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**DANCING WITH THE DEVIL:  
An Analysis of the Negative Impact of  
Federal Arts Support on the American Not-For-Profit Theatre**

by

**JOEL BASSIN**

**A dissertation submitted to the Graduate Faculty in Theatre in partial fulfillment of the requirements for the degree of Doctor of Philosophy, The City University of New York**

2000

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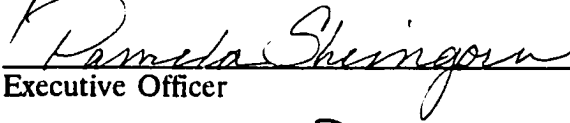
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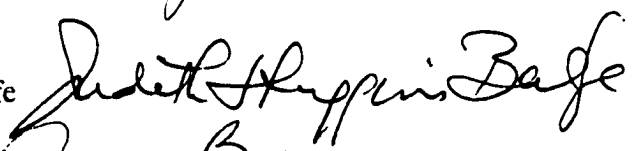


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APPROVAL PAGE

This manuscript has been read and accepted for the Graduate Faculty in Theatre in satisfaction of the dissertation requirement for the degree of Doctor of Philosophy.

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## ABSTRACT

### **DANCING WITH THE DEVIL: An Analysis of the Negative Impact of Federal Arts Support on the American Not-For-Profit Theatre**

by

**Joel Bassin**

**Adviser: Professor Judith Milhous**

The idea and practice of federal support to the American not-for-profit theatre has been hotly contested since 1935, when the Federal Theatre Project was established (FTP). After only four years, the FTP was liquidated by Congress because it was embroiled in political and public controversy. In 1965, Congress authorized the National Endowment for the Arts (NEA), and this agency of federal arts support has also generated intense political and public controversy. Existing scholarship has tended to accept and perpetuate the central economic and ideological arguments of advocates, and scholars have questioned specific features of the practice while endorsing its theoretical value, rather than testing the efficacy of these central arguments with empirical evidence and examining the consequences of the idea of federal arts support on the American not-for-profit theatre.

Chapter One reviews the existing scholarship and identifies its flaws and strengths. Chapters Two and Three present a narrative of the origins of the FTP and NEA through an analysis of shifting political, economic, and ideological factors and the motivations and

actions of key individuals such as Hallie Flanagan, W. McNeil Lowry, August Heckscher, John D. Rockefeller 3rd, and Lyndon Johnson. In Chapter Four the theories of William G. Baumol and William J. Bowen, who legitimized not-for-profit theatre deficits as an inherent economic condition of the arts, are disputed with financial data from not-for-profit theatre budgets. Chapter Five extends Paul J. DiMaggio and Kristen Stenberg's methodological approach for measuring levels of innovation and diversity in the American not-for-profit theatre to demonstrate that the NEA may have exerted a negative influence on artistic creation and production by encouraging artistic and structural conformity. Finally, Chapter Six examines the recurring points of tension that have been experienced between the government and the American not-for-profit theatre since the thirties, and I propose strategies to reduce or eliminate these tensions and escape their negative consequences.

## ACKNOWLEDGEMENTS

This dissertation is the product of many influences and contributions that deserve acknowledgement. First, the idea for this inquiry originated in an assigned for a course that Judy Milhous taught at the Graduate Center of the City University of New York, and she continued to provide me with generous support and valuable guidance in her capacity as my adviser and the Chair of the Examining Committee. Judith Balfe introduced me to a range of methodological approaches and provided additional inspiration as a teacher, in conversations, and in her published scholarship. Finally, I credit Marvin Carlson with developing my sense of intellectual curiosity and rigor while I was a student in a number of courses that he taught at the Graduate Center, and I am also grateful to Jane Bowers for her participation on the Examining Committee.

I relied on many artists, arts administrators, and funders who work in the not-for-profit theatre to respond to my questions and ideas about the impact of federal arts support, and their comments and experiences enriched my analysis. In particular, David S. Valade assisted with data entry and developed computer formulas to calculate the Herfindahl and Conformity Indexes that are the basis for Chapter Five.

I am also grateful to David Callaghan, Patrick Henedy, Jay Plum, Laura Shelton, and my parents for their support, comments, and responses.

## CONTENTS

<b>ABSTRACT</b> .....	<b>iii</b>
<b>ACKNOWLEDGEMENTS</b> .....	<b>v</b>
<b>LIST OF TABLES</b> .....	<b>viii</b>
<b>LIST OF CHARTS</b> .....	<b>ix</b>
<b>CHAPTER</b>	
<b>1. A HISTORY OF FLAWED SCHOLARSHIP</b> .....	<b>1</b>
Advocacy Versus Evidence	
Useful Though Still Flawed Models of Scholarship	
Challenging the Economic and Ideological Beliefs of Advocacy	
<b>2. THE RISE AND FALL OF THE FEDERAL THEATRE PROJECT</b> .....	<b>25</b>
Merit Value, Work Relief, and Public Goods	
Personal and Administrative Origins of the FTP's Professional Standards	
The Economic and Ideological Basis of Theatrical Professionalism	
The Influence of Structural Incompatibility	
Reconsidering the FTP's Legacy	
<b>3. FOUR PIONEERS IN THE THEATRE OF THE NEW FRONTIER</b> .....	<b>66</b>
Lowry Launches a Movement	
Heckscher Crusades for Excellence	
Rockefeller Commissions a Manifesto	
LBJ Seeks Status	

<b>4. THE LEGITIMATION OF DEFICITS .....</b>	<b>119</b>
<b>Economics as an Ideological Distinction</b>	
<b>An Alternative Analysis of Income Gaps</b>	
<b>5. STRUCTURAL AND ARTISTIC CONFORMITY .....</b>	<b>151</b>
<b>Measuring Conformity and Diversity in Theatre Repertories</b>	
<b>Coercive and Mimetic Isomorphism</b>	
<b>6. BREAKING THE PATTERN.....</b>	<b>187</b>
<b>The Consequences of Need and Merit</b>	
<b>Moderate and Radical Strategies</b>	
<b>APPENDIX .....</b>	<b>220</b>
<b>SELECTED BIBLIOGRAPHY.....</b>	<b>224</b>

## TABLES

Table	Page
4.2. Average NEA Theatre Grant, Average Theatre Expense, Average Earned Income, and Average Income Gap from 1966 to 1996 .....	143
5.3. The Four Most Produced Plays by TCG Member Theatres for Biannual Periods from 1982 to 1995 .....	167
A.1. Average NEA Theatre Grant, Average Theatre Expense, Average Earned Income, and Average Income Gap from 1966 to 1996 in 1996 Constant Dollars.....	221
A.2. Average NEA Grant Awarded to Theatres with Budgets Over \$1 Million and Theatres with Budgets Under \$1 Million, and Conformity Index for Biannual Periods from 1971 to 1995 in 1995 Constant Dollars .....	222

