

TAKING GOVERNMENT OUT OF POLITICS: MURRAY ROTHBARD ON POLITICAL AND LOCAL REFORM DURING THE PROGRESSIVE ERA

PATRICK NEWMAN*

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ABSTRACT: This paper analyzes and elaborates on what Murray Rothbard would have included in Chapter 10 of his nine-chapter manuscript on the Progressive Era (Rothbard 2017). In Chapter 10, Rothbard planned to describe the political and local reforms of the fourth party system (1896-1932). The reforms included voter registration, ballot changes, direct election of senators, the primary system, attacks on machine politics, the institutionalization of civil service, and the expansion of city governments. While many historians have argued that these changes were designed to expand democracy and reduce corruption, Rothbard would have shown how they were intended to restrict democracy and centralize power in the hands of established elites.

* Patrick Newman (patrick.newm1@gmail.com) is an assistant professor of economics at Florida Southern College.

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A vital part of urban progressivism, as shall be seen further below, was a frenetic attack on the “corruption” of politicians... (Rothbard 2017, 285).

Democratic or legislative decisions were messy, “inefficient,” and might lead to a significant curbing of statism, as had happened in the heyday of the Democratic Party during the 19th century. But if decisions were largely administrative and technocratic, the burgeoning of state power could continue unchecked.... In short, government, in virtually all of its aspects, should be “taken out of politics” (Rothbard 2017, 440–41).

1. INTRODUCTION

The Progressive Era contains nine full chapters of Rothbard’s unfinished manuscript as well as later published essays on material Rothbard wanted to discuss (Rothbard 2017). Chapter 9, “The National Civic Federation: Big Business Organized for Progressivism,” documents the cartelizing state and local reforms pushed by big business, big government, and court intellectuals in the early-twentieth century. In Chapter 10, of which only notes remain because it was unfortunately not written, Rothbard would have continued his analysis of local Progressive Era interventions by analyzing both their political and urban reforms. Some of his important insights were included in the later published essays in *The Progressive Era* as well as in other writings (Rothbard 1962, 1974, 2011 [1978], 1995).¹ Rothbard’s lecture series “The American Economy and the End of Laissez Faire: 1870 to World War II,” given at Brooklyn Polytechnic in 1986, followed the format of the unpublished manuscript of *The Progressive Era* and continued where Rothbard left off. Immediately after finishing with the material provided in Chapter 9, the lecture series moved into his notes on the political and local reforms of the era (Rothbard 1986). Using his published writings and lectures, this paper discusses what Rothbard would have written about in the tenth chapter of the book.²

¹ Rothbard also briefly discussed these issues in Chapter 6 of *The Progressive Era*, “1896: The Collapse of the Third Party System and of Laissez-Faire Politics.”

² When citing material Rothbard planned to discuss, this paper will reference Rothbard’s published essays and lectures instead of the notes he used because they are readily available for the reader to consult (Rothbard n.d.).

Rothbard's central thesis was that the political and local reforms of the era—changes in voting procedures and how elections were conducted, creating new appointed committees, eliminating various elected positions, centralizing city power, and so on—were all measures that actually restricted voter choice and increased the power of insulated bureaucrats and special interests. All of this was cleverly done in the name of democracy and anti-corruption, when in reality it was just a camouflage to increase government power at the expense of local districts and individual voters. In addition, these interventions were part of a pietist, moralist assault on liturgical voters (e.g., ethnic Catholic minorities) and carried racial undertones. Much of what people complain about the modern political system on all levels of government, including the dreaded "Swamp," has its roots in these "enlightened" reforms.

