spencer also guides Sumner: “God and Nature have ordained the chances and conditions of life on earth once for all. The case cannot be reopened” (14). As Sumner felicitously puts it, “Probably the victim is to blame. He almost always is so” (159).

As with Spencer, the central problem in attempting to ameliorate the lot of the “unsuccessful” is not only that it interferes with the “automatic and instinctive” operations of that “impersonal force—supply and demand,” “this great co-operative effort [which] is one of the great products of civilization” (66), but also that benevolent action (as opposed to the cooperative action of the market) is always aggressive. The “humanitarians, philanthropists, and reformers,” in “recommend[ing] the less fortunate classes to pity and consideration . . . forget all about the rights of other

classes" (21). The "organized intervention of society through the State is either planned or hoped for, and the State is thus made to become the protector and guardian of certain classes" (23) by these supposed philanthropists. The "successful" man therefore becomes, in Sumner's terms, the "Forgotten Man" (23), the man whose rights are abrogated. At the same time, "All schemes for patronizing 'the working classes' savor of condescension" (127). Paternalistic philanthropists render the poor into their "social pets" (124), which "demoralize[s] both parties, flattering the vanity of one and undermining the self-respect of the other" (128). Like Spencer, Sumner expands thus on the dangers of benevolent aid: "I fully believe that today the next most pernicious thing to vice is charity in its broad and popular sense" (157). Again, we have the discovery that morality masks a will to power and that benevolent aid is destructive to giver and recipient, an insight that links Sumner and Spencer to, as much as it separates them from the "anti-altruistic" philosophers of modernism who rebelled against them.

But if through benevolent aid the philanthropist aggressively injures himself and those he putatively seeks to help, Sumner is most worried, as his rhetoric makes clear, about the "Forgotten Man." According to Sumner, there are dangers in every form of government because of the "selfishness, cupidity, envy, and lust in *all* classes from highest to lowest" (33, his emphasis), but "the real danger of democracy is, that the classes which have the power under it will assume all the rights and reject all the duties—that is, that they will use the political power to plunder those-who-have. Democracy . . . must oppose the same cold resistance to any claims for favor on the ground of poverty, as on the ground of birth and rank" (37). Sumner's account of the egoism of the working classes is again more aggressive than Spencer's, just as his constriction of intervention is more consistent: "Free trade," he concludes, "would be a greater blessing to 'the poor man' than all the devices of all the friends of humanity if they could be realized" (161).

Nonetheless, even Sumner lays out the possibility for intervention. Striking a note of moderation, he concedes that "Environed as we are by risks and perils, which befall us as misfortunes, no man of us is in a position to say, 'I know all the laws, and am sure to obey them all; therefore I shall never need aid and sympathy'" (158–59). Still, to Sumner, the injury that aid causes for both the giver and the recipient, combined with the self-interestedness of working-class egoism, limits what humans can do for each

other. Sumner thus argues that aid must always remain “private and personal” (159) and must never be legislated by the state or institutionalized, because it then no longer qualifies as true and heartfelt, and therefore, non-injurious, aid (157, 166). Gifts, he argues in a formulation influential for corporate philanthropy, can only be of the kind that “helps a man to help himself,” that “open[s] . . . the chances around him.” He makes clear that helping others to help themselves is “not in the least akin to the aid which is given in charity” (165). This distinction is “so plain as never to be forgotten,” though if the reader is confused, she is not alone, for as Sumner ingenuously notes, “the fallacy of confusing the two is one of the commonest in all social discussions” (166). Likewise, the reader might be confused by the insistence, on the one hand, that such aid leads “to restriction, not extension, of the functions of the State,” and on the other hand, that it is the State’s duty to “*increase, multiply, and extend the chances*” (168, his emphasis) available to all.

In the differences between Sumner and Spencer, particularly in this notion that aid must be “private and personal” and must only “help a man to help himself,” while the actions of the State are “restrict[ed]”—even as the State intervenes in “extend[ing] the chances”—we see how liberal economists described philanthropic intervention without in the least acknowledging it as intervention or, oddly enough, as linked to the state. In other words, what is at stake in Sumner and Spencer, despite their differences, is a commitment to describing philanthropic intervention in such a way that it cannot be understood as undermining the conception of the free and self-regulating market. The insistence that such aid is not intervention and furthermore that it does not involve the state confirms the fiction of the beneficence of capitalism. In short, despite the overall logic of both theorists, the door is opened to intervention: aid must be given, chances must be extended. Such aid, however, must confirm the fiction of a free, self-regulating, and beneficent market that works beyond the human, rewarding natural merit and punishing natural incompetence, in the name of social evolution and human progress.