## CHARTS

Chart	Page
4.1. Annual Percentage Changes in the Consumer Price Index (CPI), Operating Expenses, and Income Gaps from 1966 to 1996 .....	136
4.3. Average NEA Theatre Grant Demonstrating Five Funding Patterns from 1966 to 1996 .....	144
4.4. Average Theatre Expense and Income Gap from 1966 to 1996 .....	146
5.1. Herfindahl Index for Biannual Periods from 1971 to 1995 .....	163
5.2. Conformity Index for Biannual Periods from 1971 to 1995 .....	164
5.4. Biannual Conformity Index for Fifty-Four Theatres that Survived from 1971 to 1995 .....	178
5.5. Average NEA Grant Awarded to Theatres with Budgets Over \$1 Million and Theatres with Budgets Under \$1 Million, and Conformity Index for Biannual Periods from 1971 to 1995 .....	181
5.6. Average NEA Grant as Percentage of Total Budget for Theatres with Budgets Over \$1 Million and Theatres with Budgets Under \$1 Million, and Conformity Index for Biannual Periods from 1971 to 1995 .....	183
A.3. Average NEA Grant Awarded to Theatres with Budgets Over \$1 Million and Theatres with Budgets Under \$1 Million, and Conformity Index for Biannual Periods from 1971 to 1995 in 1995 Constant Dollars .....	223

## CHAPTER 1

### A HISTORY OF FLAWED SCHOLARSHIP

The honest man, I fear, must admit that he can only take hold of those arts which take hold of him.<sup>1</sup>

Eric Bentley

While theatre may be political and political activity may be performative, the practice of artistic creation/production and the practice of democratic politics are distinct projects. The two endeavors are like magnetic bodies that attract when placed in a certain relationship to each other, but when turned in another direction repel. Unlike magnetic bodies though, when economic, political, and ideological forces in America have drawn the arts and government closer together, the fundamental tensions between them has become heightened and has exerted a negative impact on the not-for-profit theatre.

The relationship between theatre and government in America has followed an pattern of alternating attraction and repulsion. This pattern can be clearly observed from 1935 to 1939, during the four year history of the Federal Theatre Project (FTP), and can be traced through the entire history of the National Endowment for the Arts (NEA), from the events leading up to the agency's creation in 1965 through the numerous reauthorization hearings, the last of which occurred in 1999. In future chapters I will demonstrate that these two programs of federal arts support were influenced by shifting environmental conditions and a variety of individual motivations and aims, yet they both

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1. Eric Bentley, "Quality in Theatre," *yale/theatre* 2, no. 2 (summer 1969): 8.

followed a similar pattern of attraction and repulsion.<sup>2</sup> The underlying tensions between government and the arts that are reflected in this pattern of alternating attraction and repulsion deserve further analysis because they may exert a negative influence on both the practice and outcomes of federal arts support.

The origins of and influences on this pattern of alternating attraction and repulsion have never been accurately located or effectively examined. For a variety of reasons that I will identify throughout this chapter, prior scholarship has been flawed because of a lack of understanding about artistic creation and theatrical production, as well as a bias that has tended to favor the idea of federal arts support. This lack of understanding and bias have resulted in a process of scholarship which has been built upon mistaken assumptions and faulty arguments.

Eyewitness accounts, such as Hallie Flanagan's *Arena*, which is a report of the rise and fall of the FTP under her leadership, or John Frohnmayer's *Leaving Town Alive*, in which the former chair of the NEA relates the difficulties he encountered when the agency came under congressional and public attack for funding "obscene" and "indecent" art in the early 1990's, provide insights into the operations of the FTP and NEA, as well as the effect of personality on the practice of federal arts support. These eyewitness accounts offer little valuable analysis and have been correctly interpreted as biased narratives written by individuals who were trying to negotiate the pattern of alternating attraction and repulsion under specific conditions.

The majority of the literature on federal arts support can be distinguished by how evidence and ideology are blended. *The Performing Arts: Problems and Prospects* (1965) is

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2. I will use the term "environmental conditions" throughout the dissertation to refer to a range of political, economic, social, and cultural factors that influenced the development and the practice of federal arts support.

the product of a panel of elite business executives that was assembled by the Rockefeller Foundation. The panel justified its ideological position that the arts needed and merited contributed support and federal aid with statistical evidence, whereas economists William J. Baumol and William G. Bowen examined statistical evidence to reach a similar conclusion in *Performing Arts: The Economic Dilemma*. Together, these two seminal works provided persuasive ideological arguments and statistical evidence to initiate a new program of federal arts support. Because both works continue to exert enormous influence over how the relationship between American theatre and government is described and evaluated, they will be prominently featured in future chapters. For the present, I want to limit my analysis to representative scholarship that illustrates three flaws which are common to existing treatments of federal arts support, regardless of how the work blends ideology and evidence.

First, none of the existing studies have been undertaken by theatre scholars. Economists, political scientists, cultural historians, and sociologists have examined the economic, political, cultural, and sociological impact of federal arts support and have drawn conclusions which are, at best, disconnected from actual theatre practice, or worse, completely uninformed. As David B. Pankratz and Valerie B. Morris point out in their introduction to *The Future of the Arts*, "without basic knowledge in the arts, applied research in arts policy and arts administration either becomes a recitation of bare facts or veiled assertions of institutional interests."<sup>3</sup> Just as an economist would have little use for my analysis of the intricacies of the M2 money supply, as a theatre scholar I have little use for an economist's evaluation of how theatre production operates.

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3. David B. Pankratz and Valerie B. Morris, eds., *The Future of the Arts* (New York: Praeger, 1990), xiv.

Second, none of the existing studies examine theatre as a distinct performing art with its own unique methods and evaluative criteria. Instead, theatre is included in these studies as one among many arts, and is often covered in a chapter or section of a chapter. Consequently, scholars have tended to neglect the particular characteristics of artistic creation and theatrical production which are most relevant to analyses of the reasons for and aims of federal arts support.

Third, and most importantly, the majority of the scholarship to date has been undertaken by advocates of federal arts support. Inspired by the fundamental belief that the government must or should support the arts, scholars have investigated the arts in general and have considered the broad idea of federal arts support in the context of their own attitudes about its positive artistic and public values. But, as a result of personal bias, when these advocates have confronted the recurring pattern of alternating attraction and repulsion between American theatre and government that occurs in the practice of federal arts support, they have tended to suggest alterations in the delivery system -- i.e. what types of art should be funded and at what levels, how the selection process should work, and who should benefit (artists, institutions, or audiences), instead of locating the origins of the pattern and proposing methods to subvert or escape it.

There are two primary reasons that previous scholars have approached the idea and practice of federal arts support from a position of advocacy. First, arts audiences continue to be composed of the well-educated, professional, and affluent elites that Baumol and Bowen first identified in 1966.<sup>4</sup> The well-educated, professional, affluent person is likely to accept unquestioningly the value of the arts, participate in them, and

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4. William J. Baumol and William G. Bowen, *Performing Arts: The Economic Dilemma* (New York: The Twentieth Century Fund, 1966), 75-76.

support any policy that articulates or facilitates their personal inclinations. Therefore, it is not surprising that scholars and professionals have always accepted the value of the arts and supported the use of tax revenues to subsidize them. Second, the NEA represents the first sustained program of federal arts support in the United States, won through the diligent efforts of politicians, civic and corporate leaders, and representatives of major arts institutions who had to overcome the still clear memory of the troubled rise and fall of the FTP. As a result, the foundations that often commissioned these works of scholarship, the authors who wrote them, and the professionals who served on the panels or participated in the studies that provided the background research, were developing a body of scholarship that could justify the new agency, in spite of developing data and experience that pointed to the negative impact of federal arts support.