2. POLITICAL REFORM: EXPANDING DEMOCRACY BY RESTRICTING DEMOCRACY

The increased government intervention during the Progressive Era, beginning during the McKinley (1897–1901) and especially the Roosevelt (1901–1909) administrations, could only take place after a seismic shift in the political realm. When the third party system (1854–1896) of fierce ideological and ethnoreligious conflict devolved into the fourth party system (1896–1932) of bland party similarity, this allowed for increased technocratic and governmental rule. Rothbard attributes this change to the collapse of the *laissez-faire* contingent of the Democratic Party, namely the liturgical Bourbon Democrats of the Northeast and the Midwest, of which President Grover Cleveland (1885–1889, 1893–1897) was champion. Before, these Democrats had formed a mighty bulwark that helped block many interventions on the state and federal level. President Cleveland and his allies worked to try and defend the gold standard, lower tariffs, and limit government spending such as by blocking increases in Civil War pensions.³ But in the important presidential election of 1896 the Bourbon Democrats, already weakened in the 1894 midterm elections from the aftermath of the harsh Panic of

³ For more on the battle over Civil War pensions to Union veterans, see Rothbard (2019).

1893 (for which they were unjustly blamed), were overthrown by the southern and western Populist Democrats. These pietistic and interventionist populists were led by William Jennings Bryan on a holy crusade of silver inflation and socialistic reforms. The modern interventionist Democratic Party was born. The Bourbons either left politics altogether, stayed in weakened positions in the Democratic structure, or joined the Republican Party.

The Republican Party was traditionally more interventionist than the Bourbons and was also the party of Yankee pietism, populated by evangelical Protestants, as opposed to the Democrats who were dominated by liturgical Lutherans and Catholics. Republicans and Democrats had traditionally fought over various social issues, such as prohibition, public schools, and immigration, with Republicans taking the more interventionist and Democrats the more *laissez-faire* stance. This extended to the economic realm. But with the threat of William Jennings Bryan on the left, the new Republican Party under the newly moderate William McKinley became less pietistic and more center statist. Liturgicals, notably the German Lutherans, left the Democratic Party en masse in 1896 for the Republicans, delivering a crushing victory for McKinley and the Republicans. As Rothbard put it:

In short, the election of 1896 left the United States with a new party system: a centrist and moderately statist Republican Party with a comfortably permanent majority of the country, and a minority Democratic Party roughly confined to the one party South and to Irish-controlled big cities of the Northeast and Midwest, which were nevertheless a minority in those regions. Gone was the sharp conflict of ideology or even of ethnic-religious values; both parties were now moderately statist in different degrees; both parties contained pietists and liturgicals within their ranks. The McKinley Republicans were happy to be known as the “party of prosperity” rather than the “party of great moral ideas.” The familiar lack of clear and genuine ideological choice between two dominant parties so characteristic of modern America was beginning to emerge. Above all, there was no longer a political party, nor a clear-cut constituency, devoted to the traditional American ideology of *laissez-faire* (Rothbard 2017, 178).

The stage was set for the fourth party system of general Republican dominance, and the Republicans increased their partisan lead in virtually every region except the South and the

thinly populated Mountain states. The lack of a viable rival party to the Republicans, the increased intervention and similarity of Republicans and Democrats, and a decline in ethnoreligious issues to rally the masses, led to a drop in voter turnout. For example, from 1840–1896 voter turnout in presidential elections outside of the South was 70–84 percent. In 1896 it was 78.3 percent, but afterwards declined to 59.7 percent in 1916. It has remained at 50–60 percent ever since (Rothbard 2017, 195).⁴ The stage was set, then, for the Progressive Era and the alliance of big business, big government, and court intellectuals to take over the political and economic system. The new corporate elite and their interventions would stand in the middle-of-the-road between “unworkable” laissez faire capitalism (because it prevented the establishment of monopolies) and extremist socialism (because it led to threatening confiscatory legislation) (Rothbard 2017, 163–97).

But voter turnout did not only decline from a decrease in ethnoreligious emphasis and the perceived similarity between the parties. In fact, there were new political “reforms,” beginning in the 1890s, that had ostensible democratic motivations but were really designed to reduce voter choice, especially among poorer, liturgical voters. They include changes in voter registration, the Australian secret ballot, the short ballot, women’s suffrage, political primaries and referendums, and the direct election of senators. Rothbard planned to devote significant space to these issues in Chapter 10.

