

# H-Net Reviews

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Jonathan Kahn. *Budgeting Democracy: State Building and Citizenship in America 1890-1928*. Ithaca, N.Y.: Cornell University Press, 1997. xvi + 222 pp. \$42.50 (cloth), ISBN 978-0-8014-2950-7.

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It requires someone much more familiar than I am with American history to do full justice to Jonathan Kahn's book, *Budgeting Democracy*. It is much more than a history of municipal budget reform, and four of its eight chapters are devoted to national budget reform. Though I will try to consider the whole book here, I will mainly focus on its municipal side, and can only urge our readers to have a look at Kahn's work to compensate for my blindness on some points that a "true" scholar of American history would have grasped. There is no need to say that I am also utterly incompetent to give an opinion about Kahn's style and rhetoric. I trust H-Urban readers to make up their own minds about the writing ability of this assistant professor at Bard College.

Kahn's work first sounds like a challenge: the issue is to make the reader interested in the dull world of bureaucracy and one of its darkest facets, accounting and budgeting. In his introduction, Kahn suggests that this "dry and lifeless" aspect of budget caused him to take "a counterphobic tack," to dive deeper in the budget history. True, there is no gender, no race, no ethnicity, no community, no class, no nation, no war, no gender in this history, nothing trendy or appealing. At least at first sight. Because, when you follow Kahn on his track, you begin to consider the budget as an invisible framework of our political culture, and as an administrative artifact that deals with class, gender, or ethnicity in the daily debates of political life, in the United States of America as in many countries. That's it, Kahn has already won his bet: you are interested in the history of the budget, and you agree with Kahn's argument "that public budgets are more than simply technical tools for allocating government resources. They are also cultural constructions that shape public life, state institutions, and the relations between the two" (p. 2). Indeed, Kahn is very keen on demonstrating this power of the budget to shape the conception of government and of citizenship, both on the municipal and the national level.

On the municipal level, Kahn's work takes place in

the stream of the many works that have paid attention to municipal reform and to municipal life. It can even be said that he took a risky turn by giving his attention to a subject that has been mentioned by many, but always en passant. With Kahn's book, it is possible to get a grip on the engineering of municipal reform, through something both deadly boring and utterly important: the world of municipal finance. Of course, the New York Budget exhibit of 1909 or the Bureau of Municipal Research had been written about before. Jane Dahlberg once devoted a book to the Bureau[1]; Jon Teaford's many works mentioned these "unheralded triumphs," and Martin Schiesl gave important pages on the trend towards standardization of municipal statistics and accounting.[2] But none of them went so deep in the history of the technical and bureaucratic tools of municipal reform.

Kahn does, and takes us from the head to the toe of the process of inventing the budget. He also gives a detailed view of the three spearheads or budget reform: the ABCs (William Allen, Henry Bruere and Frederick A. Cleveland) and their creation, the Bureau of City Betterment, later the New York Bureau of Municipal Research. Kahn is especially keen at pointing both the consensus and differences between those three men. The three of them agreed on the necessity of budgeting to restore and implement municipal government, and Kahn insists on their search for a redefinition of citizenship in the age of industrialization and big cities. In this direction, the budget was a tool to make officials accountable and to foster a new relationship between the people and elected officials. Their project, building anew from the mugwump's attempts to fight machines by restricting the ballot and other solutions, tried to give a new impetus to democracy, along the lines that had been brought forward by the National Municipal League (both Cleveland and Allen worked with the League before their budget crusade).

Kahn emphasized a portrait of a multi-faceted bunch of reformers. He stresses the differences between Cleveland, the specialist in accounting, preoccupied by ef-

iciency, Bruere, the ex-welfare manager of the McCormick firm, deeply rooted in the sphere of social welfare work, and William Allen whose “socialism of intelligence” was a quest to educate the citizen in order to rationalize one’s behavior and to shift it from mass politics and the machine. Kahn then brings us through the creation of the Bureau and its fight to lead budget reform in New York City, relating valuable information about the position of the Bureau vis a vis City Hall, the public and the media. His chapter on publicizing budget reform is especially rewarding.