#### *Advocacy Versus Evidence*

Economist Dick Netzer's *The Subsidized Muse* (1978) is a particularly useful example to illustrate the difficulty that scholars have had in reconciling ideology with evidence. Netzer's study was financed by the Twentieth Century Fund -- the same research foundation that financed and published Baumol and Bowen's ground-breaking *Performing Arts: The Economic Dilemma*. The foundation commissioned *The Subsidized Muse* because it recognized that "the expansion of funding could not continue indefinitely and that the need for an independent assessment of direct government support of the arts created a fresh opportunity for the Fund to contribute to public debate on this subject."<sup>5</sup>

Netzer's project was "to evaluate the efforts of public support . . . [and] make

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5. M.J. Rossant, foreword to Dick Netzer, *The Subsidized Muse* (New York: Cambridge University Press, 1978), vii.

specific recommendations for public policy."<sup>6</sup> Through seven chapters and two appendices, Netzer establishes the context for his study by reviewing previous statistical evidence and the ideological arguments it supported. He presents total NEA funds dispersed by year, grants divided by discipline (theatre, opera, visual arts, etc.), percentage changes in arts organizations' budgets and NEA appropriations, as well as arts employment data and the dollar magnitude of the "arts sector."

Netzer follows the methodology that was established by Baumol and Bowen in measuring the size and scope of government funding and the size and scope of the performing arts industry in order to show the correlation between increased funding and increased activity (growth) in the "performing arts industry." Yet he challenges the economic models that Baumol and Bowen used to reach their conclusions, arguing that this type of analysis "may overstate the positive effects of increased government subsidy." He also considers the data itself problematic, since "reliable statistics on [the arts sector] are extraordinarily hard to find. No definitive information is available about such matters as the total number of dollars expended or received as income or the number of persons employed for the arts as a whole."<sup>7</sup> In 1965 the *Rockefeller Report* first identified this problem, and it has continued to challenge later scholars.<sup>8</sup>

Netzer believes that "[statistical] distortions can be detected only through examination of individual organizations receiving public funds."<sup>9</sup> He therefore includes

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6. Netzer, *The Subsidized Muse*, 14.

7. *Ibid.*, 109, 7.

8. Rockefeller Brothers Fund, *The Performing Arts: Problems and Prospects; Rockefeller Panel Report on the Future of Theatre, Dance, Music in America* (New York: McGraw-Hill, 1965), ix.

9. Netzer, *The Subsidized Muse*, 110.

"case studies" of sixteen NEA grant recipients, based on interviews he conducted with artists and arts administrators, as well as individuals working in foundations, government funding agencies, and service organizations. He admits that "the organizations examined comprise a highly unsystematic sampling of the hundreds of publicly aided organizations."<sup>10</sup> In fact, most of the participants in Netzer's survey represented major urban arts institutions.<sup>11</sup>

Netzer attempted to confirm the conclusions that Baumol and Bowen had extrapolated from their economic analysis with the actual experience of major arts organizations to demonstrate that increases in contributed income, and particularly government funding, provided an economic buffer and thus had a positive impact on the finances and operations of the performing arts. Instead, Netzer's analysis of the evidence led him to an alternate view:

The financial difficulties of the performing-arts cases were not traceable to the Baumol-Bowen trends but to unsuccessful ventures, a failure to develop expected support at the box office or elsewhere, a withdrawal of previously available support, or efforts to expand without either market or donor support visible.

Netzer also concludes that "public subsidy has produced some splendid artistic outcomes but it is also capable of having an impact that is close to invisible." In addition, Netzer observed that arts organizations are often guilty of "misplaced and distorted egalitarianism," and that the NEA is guilty of "puffery and defensiveness."<sup>12</sup>

By the end of *The Subsidized Muse* Netzer worries that "advocates for the arts may

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10. Ibid., 111.

11. Only one participant in Netzer's interviews worked at a producing theatre (Arena Stage). Netzer also includes Trinity Repertory Theatre but does not mention whom he interviewed. The rest of the participants represent major urban arts institutions such as the Metropolitan Opera, the Mostly Mozart Festival, and the Philadelphia Orchestra.

12. Netzer, *The Subsidized Muse*, 153-154, 151, 174, 177.

feel that this study is both negative and Philistine . . . my hope is in fact that this study will bolster the case for continuing public support." Despite disputes with Baumol and Bowen's thesis that federal arts support is both necessary and valuable, Netzer ends with a qualified endorsement of the practice. His recommendations for adjustments in the delivery system of federal arts support include: "subsidize the major institutions more selectively; continue to foster geographic dispersion, but require more state and local government matching; define the justifications of government arts-funding agencies carefully and narrowly."<sup>13</sup> All of these recommendations are aimed at reducing the range and the role of federal arts support, perhaps as a strategy to reduce the tensions between government and the arts, yet Netzer chooses to advocate for a continued relationship.

*The Subsidized Muse* demonstrates the potency of earlier economic and ideological arguments that led to the establishment of the NEA, since Netzer challenges many of those arguments but finally concludes that "affection for and experience of the arts in the United States is clearly widespread . . . [and] public funds should be deployed to . . . foster arts activities whenever . . . [they] are essential for the preservation, enhancement, and diffusion of our national culture."<sup>14</sup> Netzer's analysis is an important advocacy document because it represented the first book-length study of the NEA in the seventies that suggested that the agency's practice was flawed, but the idea of federal arts support was valid.

*The Subsidized Muse* is also significant because it underscores the strength of America's yearning for a national culture. Alvin Toffler's influential *The Culture*

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13. Ibid., 195, 182.

14. Ibid., 195.

*Consumers* (1964), considers the roots of this deep and intense yearning:

The United States suffers from an inferiority complex about its culture. From colonial days on, Europeans have traveled among us, filled their notebooks, and returned home to write acid reports about our seemingly congenital inhospitality to the arts. Nor were the Europeans alone. This theme -- that Americans are coarse and cultureless -- has been echoed by generations of our own artists and social critics. It is repeated with blind assurance by our tastemakers today.<sup>15</sup>

*The Subsidized Muse* also includes a brief study by Geraldine L. Katz of "Public Support for the Arts in Britain." While Katz's survey reinforces many of Netzer's beliefs about the value of federal arts support, it seems out of place in a book where everything surrounding it is specific to the United States. The only compelling reason for its inclusion is as a structural device to excite our national inferiority complex.

Ironically, the same beliefs that motivated eighteenth century public policy and resulted in a firm ideological separation between government and the arts in America would, in the twentieth century, become useful to advocates of federal art support. For eighteenth century Americans, the fact that European art flourished through the support of monarchs and the aristocracy "encouraged the belief that there is an antipathy between the arts and republican government."<sup>16</sup> By the twentieth century, the negative implications of a connection between government and the arts was converted into a belief that government had a responsibility to encourage an American national culture. This transformation is attributable both to cold-war posturing and a growing sense of America's position as a super-power that are clearly illustrated in President Lyndon Johnson's remarks when he signed the bill that authorized the NEA in 1965:

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15. Alvin Toffler, *The Culture Consumers: A Study of Art and Affluence in America* (New York: Random House, 1964), 3.

16. Wilson Carey McWilliams, "The Arts and the American Political Tradition," in *Art, Ideology, and Politics*, ed. Judith Huggins Balfe and Margaret Jane Wyszomirski (New York: Praeger, 1985), 21.

The world leadership which has come to the United States cannot rest solely upon superior power, wealth, and technology, but must be solidly founded upon worldwide respect and admiration for the Nation's high qualities as a leader in the realm of ideas and of the spirit . . . Those nations which created no lasting works of art are reduced today to short footnotes in history's catalogue. Art is a nation's most precious heritage. For it is in our works of art that we reveal to ourselves, and to others, the inner vision which guides us as a nation.<sup>17</sup>

When the NEA was established, advocates of federal arts support could finally present evidence that disputed Alexis de Tocqueville's stinging 1835 accusation that America "cultivate[s] the arts that serve to render life easy in preference to those whose object is to adorn it . . . [and] prefer the useful to the beautiful."<sup>18</sup> Advocates had won the battle for federal arts support in 1965, but their legislative victory did not soothe the historical tensions that surrounded the relationship between government and the arts in America.