Voter registration requirements and other restrictions became prominent during the Progressive Era. These included poll taxes and literacy requirements. They placed additional regulations on voting (such as to disallow alien voting), increased the time it took to become a citizen, and made it more difficult to become one. The ostensible reason was to reduce election fraud and increase transparency, but the real intended effect was to reduce participation of certain minorities, such as ethnic urban immigrants. These immigrants were generally liturgical (i.e., Catholics and Lutherans from southern and eastern Europe), who tended to vote for the Democrats

⁴ For a recent work summarizing the research on the decline in voter turnout in American politics, see Burnham (2010). In contrast to other political scientists, Burnham argues that the decline in turnout was real and not due to a drop in voter fraud, which was relatively insignificant.

and supported them on social issues (Rothbard 1986, 1:05–07, audio source).⁵ Nowhere was this restrictionist trend clearer than in the case of the South where restrictive Jim Crow legislation and racial hostility towards blacks caused voter turnout to plummet.⁶

The progressives openly praised the drop in voter turnout, since it allowed for “better” voting by more “knowledgeable” people and put planners and bureaucrats in greater control. As Thomas Leonard writes:

The progressive economists—or certainly the most outspoken among them—were not egalitarians and never entertained the notion that expertise could work through the people. They were frank elitists who applauded the Progressive Era drop in voter participation and openly advocated voter quality over voter quantity. Fewer voters among the lower classes was not a cost, it was a benefit of reform (Leonard 2016, 52).⁷

The adoption of the Australian “secret” ballot, beginning in the early 1890s, also fits this trend. Before, the parties themselves, particularly the urban political machines, distributed their own party ballots to make sure their constituents voted. With the Australian system the government provided both the ballot and the slate of candidates from which the different parties’ voters could choose. Again, a noble feature ostensibly enacted in order to increase transparency and reduce voter intimidation, but the real intended effect was twofold. First, it weakened urban party machines, which were mainly Democratic, by reducing their important function of providing ballots and whipping up the masses, educating them, and getting them to vote. Outside of the

⁵ This clearly went hand in hand with the movement to restrict immigration and introduce quotas during this period (Rothbard 2017, 151–56, 190).

⁶ Whereas voter registration requirements in the big cities was generally at the behest of rural pietist Republicans, in the South it was due to Democrats who wanted to disenfranchise blacks. Despite voter turnout plummeting in the South, the Democrats actually increased their partisan lead there while it fell in other regions (Rothbard, 2017, 40, 193–94). On the staunch racism of southern Democrats, see Bartlett (2008, 61–92). For the populists’ racism, which has generally been downplayed, see Postel (2007, 173–203).

⁷ For a review of this very important work, see Newman (2017).

South this benefited Republicans.⁸ Second, the government could decide who got on the ballot, which weakened third parties. Once again, voter turnout decreased. The short ballot innovation of the time period also had similar motivations and effects. Before, the people voted on a wide range of government positions. Now, the number of elected positions was reduced (i.e., shortened). This diminished voter participation because people would be less interested in voting since there were less positions to vote on (Rothbard 1986, 1:02–05). In addition, as will be explained in more depth below, it was part of the general movement to take various elected positions out of politics because the “ignorant” masses did not know how to vote on certain issues, and protect the entrenched bureaucrats in those positions. Let the experts decide instead of the *hoi polloi*.

Admittedly, there was one significant area where the electorate was actually broadened. This was the women’s suffrage movement, which culminated in the nineteenth amendment that passed in 1920. This movement had been building since the 1880s on the state level and was a drive sponsored by moralists because pietist Yankee women were more likely to vote than their ethnic female counterparts. Progressives eagerly continued this trend in the early twentieth century because women were also more likely to vote for interventionist policies and candidates. Once again, the progressives were concerned more about improving the quality of the electorate rather than the quantity *per se* (Rothbard 2017, 156–62).