### “The Difficult Art of Giving”

Given the contradictions as well as the often confusing strictures on intervention that are created during the late nineteenth-century crisis in liberal

economics, it is not surprising that a common discourse in Carnegie’s and Rockefeller’s writing on their philanthropy is what Rockefeller called “The Difficult Art of Giving” (*Random Reminiscences*, chap. 6). “Pity the poor millionaire, for the way of the philanthropist is hard,” Carnegie wrote to the editor of the *Independent* in 1913.<sup>54</sup> There cannot but be something ludicrous in this discourse of how “giving” away (while also keeping) extraordinary sums of money represents hardship. One is tempted simply to take this discourse with a large grain of salt, as did some of Carnegie’s and Rockefeller’s contemporaries.<sup>55</sup> Even so, this discourse is telling for the case I am making—that large-scale institutional philanthropy represents a crisis in liberal economics and the notion of the free and self-regulating market’s beneficent morality. Repeatedly the two robber barons discuss, separately and together, the kind of critique their philanthropy came under and encourage each other to soldier on despite the hectoring of their critics.<sup>56</sup> In a letter to Herbert Spencer, whom he called “Master,” Carnegie compares his sufferings at the hands of the “working masses” who criticize and reject his philanthropy to those of Christ on the Cross, saying that they “know not what they did.”<sup>57</sup> Likewise, if Carnegie faced working-class critics and his libraries were rejected by numerous cities, he also faced opposition from fellow elites like Thomas Mellon, who had also read Spencer and was utterly opposed to Carnegie’s philanthropy.<sup>58</sup> In this sense, philanthropy is a “difficult art.” One could argue that these men’s business practices should have inured them to the critique of “interventionism.” As I will discuss in Chapter 4, Rockefeller gave little credence to the notion of the “struggle for the survival of the fittest” in markets, referring to corporate capitalism (as Sumner also had) as “cooperative” rather than competitive.<sup>59</sup> Nonetheless, “the difficult art of giving” was difficult precisely because it highlighted a crisis in the foundational fiction of the beneficent free and self-regulating market of liberal capitalism. On the one hand, philanthropy revealed that whatever the benefits of business cooperation, such cooperation had not functioned benevolently in distributing equally the necessities (let alone the luxuries) of life. On the other hand, it highlighted the fact that powerful capitalists not only could but did intervene substantively in the economic laws (cooperative or otherwise) that they claimed governed the world.

Focusing on Carnegie’s famous paired essays “The Gospel of Wealth” and “The Best Fields for Philanthropy” (June, December 1889),<sup>60</sup> but referring also to Rockefeller’s central writings on philanthropy in *Random Reminiscences of Men and Events* (1909), I want to show that, as with Spencer

and Sumner, philanthropy is an impossibility to Carnegie and Rockefeller, and yet in different ways also a necessity. To begin with Carnegie, the self-described disciple of Spencer, takes as his central assumption that the “law of competition” cannot be abrogated: “while the law may be sometimes hard for the individual, it is best for the race, because it insures the survival of the fittest in every department” (“Gospel,” 3). Likewise, abrogation is impossible because of “human nature,” which is fundamentally self-interested (4). Like Spencer and Sumner, Carnegie’s account also implies that working-class agitation on issues of “social equality” (2) is mere egoism, but interestingly he spends as much of his time on the topic of how his fellow millionaires have responded improperly to such agitation. Class warfare is indeed the central threat, or as Carnegie puts it in the first sentence of “Gospel”: “The problem of our age is the proper administration of wealth, so that the ties of brotherhood may still bind together the rich and poor in harmonious relationship” (1). Such harmony, he concedes, is not currently in evidence (2–3), and the Socialist, Anarchist, Communist, as well as the Swedenborgian and Tolstoyan (“Gospel,” 4, 8, 9; also “Fields,” 14), are each attempting to remedy the conflict of classes in their various ways by attacking “the foundation upon which civilization itself rests” (“Gospel,” 4). However, if the threat of these various movements and philosophies worries Carnegie, the wealthy themselves are of even greater concern. Various the millionaire is described as an “ignoble hoarder” (“Fields,” 30), filled with “vanity,” hobbled by “folly,” “selfish,” and “unworthy” (“Gospel,” 5, 7), and very much like the camel of the biblical parable who cannot enter the eye of a needle (“Fields,” 30).

The real problem with the millionaire, as it turns out, is his dangerous generosity: “As far as my experience of the wealthy extends, it is unnecessary to urge them to give of their superabundance in charity so-called” (“Fields,” 17). As with Spencer’s critique of “indiscriminate charity” (*Data*, 270), Carnegie says that a bigger problem than poverty is millionaires’ “indiscriminate giving”: “It is ever to be remembered that one of the chief obstacles which the philanthropist meets in his efforts to do real and permanent good in the world is the practice of indiscriminate giving” (“Fields,” 17; see also 15). Such giving is fundamentally “injury” (“Gospel,” 11); it does “injury to society” (“Fields,” 17); it is “injurious to the community” (18); it “breed[s] the diseases which afflict the body politic” (21). Indeed, in a grand rhetorical flourish reminiscent of both Spencer and

Sumner, he argues that "injurious giving" is "a greater obstacle to the progress of humanity, than a score of wordy Socialists" (17). Carnegie illustrates the moral through a direct allusion to Spencer and his "destruct[ive]" (*Data*, 227) mendicant, narrating how a "professed . . . disciple of Herbert Spencer" nonetheless once thoughtlessly gave a "quarter of a dollar" to a "beggar," thereby causing "more injury than all the money . . . [he] will ever be able to give in true charity will do good."<sup>61</sup> The thoughtless gift of a quarter from this otherwise "most worthy" individual represents "one of the most selfish and very worst action[s] of his life" ("Gospel," 11).