A little more than a decade after Netzer raised questions about the NEA's practice of federal arts support, Edward Arian examined the causes for "elite domination" of the NEA in his book, *The Unfulfilled Promise* (1989). Arian has worked as a professional musician and has served on state arts council and an NEA advisory panel, though he earns his living as a professor of political science. In *The Unfulfilled Promise*, Arian criticizes the NEA's practice of federal arts support because "after more than two decades of public subsidy . . . [we] have failed . . . to achieve cultural democracy."<sup>19</sup> Arian understands cultural democracy to be the aim of federal arts support.

This concept of cultural democracy was initially formulated by the *Rockefeller*

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17. President Lyndon Johnson, quoted in Gary O. Larson, "From WPA to NEA: Fighting Culture With Culture," in *Art, Ideology, and Politics*, ed. Judith Huggins Balfe and Margaret J. Wyszomirski (New York: Praeger, 1985), 311.

18. Alexis de Tocqueville, *Democracy in America*, Vol. 2 (New York: Vintage Books, 1945), 50.

19. Edward Arian, *The Unfulfilled Promise* (Philadelphia, PA: Temple University Press, 1989), 3, 6.

*Report* as an intangible but fundamental aim of both government and the arts that harmonized their distinct projects, and the concept will be described more fully in future chapters. Arian builds on the *Rockefeller Report* and defines three essential and inter-related principles of cultural democracy: first, that exposure to the arts is necessary for "individual development, good citizenship, and a decent life"; second, that a democratic government must facilitate arts exposure for all citizens; and, third, citizens must be given the opportunity to "define their cultural needs and determine the programs that will best meet those needs and express their individual identities." Arian argues that cultural democracy has not been achieved because the NEA has focused its attention on the "performance culture," comprised of "established organizations . . . [who] present their highly professional and top-quality product in ritualized fashion within the formal settings of large cultural edifices where . . . [an] elite segment of the population . . . experience their art as passive spectators," instead of supporting "community arts," comprised of "ordinary citizens, children, ethnic and racial groups, senior citizens, and disadvantaged constituencies of all kinds . . . render[ing] their services in the communities and neighborhoods, in an informal manner, as part of daily life."<sup>20</sup>

Unlike Netzer, Arian does not use statistical evidence to support his ideological argument, but he duplicates Netzer's flawed approach because he critiques the NEA's operations while advocating for a continuation in the practice of federal arts support. Arian clearly identifies the negative consequences of the NEA's policies of primarily funding "major, traditional organizations . . . and a continuing, restricted definition of the public arts in terms of elitist culture only, with little recognition of community arts," but he concludes that federal arts support should continue, with "additional funding by line-

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20. Ibid., 3-4, 6.

item appropriation" for works that are non-traditional, popular, and community-based, since "it would be neither realistic nor desirable to discontinue funding for the performance culture."<sup>21</sup>

Arian's recommendation for increased federal support in the form of new budget line-items, outside the control of the NEA, was neither likely nor practical. It had taken politicians almost two decades to overcome the negative memories of the FTP experience, and the NEA had occasionally been a source of public controversy and political debate since its indirect involvement with Erica Jong's *Fear of Flying* in 1974. In addition, it was impractical to propose increased federal arts support since government had been downsizing as the result of enormous budget deficits that were a consequence of inflation and high interest rates, and NEA appropriations had been regularly reduced or held level since 1981.<sup>22</sup> The idea of another government arts initiative was therefore unlikely for both economic and political reasons. Finally, *The Unfulfilled Promise* again illustrates the dilemma of scholars who have identified the negative impact of federal arts support but have continued to advocate for the practice because of their ideological bias.

#### *Useful Though Still Flawed Models of Scholarship*

Joseph Wesley Zeigler specifically examines the pattern of alternating attraction and repulsion in *Arts in Crisis: The National Endowment for the Arts Versus America* (1994). Zeigler studied at the Yale School of Drama and has spent most of his professional life as a consultant to major arts institutions. He is therefore one of the few

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21. Ibid., 8, 125.

22. See Fraser Barron, "A Mission Renewed: The Survival of the National Endowment for the Arts, 1981 - 1983," *Journal of Cultural Economics* 11, no. 1 (June 1987): 22-75.

scholars with a theatre background who has regularly written on the relationship between government and the not-for-profit theatre. In this book, Zeigler's interest is in the arts in general, rather than a focused examination of the impact of federal arts support on the not-for-profit theatre.

Zeigler's work conforms to the approach of earlier advocates by arguing that "restoring balance is the only way to save the arts and maintain governmental support for them." Zeigler is a self-confessed advocate of federal arts support, since he believes that "any civilized nation should have a national government that recognizes the importance and value of the arts, and helps to pay their way." As an advocate, Zeigler was dismayed by the "raging battle . . . [that] has pitted the NEA against conservative members of Congress, the religious right, and, most sadly, against the arts community; while placing the arts community against Congress, the White House, the religious right, the media, and the American people."<sup>23</sup>

Zeigler surveys the events that led to the NEA's authorization in 1965 and quickly reviews the development of the agency in order to create a context for the focus of his study, which is the events of the late eighties and early nineties, beginning with charges that the NEA was funding the exhibition of "obscene" and "indecent" visual art by Andres Serrano (*Piss Christ*) and Robert Mapplethorpe. Zeigler covers the NEA Four controversy of 1990 and concludes with an analysis of the consequences of these events, which included reductions in subsequent NEA appropriations and a "shocking collapse of scores of arts institutions."<sup>24</sup>

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23. Joseph Wesley Zeigler, *Arts in Crisis: The National Endowment for the Art Versus America* (New York: a capella books, 1994), xvii, 176, xv.

24. *Ibid.*, 148.

*Arts in Crisis* follows the standard organization of earlier scholarship undertaken by advocates of federal arts support. The work traces the escalating conflict between government and the arts to conclude that "overall the National Endowment for the Arts has done a praiseworthy job and deserves to be continued." Zeigler, like Netzer and Arian, recommends adjustments in the delivery system of federal arts support, stating that, "a book that has concentrated on how and why the crisis happened must conclude with ideas for the future." Zeigler's suggestions include converting the NEA's discipline-specific structure to "four broader and more inclusive theme areas," "turn[ing] over most NEA money to state arts agencies," and "devot[ing] all of its institution grants to arts education."<sup>25</sup> Unlike Arian's recommendation that the NEA should receive a larger appropriation so it could address the imbalance in how federal arts support was dispersed throughout the cultural universe, Zeigler recommended substantive, structural changes.

By 1999 the NEA would, to varying degrees, be realigned to correspond to all of Zeigler's recommendations. This realignment in federal arts support demonstrates the enormous impact that scholarship can exert on public policy. Unfortunately, the result of scholarship undertaken by advocates of federal arts support is likely to result in ineffectual tinkering with its delivery systems, rather than effectively addressing the tensions between government and the arts that are reflected in the pattern of alternating attraction and repulsion.