When discussing the political interventions designed to reduce voter turnout, it is important to note that Rothbard always emphasized that the major reason for the decline in voter turnout during the fourth party system was not the registration requirements. Instead, it was the reduced emphasis on ideology and increasing similarity between the parties. Voter turnout actually increased in the thinly populated western Mountain states from the increased competitiveness between the populist Democrats and Republicans in the region, and voter registration restrictions generally applied only to urban voters, while turnout declined in both urban and rural areas (Rothbard 2017, 191, 194).

⁸ In the South the government ballots were obtusely written so blacks could not read them. This helped the Democrats (Burnham 1970; Kousser 1974; Kleppner 1978, 465).

There were other examples of election reform that had different effects than traditionally assumed, effects which helped contribute to the decline in political ideology discussed above. These included the direct referendum, compulsory political primaries, and the direct election of senators (the latter fulfilled in the seventeenth amendment in 1913). All of these were deemed necessary to increase voter participation and the range of issues and candidates the public could “directly” control. In reality, the real motivation was to weaken political parties and centralize power in the federal government. When state legislatures and state parties chose presidential nominees, senators, and decided on platforms, it increased the power of the decentralized political party branches and state governments. This acted as a bulwark against federal centralization and increased government intervention. In this system the political parties and their local organizations were important and meaningful, they collected similar positions on issues to produce a coherent and salient ideology, an ideology that instilled in the public a desire to join a political party and be active in it.⁹ Now, since candidates could directly run for positions and the people directly vote on certain issues, the decision making function of the political party was circumvented and hence weakened. Now anyone could run based on their public relations and charisma, disassociated from the party’s ideology, and this helped turned politics into a bland popularity contest with little difference between both candidates and parties. Combined with the contemporary enthusiasm for statism, this was a disaster for any system of limited government (Rothbard 1986, 1:07–09). To quote Rothbard on the new dispensation:

For the new non-ideological party system and demobilized electorate meant also that the political party *itself* became far less important in deciding government policy. And, along with the parties, their constituencies—the voting public—became less important in influencing government actions. This decline of the political party as well as its voting constituency left a power vacuum which... the new order of experts, technocrats, and organized economic pressure groups rushed to fill. The dominance of the new elites alienated still more citizens and

⁹ The standard myth of late-nineteenth century politics was that the party bosses in smoke-filled rooms chose presidential candidates against the wishes of the voters. For a recent work that challenges this myth and argues that party bosses often opposed the eventual presidential nominee, see Haynes (2016).

swelled the ranks of non-voters. The way was paved for the Progressive period (Rothbard 2017, 196).¹⁰

3. LOCAL REFORM: REPLACING VISIBLE CORRUPTION WITH LESS VISIBLE CORRUPTION

Reforms in the Progressive Era not only centered around the institutional voting process, but also on urban reforms relating to the creation of bureaucratic committees and the territorial expansion of cities.¹¹ As with the above material, Rothbard also planned to discuss this in Chapter 10, particularly the attacks on political machines, civil service reform, the city council movement, and urban imperialism. Urban reform was all in the name of creating a more “efficient” city that could be better managed by appointed commissioners and business elites, since local party rule led to corruption, inefficiency, and moral problems. Writes Rothbard:

[During the Progressive Era there] was the growing insistence, by progressive intellectuals and corporate liberal businessmen alike, that democratic decision-making must be increasingly replaced by the administrative and technocratic. Democratic or legislative decisions were messy, “inefficient,” and might lead to a significant curbing of statism, as had happened in the heyday of the Democratic Party during the 19th century. But if decisions were largely administrative and technocratic, the burgeoning of state power could continue unchecked. The collapse of the *laissez-faire* creed of the Democrats in 1896 left a power vacuum in government that administrative and corporatist types were eager to fill. Increasingly, then, such powerful corporatist big business groups as the National Civic Federation disseminated the idea that governmental

¹⁰ On the seventeenth amendment weakening decentralized state control, see DiLorenzo (2008, 151–59) and Napolitano (2012, 75–92).