Carnegie's solution to the threat of indiscriminate quarter distribution, a threat which as we shall see both William Dean Howells and Mark Twain satirized fictionally, is administrative. He argues we should empower the "MAN" with a special "talent for organization and management" ("Gospel," 3), the "millionaire" (12) who does not engage in "injurious giving," to be the "trustee for the poor; intrusted [sic] . . . with a great part of the increased wealth of the community, but administering it for the community far better than it could or would have done for itself" (12; see also 9, and "Fields," 21). This millionaire will engage in administered and thus also rightly capitalist giving. Though no citation to Sumner's book is given (and certainly no reference to his critique of paternalism), Carnegie's formulation is the same: "In bestowing charity, the main consideration should be to help those who will help themselves" ("Gospel," 11; see also 12 and "Fields," 17, 21).

Like Sumner, Carnegie assumes this distinction is clear, but unlike Sumner, he sees dangers surrounding even such a clear distinction. Such gifts, no matter how worthy the recipient, may have a "degrading, pauperizing tendency" ("Fields," 16) and "spread . . . a spirit of dependence" (17). Relying on what Susan M. Ryan calls the "rhetoric of suspicion," which she demonstrates was common in the discourse of mid-nineteenth-century benevolence, Carnegie argues that every gift of the philanthropic rich must be matched by gifts from the "community" or state to avoid demoralization, a sentiment he repeats so frequently ("Fields," 17, 20, 21, 22, 23, 24, 27, 28) that even the wise administrator of surplus funds who has avoided all previous pitfalls of "injurious giving" seems to be thoughtlessly headed for disaster.<sup>62</sup> Likewise, while Carnegie states there should not be "general concurrence as to the best possible use of surplus wealth" (29), he makes clear that certain kinds of gifts are preferable to others. Carnegie lists seven



major discriminate uses of wealth, with various subcategories, but also makes clear that two kinds are taboo. First, redistribution of surplus wealth through wages is not acceptable. While wages are “the highest form of distribution, being for work done, and not for charity” (“Gospel,” 8), they are nonetheless often “wasted in the indulgence of appetite, some of it in excess” (9). Second, surplus wealth should not be used on the “irreclaimably destitute, shiftless, and worthless” (“Fields, 16–17; see also “Gospel,” 11). The latter are the responsibility of the “city or the state” (“Fields,” 17, 26), not the millionaire. The hysteria surrounding the quarter given indiscriminately to a beggar and the strictures on philanthropy even for the “worthy”—in short, the dangers to both the wealthy and their recipients—makes philanthropy appear even more mystical than the potlatch rituals Marcel Mauss famously described.<sup>63</sup> Administration can (barely) tame the danger of philanthropy.

While Rockefeller’s account is somewhat different, the same anxiety about the dangers of philanthropy and the same rhetoric of suspicion are evident, as is the same solution in administration. As noted earlier, the famously private and unreadable Rockefeller describes himself as led “almost to a nervous break-down” by what he refers to as the “ever-widening field of philanthropic endeavor” (*Reminiscences*, 156). While Rockefeller is less direct than Carnegie in stating what makes philanthropy so very difficult, he nonetheless insists, like Carnegie, that the challenge has to do primarily with the laws of progress: “No matter how noisy the pessimists may be, we know the world is getting better steadily and rapidly, and that is a good thing to remember” (184). Like Carnegie, then, he argues that philanthropy is a response to socialism, anarchism, and communism, what Rockefeller calls blandly, the “many crude plans” for providing “the widest possible distribution of the blessings of life,” a distribution he also insists that “We all desire” (154). Such crude plans, Rockefeller argues in a similar vein to Carnegie, ignore the “essential facts of human nature, and if carried out would perhaps drag our whole civilization down into hopeless misery” (154), as they either place capital “into the Treasury of the Nation and of the various states” or would involve “schemes of socialism” (159). Rockefeller doesn’t explain the dangers here; the “militant creed” of liberal economics renders such explanation unnecessary. Following Sumner, Rockefeller philosophizes that “the principal cause for the economic differences between people is their difference in personality, and that it is only as we can assist in the wider distribution of those qualities which go to

make up a strong personality that we can assist in the wider distribution of wealth” (154). Repeating Sumner’s and Carnegie’s formulation, Rockefeller writes, such “qualities can never be developed in a man unless by his own efforts, and the most that any other can do for him is, as I have said, to help him to help himself” (154; see also 152–53, 186).

This familiar formulation of course implies the dangers of philanthropy as well as its possibilities in staving off the “many crude plans” for redistribution of wealth. “It is easy to do harm in giving money” (182), writes Rockefeller. The destructive mendicant, therefore, appears again; however, this time he is a problem to be solved and managed, not dramatized: “One man says: ‘I do not believe in giving money to street beggars.’ I agree with him. I do not believe in the practice either; but that is not a reason why one should be exempt from doing something to help the situation represented by the street beggar” (173). Rockefeller’s solution to “the situation represented by the street beggar,” like Carnegie’s, is administrative and top down, for “men of wealth” “to administer their funds . . . for the general good” (160).