*Art Lessons: Learning From the Rise and Fall of Public Arts Funding* (1995), by Alice Goldfarb Marquis, signals a refreshing and important development in the literature of federal arts support. The book is a breezy but impressively annotated cultural history of the relationship between government and the arts from 1950 to 1994, told through

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25. *Ibid.*, xvi, 175, 178, 179, 185.

eight chapters with titles such as "West Side Story," "A Man For All Seasons," and "The Beggar's Opera."

Goldfarb believes that America's "deep and long-standing yearning for cultural improvement" was fulfilled in the sixties as the result of "unprecedented prosperity." Her project is to "supply the reader with a historical framework for assessing the condition of the arts and of artists . . . [with] the goal . . . [of arriving] at an overview of how public funding has affected the arts not only financially but also stylistically."<sup>26</sup> While Goldfarb does provide a lively "historical framework," she never achieves her goal of demonstrating how federal arts support has affected the arts financially or stylistically. This failure is due, in part, to Goldfarb's attraction to personalities and representative major institutions, but is primarily due to her orientation as a cultural historian. Although Goldfarb does not acknowledge a debt to Lawrence Levine and his influential work, *Highbrow/Lowbrow: The Emergence of Cultural Hierarchy in America* (1988), her book resembles Levine's, since both present a seemingly scattered series of specific examples to illustrate the pattern of development of a cultural phenomenon.

Along the way, Goldfarb rejects Baumol and Bowen's work because it was "advocacy clothed as serious scholarship." She disputes Arian's belief that cultural democracy is achievable, since "the arts [are] far from being every American's cup of tea, and no amount of government subsidy [will] change that hard fact." In a departure from previous works, Goldfarb asks the great, unspoken question: "but will the endowment survive?" By the end of her book, Goldfarb is willing to offer the following answer:

Congress should get itself out of the culture business . . . a thoughtful way to conclude the present system would be to declare that the endowment and its

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26. Alice Goldfarb Marquis, *Arts Lessons: Learning From the Rise and Fall of Public Arts Funding* (New York: BasicBooks, A Division of HarperCollins Publishers, 1995), 1 - 2, 8.

subsidiary programs have achieved their goals of both excellence and access and that the arts require no further federal intervention.

Goldfarb argues that after more than thirty years of federal arts support it may be time to acknowledge that the NEA has had a negligible or even negative impact on the arts and that previous scholarship dedicated to proving "that the arts in America would perish without federal intervention" has distorted or completely disregarded the truth.<sup>27</sup>

*Challenging the Economic  
and Ideological Beliefs of Advocacy*

*Art Lessons* sets the stage for this dissertation, since it demonstrates that the idea and experience of federal arts support can be objectively examined instead of being clouded by an educated and elite belief in the inherent value of the arts. But because Goldfarb is a cultural historian, she only examines theatre briefly in her overall study of the arts in general. This dissertation thus represents the first study of the negative impact of federal arts support on the American theatre undertaken by a theatre scholar.

This dissertation will also bring together more than thirty years of data and experience that are specific to the impact that federal arts support has had on the American not-for-profit theatre. The *Rockefeller Report* identified "the lack of sufficient data and a central source of information" as a significant obstacle to serious studies of the impact of economic conditions on the arts, and these weaknesses have taken care of themselves, in a sense, with the passage of time over which a sustained period of not-for-profit theatrical production and federal arts support has unfolded.<sup>28</sup> The NEA, the Ford Foundation, and service organizations such as Theatre Communications Group and the

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27. *Ibid.*, 65, 202, 245, 256-258.

28. *Rockefeller Report*, ix.

League of Resident Theatres, have tracked the finances of the American not-for-profit theatre. There are also many theatres that have been actively producing since 1965 and have assembled decades of financial and statistical information which provides a record of their individual operations.

The data has two additional weaknesses that are a consequence of its design, interpretation, and presentation that I have attempted to overcome. First, the large scale project of scholars who were examining all the arts instead of concentrating on one discipline required them to deal with diverse data sets, collected in a variety of ways by a variety of organizations. My study is focused on the impact that federal arts support has exerted on the American not-for-profit theatre and therefore reduces variances in the data. In addition, previous examinations of the impact of federal arts support on the "arts industry" have neglected the distinct methods and means of different forms of artistic creation and production and are therefore likely to contain a larger margin of error and less precision than my focus on not-for-profit theatre.

The second weakness in the data is that it reflects the value-laden rhetoric established by the *Rockefeller Report*, in tandem with the influence of Baumol and Bowen's statistical models. The flawed ideological and economic principles of these two works have become entrenched in the discourse of federal arts support, and they have established four essentially unchallenged propositions that require reconsideration. First, that the commercial theatre will always place profit over aesthetic concerns. Second, that not-for-profit theatre can not survive financially in a supply and demand free-market system. Third, in a domino-effect scenario, the end of federal arts support would result in a decrease or total withdrawal of other sources of unearned revenue (corporate, foundation, and individual contributions) that not-for-profit theatres need to reduce or

eliminate gaps between income and expenses. Fourth, that theatre is a "public good" with "merit value" which the federal government should acknowledge through direct financial support.

Since the NEA was established, actual experience suggests that the economic theories of Baumol and Bowen, as well as the ideological rhetoric of cultural democracy that was advanced in the *Rockefeller Report*, may not be accurate or valid. "Conformity and Diversity in American Resident Theaters" (1983) is a provocative article written by noted not-for-profit scholar Paul DiMaggio, with Kristen Stenberg, that reconsiders these fundamental principles. The article has many positive qualities and is a valuable model that provides a methodology for testing the economic and ideological principles of federal arts support against experience, but its positive qualities are corrupted by an advocacy bias that leads the authors to contradict the evidence they present.

DiMaggio and Stenberg begin from the proposition that "a key tenet of public policy toward the arts . . . is that . . . diversity and innovation . . . are to be encouraged." Since "arts agencies do not monitor systematically the product diversity of the industries they support," and since "some critics contend that resident theatres have traded artistic vitality and red ink for fiscal health and an 'artistic deficit,'" DiMaggio and Stenberg devised a methodology to measure the impact of NEA funding patterns on the not-for-profit theatre. I will examine this methodology and their conclusions in chapter five, but briefly, their study demonstrated evidence of increased conformity and lack of innovation which they attributed to NEA policies that had "encourag[ed] arts organizations to become larger and more dependent on earned income."<sup>29</sup> Finally, although DiMaggio

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29. Paul DiMaggio and Kristen Stenberg, "Conformity and Diversity in American Resident Theatre," in *Art, Ideology, and Politics*, 116, 135.

and Stenberg focus their analysis on the not-for-profit theatre and acknowledge that the NEA has exerted a negative impact, they continue to work within the pattern established by other scholar-advocates and propose adjustments in the agency's mission and operations while promoting the idea and the practice of federal arts support.

The theatres throughout the country at which I have spent the past twenty-five years working have benefitted from America's interest in the arts. Many of those theatres might not have existed if it had not been for the "culture boom" of the sixties that led to the establishment of the NEA in 1965. My generation grew up in a cultural climate that celebrated the value of the arts, and more specifically, during my childhood in Minneapolis, I was indoctrinated with the public relations blitz that surrounded the opening of the Guthrie Theatre in 1963 -- a blitz that seemed more appropriate to acquiring a new professional sports franchise. As a director, writer, producer, and arts administrator, I have personally benefitted from federal arts support, since my salary has often been partially or fully paid through a combination of federal, state, and municipal government grants. I have even been directly employed by the government; for the past ten years I have worked as a consultant with the New York State Council on the Arts' Theatre and Presenting programs.