The portrait that Kahn gives of the ABCs and their quest is fascinating, but it brings some questions. What were the differences between the Bureau men and the older generation of municipal reformers, and with reformers from other fields, such as housing? What exactly was their relationship with these other reformers, knowing that Allen worked with the AICP and that the Bureau was originally a section of the Citizen’s Union? Did they share similar or different conceptions of citizenship in the industrial age, had they been educated and trained in the same institutions and networks, etc.? The portrait of the ABCs and the insistence on the conception of democracy and the evidence of different methods are valuable insights, but the book might be too short to fully explain that. Some parallels with famous campaigners such as Benjamin Marsh or Lawrence Veiller would certainly have enlightened the figure of William Allen, for example. Of course, these remarks are the consequences of Kahn’s legitimate choice: working on the budget in itself, on reform more than on the reformers. Hence, there are some other unpursued angles that the reader interested in the history of municipal reform cannot but mention, but that does not alter the attention and pleasure he pays to the book. The lack of comparison between our budget reformers and their predecessors is one of those unpursued angles, but there are others, such as the focus on New York City that leaves the national success of municipal budget reform in the world of magic expansion (p. 121 et seq.). A parallel to other new techniques of municipal management, such as city-planning, would also have been enlightening.

Maybe Kahn finally paid too much passion towards the “dull budget,” and it might have prevented him from considering other spheres and questions that could have enhanced his work.[3] More focus on the Bureau as an organization would also have helped him to answer to some questions he raises, such as the possible self-censorship by the Bureau in order to get consensus from the officials of the New York City government (pp. 77-82).

More seriously, there is no detailed study of how the budget reform spread inside the municipal administration of New York, or how the budget set new frames for perceiving bureaucratic and governmental routine. This would have added to the strength of Kahn’s argument on the budget as a cultural construction shaping public institutions. Okay, it is already strong enough. So let’s say it would have added to our knowledge of bureaucratic change and, in Kahn’s view, it might have helped to identify some of the resistance or strength that made bureaucrats used to make the budget their own, changing the original conception of the ABCs and their supporters. Indeed, Kahn consistently argues that using the budget as a tool to cut expenses or to introduce economic efficiency in the municipal government was not within the scope of the budget reformers. The budget as a means became the budget as an end, and the technical-rational tool took power over the device aimed at restoring citizenship.

This technical aspect of the budget is all the more present in national budget reform.[4] Kahn argues that we do not see a simple widening of municipal budget reform, though the impulse comes from individuals engaged in municipal reform, such as Frederick Cleveland. The issue at stake in national budget reform is not the nature of American citizenship, but the balance of power between President and Congress. Through the debates of the Keep Committee, the Taft committee, and the discussions around the Budget and Accounting Act of 1921, Kahn once again turns all his attention to another think tank, the Brookings Institute, with the portrait of major figures such as William Willoughby. Once again, he focuses on the role of the think tank in promoting reform and only mentions the larger movement that was involved through organizations such as the National Budget Committee. But, nevertheless, he gives a solid picture of how budget reform was implemented and how it was decisive in the construction of Federal Government as a homogeneous body led by the President of the United States. He is especially convincing in depicting the “do-nothing” years of the 1920s as crucial years for “imagining the state” and “creating the modern chief executive.”

Indeed, he shows how the Bureau of Budget meanwhile was creating technical procedures and bureaucratic identities that were to produce a collective language of government and bureaucratic routine, fostering federal Government in a unified executive branch. From the semi-annual conferences gathering the directors of government agencies in Washington to the Woodpecker Club, designed to admit all administrators who could cut personnel costs two percent, Kahn engages this pattern

of bureaucratizing the budget and its culture, something that he has not done at the municipal level. The results are very stimulating, though mainly drawn from secondary sources. Would a wider use of public records have allowed us to get a deeper view on how budget reform won the bureaucracies of the Federal departments and framed their perception of public administration and of the country they were to administer? In the final analysis, Kahn is perfectly entitled to leave that to those who fancy the history of bureaucracies.

I would like to raise three series of comments about this persuasive book. First, what is the consequence of focusing on think tanks in the study of twentieth century government? For sure, it is most necessary in an historical context characterized by the rise of professionalization in the social science and by the development of big foundations such as the Carnegie or the Rockefeller Foundations.[5] Kahn gives us an account that completes such recent work as Donald Stone's,(6) and I am convinced by his findings. Nevertheless, the scholar of municipal reform might also be interested in how different social groups in different places appropriate the reformers' mottoes, and how the reform spreads into the actions of municipal government. I am sure the role of some "wise men" gathered in think tanks and reform organizations was crucial, but I am also quite confident of the fact that the models they proposed did not go untouched in the various cities where budget reform was adopted, either in their procedures or even in their scope and purposes. Kahn has offered us a touchstone for think tanks, even if he may have overstressed the homogeneity of their work.[7] One may wish that he widened his research, as the sphere of research and propaganda about public administration has had an extraordinary expansion from the 1920's onwards, both in the U.S. and at the international level. But other scholars should also dive deeper in local archives to tell us another tale, the one that will deal with public administration reform on the desk on the average city hall employee and in the homes of the citizens.