However, administration as a solution to the dangers of “indiscriminate charity” is more thoroughly explained by Rockefeller than by Carnegie. It is a solution because it *is* business:

The best philanthropy, the help that does the most good and the least harm, the help that nourishes civilization at its very root . . . is not what is usually called charity. It is, in my judgment, the investment of effort or time or money, carefully considered with relation to the power of employing people at a remunerative wage, to expand and develop the resources at hand, and to give opportunity for progress and healthful labour where it did not exist before. No mere money-giving is comparable to this in its lasting and beneficial results. (141–42)

Here Rockefeller differs from Carnegie in his argument about wages, but he does so in part to express the dangers yet again of philanthropy (“mere money-giving”) and to make a larger argument, which should be familiar at this point—that no distinction obtains between morality/philanthropy and business/capitalism. Rockefeller enforces this larger argument by modeling his administrative philanthropy on business. As with the businessman who pays his workers, by analogy the philanthropist businessman keeps

money “universally diffused, in the sense that it is kept invested” (159) through projects that help men to help themselves. More important, philanthropies should model themselves on corporations like Standard Oil: “If a combination to do business is effective in saving waste and in getting better results, why is not combination far more important in philanthropic work?” (165). Thus, Rockefeller advocates for what he calls “Benevolent Trusts” (185), run—as Carnegie also advocated—by businessmen (184–88). Only in this way will the “business of benevolence” be conducted “properly and effectively” (188), rather than in a “haphazard” (184) fashion.

I have thus far focused on the tangled formulations created in the dialogue between liberal economists and corporate businessmen during the crisis in liberal economics. These defenders of liberal capitalism worked to intervene in the “miseries everywhere being suffered” through a carefully circumscribed philanthropy, while keeping the fiction of the beneficent, free, and self-regulating market alive and well. Nonetheless, what my account has thus far minimized is the obvious fact that such intervention occurred under extreme pressure from anarchists, socialists, communists, and Social Gospel Christians, as well as free silver and tariff reform advocates, settlement house workers, and union activists, who were critically scrutinizing the notion that the benevolent morality of free and self-regulating markets was leading to inevitable human progress. Both men therefore explicitly describe their philanthropy as necessary to defend or legitimate themselves and their class, and by implication the system that produced them.<sup>64</sup> For Carnegie, philanthropy will “dignify” the lives of “rich men” (“Gospel,” 9), bring them “affection, gratitude, and admiration of his fellow-men” (30) and will not bar them from “the Gates of Paradise” (30). More directly, and less emotionally, Rockefeller says that philanthropy enables “men of means to maintain the title to their property” (160). If Carnegie and Rockefeller expressed the need to “maintain the title to their property,” this was in part because a wide range of groups and people were criticizing such title.

Indeed, in 1915, one year after the Ludlow massacre at Rockefeller-owned coal mines (1914), four years after the official incorporation of the first modern foundation in the United States by Carnegie (1911), and two years after the incorporation of the second by Rockefeller (1913), Congress convened the Walsh Committee to investigate the influence of corporate-based philanthropy on American politics and society. Among other corporate philanthropists called to testify before Congress were Andrew Carnegie,

John D. Rockefeller, Sr., John D. Rockefeller, Jr., and Henry Ford.<sup>65</sup> Broadly speaking, we could call the resistance that these hearings represent to corporate-based philanthropy and narratives of corporate beneficent morality “Progressivism.” Such a statement will be immediately controversial, given that philanthropy is deeply indebted to many of the central commitments also associated with Progressivism.<sup>66</sup> Indeed, two contrary readings of Progressivism still obtain in historical scholarship: on the one hand, that Progressivism was a political movement engaged in a critique of corporate capitalism, and on the other hand, that Progressivism was quite simply the political arm of corporate capitalism.<sup>67</sup>

For the purposes of this book, my own definition relies primarily on Richard L. McCormick’s account of it as a loosely united, but also internally contestatory, nationwide movement that was galvanized by the “discovery” that “business corrupts politics” (311). McCormick argues that Progressivism in the end did become the political arm of corporate capitalism, but nonetheless insists that it also provided the political critique—sometimes radical, sometimes not—of laissez-faire economics and corporate capitalism (270). What galvanized Progressives, McCormick argues, was the interventionism of nineteenth-century market society in the form of the cozy social and economic relations that obtained between business and government elites, or more simply, “patronage” (322).<sup>68</sup> While such social interventionism was acceptable in mid-nineteenth-century America, McCormick says, by the turn of the century, as the power and size of corporations grew, such social interventionism became unacceptable to a wide spectrum of people. Committed themselves to an ethos of active “interventionism” (270) in the name of reform, Progressives with a range of political positions created voluntary associations that studied and sought to disrupt the cozy patronage relations between business and the state. McCormick argues that, given the disproportionate power that corporations exerted in American society, the new kind of state intervention that emerged unfortunately became inextricably yoked to the interests of corporate capitalism; however, he also insists that that was not the aim of many Progressives (see especially McCormick, chaps. 7, 9).