Precisely because of my long experience in the not-for-profit theatre, I have become increasingly skeptical of the arguments that support the practice of federal arts support. The theatre that I am familiar with is not created so it can take its place in a national culture, although artistic products may also serve this purpose. Theatre is created by artists who are expressing an individual or collective point of view. The process of artistic creation gives artists the opportunity to exercise, play, and grow as artists, and perhaps as human beings. Theatrical production may also provide benefits to

the audiences that witness or participate in it, but federal arts support can transform the role of the individual artist into a cultural object, and also serves as an external framing device of national culture that can displace or complicate the transactions that occur between artists and their audiences.

I do not know any person working in the theatre who is interested in becoming a cultural ambassador, even if some have an interest in making a cultural contribution. In 1978 Zelda Fichandler, founder and artistic director of the Arena Stage, argued that "while theatre is a public art and belongs to the public, it is an art before it is public, and so it belongs to itself first, and its first service must be self-service."<sup>30</sup> Fichandler identifies one of the principal causes of the pattern of alternating attraction and repulsion between American theatre and government -- the conflict between theatre as an art and theatre as part of a national culture -- that will function as a leitmotif throughout this dissertation.

I have also become aware of the rising frustration among theatre artists who feel that federal arts support is essentially regulating how they should operate, who they should appeal to, and in general, replacing the freedom and individual artistic vision that had initially led them to pursue theatre with a set of standardized guidelines and priorities which are often in conflict with their ideas and aims. Theatre will always find an audience, and the size and composition of that audience should reflect the aims of individual artists, rather than national priorities.

As W. McNeil Lowry suggested in 1978, "if the question were not how much money for the arts but why money for the arts in the first place, then the artistic directors

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30. Zelda Fichandler, quoted in Julius Novick, "The Theatre," in *The Performing Arts and American Society*, ed. W. McNeil Lowry (New York: American Assembly, Columbia University, 1978), 124.

and performers might have to take the lead."<sup>31</sup> It was during Lowry's leadership in 1962, while he was in charge of the Ford Foundation's arts and humanities division, that the foundation made an unprecedented six million dollar investment in the nascent regional theatre movement. The implication of Lowry's statement is that artists have either distanced themselves or been excluded from how the practice of federal arts support has developed, leaving politicians to set priorities that advance the aims of government and interfere in the process of artistic creation and production.

In *Creative America*, a 1997 report published by the President's Committee on the Arts and the Humanities, John Brademas expressed the Committee's belief "that a healthy cultural life is vital to a democratic society." *Creative America* reiterates the standard concept of the theatre's public good but, as if the Committee was aware of how uninspiring and hollow this rhetoric had become, added, "the arts . . . connect individuals to the community and overcome the social fragmentation that many Americans feel."<sup>32</sup> In a very different, post cold-war world, the 1997 Presidential Committee inventively adapted the tiresome trope of theatre's public good by highlighting its role in addressing serious domestic concerns.

We expect politicians to adapt their rhetoric to suit the mood of the electorate, but the resultant changes in NEA policies and operations has had a negative impact on actual theatre practice through what I would term "mission shift." For example, in the eighties, America's not-for-profit theatres were encouraged by NEA funding policies and

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31. W. McNeil Lowry, "The Past Twenty Years," in *Performing Arts and American Society*, 204.

32 President's Committee on the Arts and Humanities, *Creative America: A Report to the President by the President's Committee on the Arts and Humanities*, John Brademas (Washington, D.C.: GPO, 1997), i and 1.

grant guidelines to develop new play programs. Theatres were able to expand their new play activities with the help of federal arts support, and playwrights benefitted. Through its support, the government determined how America's not-for-profit theatres would structure their programs and target their resources. When the NEA was restructured in 1996, support for new plays was significantly decreased, and fellowships to playwrights were entirely eliminated. Those theatres that took advantage of the NEA's previous interest in new play development and shifted their missions to be eligible for federal support were once again required to shift their missions to minimize new play development and emphasize their commitment to arts education and ethnic diversity in staffing, casting, repertory, and audience composition. Apart from the inconvenience of mission shifts, this brief example also indicates how artistic aims have been subordinated to public aims. While the goals of new play development, education, and diversity may be equally valid, new play development directly serves individual artists and is clearly an artistic aim, while education and diversity serve the public and are consistent with the aims of American democracy.

Previous scholarship has been ineffective at proposing strategies to effectively reconcile the tensions between government and American theatre that reflect their distinct aims. In 1993 Livingston Biddle, who helped to write the enabling act for the NEA and was its chair from 1977 to 1981, stated, "it's interesting to look at [the arguments] used [in the sixties] . . . I find the pattern of discomfort existing from the very start."<sup>33</sup> The impact of more than sixty years of flawed arguments is that the American not-for-profit theatre and government have remained locked in a clumsy dance of unrealistic expectations and inappropriate roles, choreographed to the pattern of

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33. Livingston Biddle, quoted in Zeigler, *Arts in Crisis*, 16.

alternating attraction and repulsion from which neither partner can graciously disengage.

The four-fold project of this dissertation is: (1) to provide an accurate narrative that identifies the origins and analyzes the evolution of previous arguments; (2) to identify the flaws in those arguments by testing them against actual theatre practice; (3) to analyze the pattern of alternating attraction and repulsion and locate the points of tension between government and the arts; and (4) to recommend new strategies for a future relationship that assimilates or subverts the pattern of alternating attraction and repulsion.

Chapters Two and Three present a narrative of the political, economic, and ideological origins of the FTP and NEA. I will identify the initial strategies that were advanced to reconcile the distinct and contradictory aims of American government and theatre during the thirties in Chapter Two, and my analysis of the FTP concludes with a re-evaluation of its impact on the American theatre that demonstrates the ineffectiveness of these strategies. The evolutionary development of the idea and experience of federal arts support continues in Chapter Three with an examination of the motivations and actions of four individuals who contributed to the discourse and influenced the creation and design of the NEA.

Chapters Four and Five test the central economic and ideological principles of federal arts support that were embedded in the NEA's design. In Chapter Four I will revisit the theories of Baumol and Bowen, who legitimized not-for-profit theatre deficits as an inherent economic condition of the not-for-profit arts. I will dispute their findings through evidence which demonstrates that federal arts support is not only economically unnecessary, but has also encouraged deficits in not-for-profit theatres. The ideological basis for federal arts support is commonly located in its presumed ability to promote

artistic, rather than commercial values. In Chapter Five I will apply DiMaggio and Stenberg's methodological approach to a larger data set that expands their analysis of levels of innovation and diversity in the American not-for-profit theatre, and I will demonstrate that the NEA may have exerted a negative influence on both of these qualities.

Finally, as I have already stated, my interest in this subject grows out of my inability to reconcile the positive artistic values that are contained in the idea of federal arts support with the difficulties and controversies that have surrounded its practice. If federal arts support acknowledges and encourages these artistic values, why has it often been perceived as an obstacle? If it has exerted a negative, or even negligible impact on the attainment of artistic values, why do others continue to advocate on its behalf? In Chapter Six I will identify the recurring points of tension that have been experienced in both programs of federal arts support. I will also recommend moderate, as well as radical proposals intended to reduce or eliminate the obstacles that the practice of federal arts support has introduced, as a means to assimilate or subvert the pattern of alternating attraction and repulsion and escape its negative consequences.