¹¹ Urban reform also included the drive by progressivist intellectuals and social reformers to “clean up the streets” and remove sweatshops, prostitution, gambling, drinking, and other alleged evils of the city. In many instances these movements were led by pietistic females driven to shape society and increase government intervention. Seemingly altruistic, for many of the reformers it was just part of the attack on ethnic liturgicals since many poorer immigrants worked in these occupations and enjoyed the maligned “nightlife” activities, especially drinking alcohol. Larger businesses also supported the drive to eliminate sweatshops to the extent that they cut down on local, cheaper competition. Since Rothbard (2017, 204–05, 208, 293, 340–50, 400–20) discusses these issues at length, they will not be pursued further here.

decisions should be in the hands of the efficient technician, the allegedly value-free expert. In short, government, in virtually all of its aspects, should be “taken out of politics” (Rothbard 2017, 440–41).

Elsewhere, Rothbard continued:

The Progressive period was marked by a conscious shift of urban political power from local neighborhoods and wards, representing the mass of lower-income and middle-income citizens, toward a centralized rule by upper-income and business groups. The shift was cleverly put forward as the ouster of “corrupt” political party bosses and “ward heelers” on behalf of efficient, “nonpartisan” technicians, invariably consisting of upper-income and business groups. It became important for upper-income groups to control municipal governments as the scope of government intervention and activity accelerated, and as governments increasingly became the coveted source of contracts, franchises, tax assessments, and subsidies (Rothbard 1974, 21).

The attack on “corruption” was the code word for an attack on the ethnic (and hence Democratic) party machine. Machines were party structures consisting of professional men who gathered ideologies, votes, and provided rewards to their supporters. They also ran many important city functions and municipal services. A rising politician needed to work with a machine in order to ensure they would get the right connections and move up the ranks. Tammany Hall of the Democratic Party in New York City is probably the most well-known example of an urban political machine (Riordon 1963). They were certainly corrupt in that they were susceptible to bribery, committed extortion, and gave out favors, jobs (patronage), and services based on loyalty and connections rather than need or merit. But, as Rothbard planned to discuss, they had their purposes. In the first place, as mentioned earlier, machines and local parties helped rally the masses and got them interested in political affairs. Second, their desire to “buy” votes of the poor through acts of charity like hot soup and turkey dinners acted as something akin to a private welfare system. This bribery performed a valuable service to new immigrants who had little knowledge of the new country they entered.¹² Lastly, sometimes paying the corrupt government

¹² It is no surprise that with the rise of inefficient government welfare, which began in the Progressive Era and accelerated during the New Deal of the 1930s, the

or party machine could cost less than the higher taxes and fees that might result from “uncorrupted” government (Rothbard 1986, 1:22–26).¹³ Rothbard, always a fan of the literary critic H.L. Mencken, a contemporary of the time period, planned to quote him on just this occurrence where Mencken discusses his father’s experience with urban reform:

He [Mencken’s father] had a very tolerant view of all other torts and malfeasances. He believed that political corruption was inevitable under democracy, and even argued, out of his own experience, that it had its uses. One of his favorite anecdotes was about a huge swinging sign that used to hang outside his place of business in Paca street. When the building was built, in 1885, he simply hung out the sign, sent for the city councilman of the district, and gave him \$20. This was in full settlement forevermore of all permit and privilege fees, easement taxes, and other such costs and imposts. The city councilman pocketed the money, and in return was supposed to stave off any cops, building inspectors or other functionaries who had any lawful interest in the matter, or tried to horn in for private profit. Being an honorable man according to his lights, he kept his bargain, and the sign flapped and squeaked in the breeze for ten years. But then, in 1895, Baltimore had a reform wave, the councilman was voted out of office, and the idealists in the City Hall sent word that a license to maintain the sign would cost \$62.75 *a year*. It came down the next day.