Particularly useful in McCormick’s analysis for understanding corporate philanthropy are three main issues: first and most important, that Progressives’ political activism—in whatever shape it took—represents a scandalized response to the patronage relationship between businessmen and the state. We could call this the Progressive critique of (unequal or

unacknowledged) social interventionism in the putatively free and self-regulating market. Second, whether socialists or free trade advocates, Progressives created new kinds of voluntary associations and new methods of lobbying and advocacy in order to criticize the previous forms of social interventionism and replace them with new ones. Third, while the outcome of Progressive voluntary association and advocacy may have inadvertently worked to turn the state into the political arm of corporate capitalism, that was not the intention of many Progressives. In other words, while McCormick's larger point—that politics can be unpredictable—is not mine, what he usefully highlights is that Progressivism is central to the crisis in liberal economics and the struggles over interventionism and the form such interventionism takes.

Thus, while corporate philanthropy can be read as a form of Progressivism, such philanthropy is formed in opposition to the politics of many other kinds of Progressives and to many of the grassroots or voluntary associations and institutions they created. I am not alone in claiming that the emergence of large-scale philanthropy at the turn of the century represents, at least in part, a struggle with other voluntary associations, including grassroots ones, over how to intervene in the “miseries everywhere being suffered.” If, from one angle, corporate philanthropy can be seen as having co-opted Progressives and their grassroots or voluntary associations, as scholars like Joan Roelofs and the INCITE! collective argue, from another angle, we can argue that this process also represents concessions made by corporate capitalists to those with very different politics.<sup>69</sup> In recent years, Bourdieuvian accounts of philanthropy as an exclusively intra-class social phenomenon have been particularly prominent. While such accounts have been useful in challenging the notion that modern philanthropy represents the benevolence of corporations or individual donors, they also tend to minimize the cross-class pressures that philanthropy also registers. My definition of philanthropy depends on cross-class contestation.<sup>70</sup> The “difficult art of giving” that corporate philanthropy represents was difficult because it had to rationalize itself to fit in with the foundational fiction of the benevolent morality of the free and self-regulating market, stretching that fiction to its breaking point. At the same time, corporate philanthropy had to distance itself from “patronage” as a form of (social) interventionism that had become deeply controversial, while nonetheless proving it was a better form of interventionism than the many others proposed at the

time, including emergent ideas about the welfare state. Philanthropy therefore embodies a crisis in the fictions of liberal economics and a solution to that crisis, but also a series of concessions made to the critics of liberal economics—critics of all different political stripes.

### The Literary Market

I have demonstrated some of the ways the fiction of the market at the turn of the twentieth century helped produce philanthropy. I want now to open up briefly the question that the rest of the book engages with in a variety of ways: namely, how patronage and an emergent philanthropy helped generate literature. At the level of production, the central issue I focus on is, again, interventionism. In the “standard narrative” (Turnovsky, 5) of literary history, scholars describe how the mode of production for literature switches from a constraining system of patronage by elites and genteel amateurism to what is described as the free literary market and professionalism. Dates for this change continually shift within and across nations, but in U.S. literary history, scholars generally periodize the transformation as occurring in the post-Civil War period. Literary historians have translated the notion of the beneficent working of the free and self-regulating market most typically into a notion about the democratization and professionalization of the literary field. The market, they argue, helped democratize literary production and consumption, even as it enabled the creation of a new profession in which writers could support themselves without a need for patrons or sponsors. This narrative thus also tends to focus on the individual writer and how he or she freely sold his or her literary wares on the market.<sup>71</sup> While literary historians may trace the role that mentoring, coteries, and sponsorship play, the artist’s role in making and selling his/her work is the central focus.<sup>72</sup> This narrative as a whole and in its different strands, has been useful in many ways and has generated important scholarship and insights. In recent years, however, the “new economic criticism” has mounted the most aggressive critique of the central assumptions the narrative borrows from political economy: namely, the progressive effects of the market and the notion of the author as Economic Man.<sup>73</sup>

Leon Jackson’s study of the multiple “authorial economies” in antebellum U.S. literature has been the most useful in shaping my own analysis.

Jackson criticizes the standard literary historical narrative of “consumer triumphalism” and “triumphal democratization,” as well as the “conceptually impoverished” division of writers into amateur and professional.<sup>74</sup> He argues convincingly that, if anything, the literary field becomes less democratic as the “market” comes to dominate. In a series of brilliantly conceived and researched microhistories, Jackson shows the ways in which the “market” was *not* central in nineteenth-century American literature, and that instead, literature was purposely exchanged so as to gain “not only money, but other desirables, such as knowledge, honor, prestige, and legitimacy” (31–32). Jackson demonstrates that economic rationality or profit was only one small part of the closely mixed social and economic purposes of literature. Relying on Polanyi’s work in a way different from mine, Jackson contrasts the antebellum period’s “socially embedded” literary economy with the post-bellum period’s “disembedded” economy, in which literature became “detached from the dense social worlds of which . . . [it was] part” (3). Jackson’s analysis of antebellum patronage, gift exchange, literary debt, and literary competitions provides a powerful critique of the thesis of expansion and progressive democratization by showing how socially embedded literary culture often operated both more expansively and more democratically than the disembedded market culture that succeeded it. The book thus helps us to reevaluate both the uncritical acceptance of triumphalist narratives of expansion and democratization and the notion of the author as transhistorically Economic Man.<sup>75</sup>