## CHAPTER 2

### THE RISE AND FALL OF THE FEDERAL THEATRE PROJECT

The first full cycle of the pattern of alternating attraction and repulsion between the American theatre and government occurred during a unique historical moment from 1935 to 1939, while the Federal Theatre Project (FTP) was active. This pattern is partly illuminated in a range of scholarship, from Hallie Flanagan's eyewitness account, *Arena*, to Jane DeHart Mathews' *The Federal Theatre Project*, to William F. McDonald's comprehensive analysis of the development and operation of all the federal arts projects under the Works Progress Administration (WPA), *Federal Relief Administration and the Arts*. These studies, and others like them, provide insights into how the FTP fit within the larger government bureaucracy of the Roosevelt administration's sweeping New Deal reforms, and they also reveal particular aspects of the pattern of attraction and repulsion between the American theatre and government from 1935 to 1939.

The existing scholarship has presented a fairly unified narrative of the rise and fall of the FTP, that blends both actual events and imagined results. This narrative celebrates the achievements of the FTP, such as the establishment of a "federally subsidized theatre of broad geographical scope," the creation of "an audience of many millions," and productions that "left a mark . . . on the dramatic pattern of our age."<sup>1</sup> The demise of the

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1. Jane DeHart Mathews, *The Federal Theatre Project, 1935-1939: Plays, Relief, and Politics* (Princeton, NJ: Princeton University Press, 1967), viii; Hallie Flanagan, *Arena: The History of the Federal Theatre* (New York: Benjamin Blom, Inc., 1965), 372.

project is commonly ascribed to conflicts that arose between a socially conscious theatre and its government patron, the Red scare of the late thirties that was the focus of the well-publicized Dies Committee attack on un-American activities, as well as the redirection of the Roosevelt administration's attention from domestic issues to the "ominous signs posed by events in Europe."<sup>2</sup>

While this narrative of the FTP offers some perspective on the impact of government support to the American theatre, there are areas of the agency's development, operations, and outcomes that have been discounted or neglected, or were not central to the project of previous scholarship. The FTP is commonly examined as either a distinct phenomenon within American theatre history, or is briefly mentioned as an unusual occurrence in the back-story of NEA scholarship. There are two primary reasons why the FTP has not been accorded a prominent position in examinations of the evolution of ideas and the practice of federal arts support in America. First, because the FTP was only active for four years, and because it was only one relatively small agency within the Roosevelt administration's many New Deal work relief projects, it is easy to discard it as an anomaly. Second, and most importantly, because the FTP experience generated intense hostility between the government and the American theatre, and because its failure was so public, scholar-advocates have tended to isolate the agency within limited boundaries of analysis as a means to maintain their position that federal arts support is practical and can be a positive experience.

Rather than being an anomaly, the FTP experience provides a basis for locating

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2. William F. McDonald, *Federal Relief Administration and the Arts* (Columbus: Ohio State University Press, 1969), 533, and Lawrence Mankin, "Government Patronage: An Historical Overview," in *Public Policy and the Arts*, ed. Kevin V. Mulcahy and C. Richard Swaim (Boulder, CO: Westview Press, 1982), 126.

the underlying points of tension in the idea and practice of federal arts support. I believe that it is precisely because the FTP lasted only four years that it offers a valuable opportunity to fully examine one complete cycle of attraction and repulsion between the American theatre and government. Therefore, while this chapter functions as historical background in the dissertation, it is also a departure from previous scholarship since it considers the rise and fall of the FTP as a reflection of the fundamental conflicts that are embedded in the discourse of federal arts support and propel the pattern of alternating attraction and repulsion.

As is likely to occur in any program of federal arts support, the formulation and application of the FTP's missions, standards, and structures represented negotiations between the theatre and the government that required significant adjustments in the approach that each endeavor normally follows to define and achieve its distinct activities. I define mission as the originating idea, inspiration, or goal. As a mission is put into operation, standards are defined to provide tangible signposts that are used to guide the mission and measure its success or failure. Finally, structures provide detailed administrative maps that link each operational element to the underlying institutional mission and insure that its accepted or authorized standards are accomplished. For example, theatre tends to have an artistic mission, while the government tends to have a democratic mission.<sup>3</sup> Theatre tends to establish standards that are located in the creation and presentation of a single and limited artistic product, or series of artistic products, while the government tends to establish standards that perpetuate or extend a

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3. There are distinct types of theatrical activity that establish their own particular missions. Amateur theatre may have a recreational mission, while the commercial theatre may have a monetary mission, but their recreative or monetary aims are achieved through, and thus informed by, an impulse toward artistic creation/production.

democratic quality of life or a political position. Theatre tends to create structures that privilege individual artistic vision and are capable of efficiently facilitating the work of artistic production, while the government tends to create structures that privilege majorities and can provide the elaborate series of checks and balances that representational government demands. Therefore, the fundamental points of tension between the American theatre and government that were experienced during the FTP years are likely to reflect the unreconciled contradictions in their distinct missions, standards, and structures, and deserve further analysis.

*Merit Value, Work Relief, and Public Goods*

Had it not been for a combination of unique environmental factors that characterized the massive economic depression and social upheaval of the thirties, the government would probably have continued to follow the "hands-off" public arts policy that had been formulated when the democracy was originally established. The colonists' philosophical, religious, and political principles caused them to be apprehensive about active governmental support of the arts. The Puritan and Calvinist doctrines upon which the nation was built demanded that all human activity fulfill a utilitarian value. Art tended to be understood as a merit good with aesthetic value that lacked social utility because it reflected the subjective expression of the individual. Some colonists had also carried their anti-theatrical prejudice with them from England and were particularly hostile toward theatrical spectacle since it was "dangerous to the souls of men."<sup>4</sup> In addition, the colonists did not have to concern themselves with the pragmatic issue of

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4. Increase Mather, "A Testimony Against Several Profane & Superstitious Customs," 1687, quoted in Kenneth Silverman, *A Cultural History of the American Revolution* (New York: Crowell, 1976), 66.

who was responsible for existing cultural monuments, since the new nation had none.

Finally, art remained a private rather than public concern because it "lacked the objective standards necessary for public judgement."<sup>5</sup> Over the next 150 years this policy remained unchanged, and the commercial theatre became the dominant model for theatrical activity.

The colonists' principles were reconstituted in response to the public debate over the appropriate relationship between a government and its citizens during the economic crisis of the thirties. President Herbert Hoover had lost the support of the electorate because of his steadfast, Puritan position that "no government action, no economic doctrine, no economic plan or project can replace that God-imposed responsibility of the individual man and woman to their neighbors."<sup>6</sup> Out of step with public opinion, Hoover opposed any direct federal relief, or "dole," for the unemployed, but by 1931 municipal and state governments were establishing their own work relief projects.

New York was one of the first states to begin a government relief program in 1931 -- the Temporary Emergency Relief Administration (TERA). Then Governor Franklin Roosevelt reminded the state legislature that "democratic theory implies in an advanced technological society 'a definite obligation' of government to care not only for 'those who through accident or old age' are 'permanently incapacitated' but also for 'men and women incapable of supporting themselves or their families because of circumstances.'" Roosevelt's populist motto that "the duty of the state toward its citizens

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5. McWilliams, "The Arts and the American Political Tradition," in *Art, Ideology, and Politics*, 21.