This was proof to my father that reform was mainly only a conspiracy of prehensile charlatans to mulct tax-payers (Rothbard [1962] 2009, 24; Rothbard 1986, 1:26–29).

The end of the machine and the rise of the appointed committee and “honest” politician was supposed to mark the end of political corruption and favoritism. In reality, it just meant the end of visible corruption in lieu of less visible corruption. Bureaucrats are not

party machine was crippled because there was less of a need for their charity. In addition, President Franklin Delano Roosevelt also used federal funds to circumvent and weaken party machines that opposed him, such as Tammany Hall (Cost 2015, 159–61, 181–82). Other forms of voluntary assistance, such as fraternal associations, have also declined (Beito 2000).

¹³ In his theoretical works Rothbard explained how defensive bribery, or paying the government to get an exception to some licensing or prohibitory requirement, is beneficial because it brings the economy closer to the free market. Paying corrupt government officials to operate a business is better than the alternative of not being allowed to operate at all. The Soviet Union survived partially because of this type of pervasive corruption (Rothbard [1962] 2009, 1141–42).

angels, they are responsive to outside pressure and they have an incentive to increase the size and scope of their agency to obtain more funding and power. Politicians too, can still obtain lucrative financial support for their campaigns and increase their personal wealth by passing beneficial legislation to special interests, or by threatening to pass hostile legislation in an attempt to extort donations.¹⁴

The institutionalization of civil service was part of the broader goal to attack corruption. Political patronage and the “spoils system,” where incoming parties victorious after an election provided jobs for their supporters by firing the rival incumbent parties’ officeholders or simply creating new jobs, are generally despised and thought to provide no benefit to society. Although the system was imperfect, Rothbard points out that it was a part of a noble tradition of trying to enforce rotation in office to prevent the creation of an unaccountable oligarchy. Civil service which protects government employees from “partisan” replacements and instead ensures promotion and tenure based on “objective” tests of merit leads to corruption in the form of an entrenched bureaucracy unaccountable to the public. In addition, it too incentivizes increases in the size of government since incoming parties will simply create new jobs for their supporters instead of providing them with old jobs. In other words, civil service leads to the “Swamp.”

It is extremely ironic that civil service was initially promoted by a group of independent voters in the Northeast initially known as the Liberal Republicans and later as the “Mugwumps.” They supported free market policies and were driven to support civil service by their Yankee pietist background. They wanted to make sure that government was run efficiently and above politics, and not without coincidence they thought themselves to be the best suited for the

¹⁴ In the visibly corrupt world of the late-nineteenth century, threatening to pass hostile legislation (such as a revision of a tariff) was referred to as “frying the fat.” Businesses would provide campaign contributions and other monetary perks to politicians and officials in order to avoid harmful legislation that was proposed solely to exact tribute. Businesses were put on a hot skillet, so to speak, and their juices (money) flowed out. In the modern economic literature this is known as the rent extraction theory. It is just as prominent in modern politics, if not more so, then before. The only difference is it is less blatant and well-known because politicians are thought to operate under stringent anti-corruption and campaign finance laws (Thayer 1973, 45–46; McChesney 1997; Schweizer 2013).

job. But by the time of President Theodore Roosevelt, civil service had turned into all that they despised, namely a vehicle to promote big government and statist interventions:

The disheartened reformers, indeed, looked at the fruits of their victory and found it only ashes. These had been genteel Brahmins and educated elites, convinced of the inherent right of their sort to rule, and embittered at the rise to power of the uneducated, the non-elite, the brash, self-made, *nouveau riche* industrialist. They were also devoted to the ideals of free trade, hard money, *laissez-faire*, and retrenchment of government, but their chief focus had been a permanent rule by themselves and their cohort. But they lived to see the triumph of their “merit system” result not in the retrenchment of government, but in its acceleration, and not in the triumph of themselves, but of the brash politicians and corruptionists they despised (Rothbard 1995, 74; see also Rothbard 2017, 123–24, 203–04).¹⁵