However, even Jackson’s beautifully argued critique of the standard narrative of expansive democratization ends up relying on unexamined assumptions about the market borrowed from liberal economics. Jackson’s adaption of Polanyi’s concepts of social embeddedness and disembeddedness to describe antebellum and post-bellum literary production highlights the problem. Jackson uses these concepts to compare degrees of “marketness” (46) in the two periods. However, Polanyi used the terms embedded and disembedded in two different ways, rather than the singular way Jackson uses them. On the one hand, as Greta Krippner explains, Polanyi applied the term disembedded “within the limited purview of nineteenth-century British industrialism” to distinguish that economic system from others that did not depend on rationalized utility.<sup>76</sup> This enabled Polanyi to criticize how classical economics applied itself transhistorically and cross-culturally to contemporary non-Western societies. On the other hand, Krippner shows, Polanyi knew that market society as imagined by

classical economics was a utopian ideal that was never actually achieved anywhere. The notion of "disembeddedness" was therefore for Polanyi not only a comparative tool that called into question the transhistorical assumptions of nineteenth-century Western economics, but also one which enabled Polanyi "to portray the market, even as it approximated the ideal of theory, as an inextricably social object" (782), against liberal economics' imagining of the market. Krippner argues that scholars need to balance Polanyi's comparative notion of a disembedded economic system with his account of how disembeddedness is also a social construction, is also embedded.

Indeed, if the literary economy of post-bellum America became less expansive and democratic, as Jackson and others convincingly argue, following Polanyi's logic, one need not assume this is the result of disembeddedness *only* in the comparative sense. Instead, it may well be expressive of a different sociality in which certain kinds of interactions or connections matter more than others. Without in the least diminishing the importance of rationalized utility in the late nineteenth century, one can still be left with numerous questions about the relation of sociality to economics.<sup>77</sup> The conflicts in literary history over periodization help open up these questions. While the standard periodization in the United States has been that patronage and genteel amateurism gave way to a free market in the post-bellum period, dates remain contested. Some literary historians of the United States have described the same kind of disembeddedness Jackson does, but say it occurs not in the post-Civil War period, but rather in the middle of the twentieth century. Focusing on "literary" texts rather than "mass" culture texts, these historians argue that well into the twentieth century the major literary publishing firms were still run by families, and personal and intimate relations between publishers and authors were central to the publishing process.<sup>78</sup> While not definitive, such arguments suggest that what we now call "niche marketing" in the early twentieth century might well be explored in terms of social interactions at the level of production as well as of consumption.<sup>79</sup> Literary publishing, we could speculate, might indeed be characterized by one set of social interactions, mass publishing by another—neither of which has been fully charted.

Indeed, current studies of the "cultural economy" of high modernism have pointed in precisely this direction. Patronage in elite cultural production, for example, has become an object of renewed attention. Focusing on the high literary modernism of the teens and twenties, Lawrence Rainey



and Paul Delany have separately analyzed the significant role that face-to-face patronage by a cosmopolitan rentier class played in funding and shaping that movement, rather than the mass market. While Rainey and Delany read this “new patronage” in completely different ways, as I will discuss in Chapter 1, their work suggests how social embeddedness remains crucial in the twentieth century.<sup>80</sup> Current social network theory further opens up these possibilities. Sociologist Paul McLean, like Rainey and Delany, argues that paradoxically the more competitive a market society is, and the more it is driven by an ideology of upward mobility and self-help, the more familial and social “networks” are actually determinant. Social relations are not subordinated to economic relations and do not become abstracted, McLean argues; in fact, they become more important and all-consuming—albeit in historically different ways.<sup>81</sup> Karl Marx famously argued in discussing two different Napoleons that history repeats itself first as tragedy then as farce. We need not make the same generic claims, but we can follow him in noting a certain repetitiveness as social networks in the United States create déjà vu all over again (Brown I and Brown II; Bush I, II, and III; Clinton I and Clinton II; Romney I and Romney II).

I should be clear here that my object in this book is not to create a new theory and periodization of the literary market, or to somehow purify literary studies of the assumptions of classical economics, a purification that as Gordon Bigelow’s work suggests may well be impossible.<sup>82</sup> Instead, the aim of this book is to explore one particular form of embeddedness at the level of production within and outside the literary field: namely the social interventionism of patronage and an emergent philanthropy. This interventionism has bearing on how writers understood, analyzed, and represented the fiction of liberal economics of the free and self-regulating market that continued to dominate at the time. Such interventionism also helps us to rethink the pieties on which we as literary historians have relied almost unconsciously to understand the literary market. On the one hand, social interventionism, rather than the “free” market, was a central experience for all the authors in this book. On the other hand, the writers of this period were profoundly fascinated with the topic of social interventionism more generally, and particularly with patronage and an emergent philanthropy.

I must emphasize here, however, that the book’s focus on both authorial experience and textual representation is in no way meant to suggest that there is an easy connection between the latter and the former or that one is reducible to the other. While I depend on biography to some extent

throughout the book, I do so with the characteristic hesitation of a literary scholar who sees cultural representation as potentially exceeding personal and historical determinants. As is evident from the vocabulary I have used throughout the introduction, this book depends on Raymond Williams's argument that a mixture of dominant, residual, and emergent elements of social phenomena appear in cultural representations.<sup>83</sup> In the immediate aftermath of the Civil War, important innovations in sponsorship were becoming evident, in the ways in which businessmen and artists/intellectuals were forging new (if also familiar) connections in men's clubs and other urban venues (Chapter 2, 3, 5), and also in the ways these new connections led to the founding or expansion of arts and educational institutions—museums, schools, and universities (Chapters 1, 4, 5). Nonetheless, the transformation from older forms of sponsorship and interventionism to newer ones was slow and uneven.