The second set of comments is about the link between business and public government. This thread of research is a very old and crucial one, and I am not knowledgeable enough to give a short summary here. There is an item in Kahn's work that intrigues me: in Chapter One, "The Emergence of Municipal Accounting Reform," he insists on the business origins of budget through the "corporate model of city government." In a recent paper in *Public Administration Review*, Irene S. Rubin stressed that "government officials and academics, often working in concert, invented, imported, modified public budgeting in

the United States. They were encouraged, often pushed, by business groups, but generally resisted copying business practices, which were not very good at the time. The story of the origins of budgeting in the United States was to some extent distorted to make business owners look good."(8) Sure, Rubin's paper is a short one that does not acknowledge research on public accounting,(9) but it nevertheless asks the question: to what extent is the view of "business like" methods in public government distorted?

Kenneth Fox (op. cit) showed years ago how the organization of municipal government into departments was not linked to the imitation of business firms but can rather be attributed to the attention U.S. academics paid to the treatises of their German counterparts. The railroad sector, which Kahn describes as a model for accounting since the 1840s and 1850s, because of pressure from their European and especially British shareholders and their experts, is described by Rubin as poorly managed. Imitation of the "corporate" model by the reformers may have exaggerated our attention in this direction, and the "businesslike" question is still a pending question, at least for this European scholar.

Last but not least, the third set of remarks sends us back to Kahn's main argument, i.e. budget and citizenship. Kahn forcefully points that national budget reforms set the pace for a new conception of national government and citizenship, where "people realized their identity as citizens though the private act of possessing personal goods. By the end of the 1920's, budget reform told citizens that the legitimacy of government derived less from its responsiveness to the public will than from its ability to gratify material needs" (p. 209). For sure, the conclusion echoes the one made by David Potter in *People of Plenty: Economic Abundance and the American Character* (University of Chicago Press, 1954) or the scholarship of consumption such as William Leach's recent *Lands of Desire: Merchants, Power and the Rise of the New American Culture* (Pantheon, 1993). It is indeed a conclusion common in the history of the public sphere in the United States. But Kahn introduces the urban variable, by opposing this national definition of citizenship to a local one, whose concern it is to satisfy the needs of the community and not of the individual. But there lies a tricky question: how did those two possible conceptions coexist and reciprocate? Is it possible to separate those conceptions of citizenship? Is the local a different world? I would suggest that the study of territorial identities might help us to answer this question, as it tends to lead us towards conceiving identities not as a forced hierarchical set of loyalties but as a repertoire of forms and behaviors that

can be available to individual and collective choices and strategies, bearing in mind that those choices and strategies are also limited in range.

#### Notes

[1]. Jane S. Dahlberg, *The New York Bureau of Municipal Research. Pioneer in Government Administration* (New York University Press, 1966)

[2]. Martin Scheisl, *The Politics of Efficiency: Municipal Administration and Reform in America 1880-1920* (University of California Press, 1977)

[3]. Here, I think, for example, of the work of Kenneth Fox, especially his chapters on the Census Bureau or on the work of public administration teachers around the duties and rights of the municipal government in *Better City Government: Innovation in American Urban Politics, 1850-1937* (Temple University Press, 1972).

[4]. State budget reform is only tackled in a few lines to describe the spread of the budget concept between 1911 and 1919 (Chapter Five, "Budget Reform Goes National").

[5]. While Kahn makes very effective use of the literature on the first point, he lacks the scholarship on the big American foundations, although the Rockefeller is a major actor in his drama, with its support for the New York Bureau and to the Brookings Institute. The book once

directed by Robert F. Arnove, ed., *Philanthropy and Cultural Imperialism. The Foundations at Home and Abroad*, (G.K. Hall, 1982) might have been a good start.

[6]. Donald Stone, *Capturing Political imagination: Think tanks and the policy process* (Frank Cass, 1996). One can also mention J. Smith, *The Idea Brokers: Think Tanks and the Rise of the New Policy Elite* (Free Press, 1991).

[7]. Until the description of Allen's ouster from the Bureau in 1914, which Kahn depicts as the expression of a deep conflict between different conceptions of what the Bureau should be, there is not much mention of tensions over the scope and aims of the Bureau.

[8]. "Who Invented Budgeting in the United States?-" *Public Administration Review*, 53 (September-October 1993), 438-444. Thanks to Michele Dagenais for passing on this article.

[9]. For example, James Don Edwards *History of Public Accounting in the United States* (Michigan University Press, 1960) is not mentioned, and neither are the papers of James H. Potts devoted to municipal accounting.

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