In line with institutionalizing bureaucrats and taking managerial decisions out of politics, during the Progressive Era various cities created small city councils that were dominated by the upper class and other privileged elites. This notably occurred in matters relating to public schools. For example, in Pittsburgh in 1910 there were 387 combined members of the local ward-elected school boards and the city council. Only 24 percent of the members were of the upper class while 67 percent were members of smaller businesses and workers’ organizations. In 1911 the Pennsylvania legislature imposed a new city charter and school board system on the city. The governor and state court judges now would appoint members of the smaller city council (they were later elected by the city at large) and city-wide school board. A new nine man city council replaced the older twenty-seven man city council, and the multitude of localized school boards (with previously 360 members) was streamlined into a fifteen man school board. Both were heavily dominated by the upper class (Hays 1964, 161, 163, 165; Rothbard 1974, 26–27; Rothbard 1986, 1:17–23).¹⁶ Other examples abound. Rothbard wrote

¹⁵ On the spoils system and civil service, see also Libecap (2007).

¹⁶ The city manager movement was another example of this trend. Cities would be run by business-led committees to make them more “efficient” (and inevitably funnel favors to privileged businesses), at the expense of local decentralized wards controlled by the lower class (Rothbard 1986, 1:10–12; Weinstein 1968, 92–116).

extensively about the pietist move to oust the elected school superintendent position in San Francisco in the 1910s (as the position was traditionally friendly to Catholic values), and there is no need to elaborate on it here (Rothbard 2017, 302–08).¹⁷ But perhaps more interesting was Rothbard's brief insights into the important legislation of Oregon in the 1920s. In November 1922 the state of Oregon passed a law prohibiting private schools and compelling all students to attend only public schools. Oregon believed that public schools, controlled by the "right" people, would be better able to mold children with the "right" values. The main sponsor of the law was none other than the Ku Klux Klan, a pietist racist organization determined to destroy Catholic private schools and Americanize their ethnic youth.¹⁸ The public could not be trusted to run both public and private schools, instead, the power must be vested with the government.

The political aggrandizement of power on the local level also occurred in the fascinating situation of urban imperialism. Urban imperialism refers to the literal expansion of large cities through territorial conquest of surrounding towns, villages, neighborhoods, and other cities. Large cities would annex surrounding areas by lobbying state legislatures and courts, and if successful, the annexed areas would often have little say about their absorption into the larger city. This process had begun in the mid-nineteenth century and increased during the Progressive Era. The purported motivation of this, much like other political power grabs of the era, was to improve the efficiency of city management. In reality, the purpose was to increase the political and economic power of "downtown" interests (i.e., wealthy big business elites) at the expense of decentralized control. Milton Kotler explains: "The

¹⁷ However, it is important to remark in passing that like so many other anti-Catholic motivations held by the progressives, the burgeoning progressive movement in teaching pedagogy was driven by a desire to weaken liturgical practices in parochial schools. Catholics saw this as a drive to replace the relationship between the student and God with a new bond between the student and the social-democratic state (Woods 2004, 85–118).

¹⁸ The law was later struck down by the Supreme Court in *Pierce v. Society of Sisters* (June 1925). The Supreme Court argued that while children must attend school they cannot be forced to attend only public schools (Rothbard 1974, 24–25; 2011 [1978], 153–54). For a modern account see Gordon (2017, 139–61).

purpose of the imperial dominion of the city is to control the neighborhoods for the sake of the economic and political interest of the central business district, which had formerly been impeded by their political independence" (Kotler 1969, 14).¹⁹ The three-pronged goals were to monopolize political power of downtown or other favored interests, cripple the economic power of surrounding areas, and make these crippled economic areas disproportionately pay the costs of administrative government through higher taxes.