Most of the texts I discuss were written well before the two major modern foundations—Carnegie and Rockefeller—were officially incorporated (though both men had already established public records of philanthropic giving by the 1880s); and none of the artists I discuss were directly funded through the kind of institutional sponsorship and grants that are normative today. Williams's framework thus helps me analyze representations that exceed a smoking gun theory of biography and history, even as I chart how sometimes direct, sometimes indirect forms of corporate-based sponsorship led to political and ethical questions we continue to wrestle with today. I would add that while I distinguished patronage and philanthropy from each other earlier in this chapter, as must be evident from my discussion of their conceptual complexity, there is also frequently historical and philosophical overlap between them, for which Williams's framework also allows.

Finally, in terms of my use of biography in this book, my central interest is the emergence of corporate-based philanthropy, and so authorial experience is of lesser and greater importance in different chapters. All the authors in this book depended on social interventionism in their careers; however, the form in which they experienced such interventionism is not always important to trace out for my larger argument. But even in the lesser and greater weight I give to biography in individual chapters, I continue to refuse any simple connection between biography and representation. Some authors with little personal experience of corporate-based sponsorship nonetheless observed the phenomenon with equal or greater attentiveness

than those authors with personal experience of it. In short, I see all the writers in this book as critical thinkers of “The Gilded Age,” engaged by and concerned with the interventionism of patronage and philanthropy—their work inflected but not limited by the conditions of interventionism they themselves experienced in their vocation as writers.

Nonetheless, despite the complexities and limitations of biography as a tool, I clearly also have relied on it at the broadest level as a form of socio-cultural analysis. This is evident particularly in my selection of writers—namely authors whose social status and writings are (for the most part) not marginal. My selection of well-known and canonical writers is partially a pragmatic choice: rereading these writers’ career trajectories which have been carefully documented by generations of scholars helps me highlight the social interventionism that we often describe without analyzing.<sup>84</sup> At the same time, my choice involves a feminist polemic about the social world of the late nineteenth and early twentieth centuries. I am interested in how gendered and racially segregated social networks have remained relatively unacknowledged aspects of these writers’ careers, just as such networks remain relatively unacknowledged in American society more generally. Put another way, interventionism on the market intersects with the notion of “social capital,” what the historian Pamela Laird has defined as “the necessity for connections and connectability” in the United States.<sup>85</sup> The choice of these authors has everything to do particularly with “connectability,” with the factors “that determine who gets invited into the networks of . . . opportunity” (2) in a given historical moment. However, and again, I do not want to reduce these authors socioculturally to their connectability, to the ways whiteness and maleness provided social capital in the period. These authors were selected because they depict and examine the relation of connectability and interventionism and explore how those factors call into question the “militant creed” of the free market. Their work does not simply evade the logic of its own production, but usefully and complexly engages it.<sup>86</sup>

Finally, my focus primarily on successful white male writers is not meant to signify that women or social minorities more generally did not rely on intervention or social capital as they negotiated the market.<sup>87</sup> On the contrary, intervention for those with historically negative social connectability was what provoked my interest in this topic. As I stated in my Preface, I was originally interested in the ways sponsorship was crucial for

Harlem Renaissance writers and artists, enabling them to enter the putatively free market. That interest shifted, however, into one which focused on the double standard of analysis we use in modern literary studies, whereby Harlem Renaissance writers are frequently read as tainted by their relation to sponsorship, while other writers equally, if differently, sponsored are seen as succeeding through their merit on the free market. This book demonstrates the way systems of sponsorship are a necessity for all writers in a capitalist economy, both those "invited into the networks of . . . opportunity" (2) and those who are not. Some work has been done on the ways in which women and minorities relied on similar and different forms of social capital in this period.<sup>88</sup> In my chapter on Charles Chesnutt, I gesture toward such comparisons; however, fuller comparisons will have to wait for another book. For now, highlighting the double standard we have used to talk about sponsorship, as well as our neglect of the different ways social capital matters historically, is my focus.

Each chapter explores an individual case of the interventionism of patronage and an emergent philanthropy in the literary field. Nevertheless, common themes emerge across chapters. Chapters 1 and 2, on James and Howells, focus on patronage and an emergent philanthropy by particularly highlighting the international context in which they emerge. Chapter 1 begins by analyzing some conceptual problems in studying philanthropy before examining how a specifically American generosity (in the form of philanthropy) provides Henry James with a way to compare the European empires of the past to a new American one. Like Friedrich Nietzsche, James reads American social reform and cultural philanthropy, in novels like *The Princess Casamassima* and *The Golden Bowl*, as the product of *ressentiment*, the envious and vengeance-driven resentment of American "slaves" against European masters. Despite such a reading, James nonetheless argues that one kind of American philanthropy exceeds such envy and redeems itself through its effects—namely cultural philanthropy. American imperialism, expressed through American cultural philanthropy, is central to James's modernist argument for the autonomy of the art object.