Traditionally, neighborhoods were independent political units with their own clubs, fraternal associations, and local hangouts. The local saloon was the organization where community members would discuss politics and their leader was the local saloonkeeper. The saloonkeeper was also generally the elected ward official who represented the community in larger political and party machine affairs. These urban neighborhoods were generally exclusively Catholic and ethnic in the late-nineteenth and early-twentieth century. In essence, they were small independent towns and villages (Rothbard 2017, 319, 323). As time went on larger political units, i.e. cities, would take over these units and weaken the political power of the neighborhoods. They continued this practice on a larger scale by taking over entire cities, cities whose political independence was threatening the growth of the larger city. Thus, Philadelphia in 1854 annexed more than twenty-eight districts, boroughs, and townships, most notably Germantown. In the case of New York City, the process had begun in 1866. At the time New York City had only included Manhattan and Staten Island. It soon gained Queens and the Bronx, and notably annexed Brooklyn in 1898, then the fifth largest city in the United States. A major reason for these expansions was a Republican attempt to break up the Democratic Party's stranglehold of the city by including surrounding areas which were more Republican (Kotler 1969, 2–3, 8, 14, 20).

Taking over surrounding areas would also increase the concentration of commercial and manufacturing interests in downtown

¹⁹ Rothbard was very influenced by this book and would have cited it in his discussion of urban imperialism (Rothbard 2017, 319; 1986, 1:36–42). For other contemporary scholars that cited Kotler and argued that decentralized control in urban affairs better satisfies consumer preferences, see Bish (1971, 155) and Bish and Ostrom (1973, 11).

through artificial economics of scale and industries moved from the surrounding areas to downtown.²⁰ This economic weakening of the surrounding areas was also partially due to discriminatory taxes on the subjugated territories. Higher taxes were levied on the hapless suburban residents (of course, without their consent) in order to subsidize the expansion of downtown interests. It is no surprise then that after Pittsburgh's takeover of Allegheny and other areas in 1907, the Pittsburgh Survey of 1912 noted that downtown business and residential areas paid taxes only roughly two-thirds the level of surrounding political units. These higher taxes would help pay for Pittsburgh proper's excessive railroad debt it had accumulated over the years (Kotler 1969, 15–22). Once again, localized control was reduced for greater power and pelf in the hands of the growing centralized state.

4. CONCLUSION

Rothbard had many important insights on the Progressive Era that extended beyond analyzing the economic policies at the federal and state level. They included both political and local reforms that described the marked transformation away from decentralized, voter driven control to appointed committees in enlarged political cities that were beyond the reach of individuals. The power of ethnic

²⁰ In fact, the noted increase in urban population during this time was in large part a consequence of cities taking over surrounding areas. Many urban problems of the era—overcrowding, adequate water and street provision, etc.—were partially due to cities getting unduly big through conquest (Kotler 1969, 22). In a similar vein, there is a natural limit to urbanization and city growth. When a city gets too large through government expansion and subsidization it gets harder to provide municipal services. This incentivizes the need for additional government subsidization, which only aggravates the problem and increases the dependency of government provision (Davies 1993, 49–57).

The initial justification for municipalizing or regulating various “public goods,” such as water, was that they were underprovided by the market. However, a major reason for this “under-provision” was that private companies were often threatened with the very same hostile intervention that was later thrust upon them. Faced with a reasonable prospect of political takeover, many businesses did not invest as much as they would have under a framework of secure private property rights, which created a self-fulfilling prophecy. Once politicians took these businesses over, they were incentivized to charge below-market rates to win elections at the expense of long term quality (Troesken 2015, 120–35).

minorities, such as Catholic and Lutheran immigrants and blacks, was reduced at the expense of upper class pietists. These initiatives, which included voter registration, ballot reforms, commissioned school boards, and urban imperialism, were all cunningly advocated in the name of expanding democracy and eliminating corruption. While the stated goals were noble, the actual intended motivations were more sinister: to restrict democracy to only those who would vote the right way and shift corruption and political power to less visible individuals and organizations. And here the progressives succeeded brilliantly.

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