Chapter 2 focuses on the way philanthropy and the international context intersect in meaningful ways to change intellectual work. William Dean Howells's most important novel, *A Hazard of New Fortunes*, is often read as analyzing the expansion of a free literary market and its effects upon intellectuals and writers. By contrast, I focus not only on his critique of the

“market,” but also of its alternative—the corporate sponsorship of intellectual endeavors. I examine how state sponsorship in Howells’s own career complicated his sense of the intellectual as a disinterested cosmopolitan. In *Hazard*, such cosmopolitan disinterestedness seems at first enabled by corporate philanthropy, by a “natural gas millionaire” who sponsors a literary journal and “frees” the journal from market imperatives. However, sponsorship makes clear that such disinterestedness is a misrecognition of intellectual work. Intriguingly, Howells does not give up on the cosmopolitan ideal in the era of corporate philanthropy. Instead, he hesitantly theorizes that sponsorship may lead to artists’ forced recognition of themselves as parochial and interested, and thus to more activist critiques of corporate capitalism and its forms of sponsorship. Such situated activist critique, Howells suggests, is paradoxically the form that true cosmopolitanism must take in the era of corporate capitalism.

In the next three chapters I particularly explore the ways the social networks at the turn of the century helped establish the relation between literature and philanthropy and shaped the market in cultural goods. In Chapter 3, I examine both Mark Twain’s career and his later writing within the context of the late nineteenth-century recreational “male culture of the workplace.”<sup>89</sup> Twain is often used to illustrate the democratizing and progressive features of the market in literature, his inherent merit creating both monetary and critical success. By contrast, I argue that Twain’s career reveals his exasperation with and eventual failure on the market and his recourse thereafter to a patron, the infamous vice president of Standard Oil, Henry Huttleston Rogers. Twain’s case is helpful in showing the ways in which friendship and patronage began to transform into philanthropy (what Twain experienced as a kind of intra-class welfare) as the business classes mixed with the artistic classes in the all-male clubs of the time. Because of his intellectual and political commitment to democracy, on the one hand, and his loyalty to the intra-class welfare he experienced, on the other hand, in Twain’s late writings, like *A Connecticut Yankee* and *Which Was It?*, he highlights the moral compromise created by the philanthropy of managerial corporate capitalism. In his anti-imperialist writings at the very end of his career, however, he comes to a despairing conciliation with such philanthropy.

Charles Chesnutt’s career and writings in Chapter 4 provide a useful comparison to Twain and other white writers in thinking about the importance of social networks. One of the few African American authors of the

time who reached a mainstream national audience, Chesnutt had to work aggressively and self-consciously to gain access to the social networks to which Twain was connected and to the kind of “friendship,” and thus sponsorship, that emerged out of the (segregated) recreational male culture of the workplace. Chesnutt’s writings analyze the discourse of friendship and cooperation central to corporate capitalism and its forms of patronage and philanthropy. Deeply intrigued by this discourse and its possibilities for race relations, Chesnutt works to imagine if such discourse can be linked to an older, radical one stemming from the revolutionary era. In the end, however, especially in *The Colonel’s Dream*, Chesnutt finds himself frustrated by what corporate philanthropic friendship evades—namely issues of justice.

Chapter 5 analyzes Theodore Dreiser’s account of social networks in the era of corporate capitalism and their significance to the kind of philanthropy that emerges from that economic system. His analysis overlaps with both Twain’s and Chesnutt’s, but is very differently inflected. Dreiser is not the friend of individual corporate capitalists, like Twain, but he is mesmerized by the idea of such sponsorship. In some of his writings, like much misogynist male modernism generally, heiresses are figured as an alluring yet threatening solution to the artist’s funding dilemma in capitalist America. Nonetheless, he is also deeply interested in male-to-male patronage, and the Carnegie Library in Pittsburgh becomes a touchstone for his work. Dreiser toys with an idea, comparable to Twain’s, that such sponsorship leads to moral compromise, but instead suggests that the Carnegie Library ironically helps him demystify the narratives about capitalism that Carnegie and other corporate philanthropists seek to enforce. Likewise, in his “Trilogy of Desire” Dreiser depends on irony to read both corporate capitalism and its cultural philanthropy. Just as social networks that predetermine the outcomes of markets in the trilogy are easily undermined by the individual personalities that constitute such networks, so also Dreiser argues that corporate-based cultural philanthropy which seeks to establish hegemony ironically overturns itself. In this way, philanthropy for Dreiser, as for Chesnutt, engages questions of justice; however, Dreiser’s conception of the justice that irony provides is far removed from the one Chesnutt holds.

While all these chapters focus on individual problems and analyses of patronage and philanthropy in turn-of-the-century literature, I focus throughout on the paradox Polanyi describes: that the “free market was

opened and kept open by an enormous increase in continuous, centrally organized and controlled interventionism.” By exploring the ways writers engaged and criticized this paradox, this book continues the work of defining and analyzing more precisely that useful but also difficult concept: the literary market. At the same time, in this era of economic crisis, I hope that this book can help us also think through the problem of “markets” more generally, both as putatively free and as benevolent.