6. Quoted in James David Barber, *The Presidential Character: Predicting Performance in the White House* (Englewood Cliffs, NJ: Prentice Hall, 1972), 23.

is the duty of the servant to its master" resonated throughout the country.<sup>7</sup> Hoover finally gave in to election year politics and in 1932 signed the Emergency Relief and Construction Act (ERC) that he had vetoed many times before. The agency was given an initial appropriation of three million dollars which served as a loan fund that local relief projects could draw from. Hoover's gesture was too little and too late, but as the first federally funded work relief program, the ERC helped establish the model for later New Deal initiatives.

The Roosevelt administration quickly began proposing and receiving congressional authorization for a series of work relief projects, of which the Federal Emergency Relief Act (FERA) of 1933 was the first. Directed by Harry Hopkins, a professional social worker turned public servant who had run New York's TERA, FERA funneled five million dollars to local work relief projects and asserted federal control over the already functioning local projects by instituting administrative, operational, and fiscal standards that states had to meet as a condition of receiving federal funds.<sup>8</sup> Hopkins' concept of work relief was fundamentally different from the dole, or charity. Hopkins effectively transformed the stigma of unemployment that marked an individual as lazy, sick, or uneducated to account for the phenomenon of white-collar unemployment. Skilled workers in breadlines were no longer social misfits but were now mourned as innocent and powerless victims of economic forces. The government became an employer to citizen/workers who received "wages" paid out of tax revenues, in exchange for the value that everyone received from the public works.

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7. Kenneth S. Davis, *FDR: The New York Years, 1928-1933* (New York: Random House, 1985), 240.

8. McDonald, *Federal Relief*, 25, 26.

Hopkins developed projects "that use the special capacities of the persons on relief." According to Hopkins, "there would be no sense in giving an unemployed needy teacher a brush hook and telling him or her to go out and cut weeds along a road."<sup>9</sup> Hopkins advanced the position that every citizen had a unique contribution to make in the fabric of a democratic society, which was merely a revival of colonial doctrine. In 1630, John Winthrop had asserted that God endowed citizens with different talents so "that every man might have need of other, and from hence that they might be all knit more nearly together."<sup>10</sup> By tapping into this fundamental principle of American nationhood, Hopkins reconstituted the dole of charity into a massive series of public works projects under the banner of twentieth century democratic individuality.

The Civil Works Administration (CWA) was established by Executive Order in November of 1933, and Hopkins was named its administrator. With a federal appropriation of four million dollars, CWA superseded the various local relief projects and focused its efforts entirely on creating jobs for blue-collar workers through massive public works construction projects. Hopkins was dissatisfied that the CWA's "public works' did not include . . . sculpture, plays, concerts and so on." In 1934 he funded the Civil Works Service (CWS), specifically for white-collar cultural projects, with money that had originally been appropriated to FERA.<sup>11</sup> Hopkins circumvented legislative authorization for his initial program of federal arts support, and he would use a similar

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9. "Emergency Relief in the United States," speech of Harry L. Hopkins broadcast over NBC Radio on October 11, 1933, quoted in McDonald, *Federal Relief*, 35.

11. John Winthrop, "A Model of Christian Charity," *Winthrop Papers*, II, in *Puritan Political Ideas: 1558-1794*, ed. Edmund S. Morgan (Indianapolis, IN: The Bobbs-Merrill Company, Inc., 1965), 75.

11. McDonald, *Federal Relief*, 53, 56.

strategy to establish the FTP and other WPA arts projects.

The CWA and CWS programs were significant building blocks in the development of the FTP and the initiation of federal arts support. William McDonald recognizes the relationship between these earlier work relief plans and the WPA arts projects, but this connection has often been overlooked by others. The CWA and CWS programs are significant because they established contradictory missions for the FTP that originated in Hopkins' formulation and application of work relief.<sup>12</sup> The FTP evolved from these previous work relief projects and should be recognized as a reflection of Hopkins' individual response to particular environmental factors. Hopkins' background as a social worker led him to focus on the economic conditions of the individual, and his work relief programs became a central component of the New Deal social-welfare state, but the FTP did not represent a new direction in public arts policy. Hopkins' position that unemployed artists were like other unemployed citizen/workers and could make a contribution to the public good was a radical and unprecedented view that facilitated a direct association between American theatre and government. When the unemployed artist was considered a citizen/worker and was paid by the government, the merit value that resided in the elite and aesthetic activity of artistic creation was abstractly transformed into a public good with social utility. Work relief programs temporarily reconciled the ideological contradictions between merit goods and public goods, since their scope was limited to paying individual artists for the production of unspecified public goods. Hopkins equated the outcomes of artistic creation/production with the outcomes of construction projects, but while buildings serve a utilitarian function and may also provide additional merit values such as architectural beauty, artistic creation and

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12. See McDonald, *Federal Relief*, 53.

theatrical production tend to originate in and be primarily informed by aesthetic values.

According to McDonald, "directly after the establishment of the CWA, Mr. Roosevelt had asked Harry Hopkins to explore the possibilities of a theatrical project . . . that would provide musical and dramatic entertainment for small and remote communities. He repeatedly emphasized [their] educational and recreational purpose."<sup>13</sup> The CWA and CWS programs defined the two distinct and conflicting missions that created difficulties for the FTP: employment that was relevant to the individual's experience (artistic creation), and the production of public works (social utility). During the FTP's existence, these two conflicting missions were a primary source of tension between the theatre and its government patron. Scholars share the position that the agency was crippled by this dual mission, and they suggest that it may be a natural condition of the incompatibility that exists between individual artistic goals and a government's concern with the masses.<sup>14</sup> This dual mission was certainly responsible for many of the FTP's difficulties, and the distinct and incompatible missions of theatre and government are always likely to be a source of conflict, but in the FTP's case the evidence suggests that the agency disregarded the established standards of work relief and alienated its government patron when it committed to professional standards.

*Personal and Administrative  
Origins of the FTP's Professional Standards*

When the WPA was authorized by Executive Order No. 7034 in 1935, Roosevelt merely intended to establish a centralized coordinating office that would provide him with

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13. Ibid., 496.

14. See Mathews, *Federal Theatre*, 303, and McDonald, *Federal Relief*, 533.

advice and information on the progress of the administration's efforts to return workers to private industry. The order also authorized the WPA to "carry on small and useful projects designed to assure a maximum employment in all localities."<sup>15</sup> Hopkins interpreted this brief clause to initiate the arts projects, and Congress passed the WPA appropriation reluctantly.<sup>16</sup>

The FTP immediately established professional standards for its merit goods as a means to distinguish its activities from the amateur, social service standards of the previous work relief programs that produced public goods. There were two reasons why the FTP rejected the social service model, one personal and the other administrative. Just as the New Deal practice of work relief reflected the motivations and actions of Hopkins, the FTP "assumed the personality of its national director."<sup>17</sup> Hallie Flanagan had been working with students at Vassar's Experimental Theatre, which she founded in 1928, before Hopkins called her to Washington.<sup>18</sup> While completing her graduate work at Radcliffe, Flanagan was enrolled in George Pierce Baker's 47 Workshop and served as

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15. Executive Order No. 7034, 6 May 1935, quoted in McDonald, *Federal Relief*, 103-104.

16. According to McDonald, "at no time can it be said that Congress, as a whole, genuinely and truly supported the principle of work relief. Congress merely permitted its use, because in 1935 it was afraid to do otherwise," *Federal Relief*, 112.

17. *Ibid.*, 508.

18. Hopkins chose Flanagan as national director of the FTP because of their long personal relationship -- they had grown up in the same town in Iowa and were at Grinnell College together. However, Flanagan had many qualities which made her vulnerable to pressure from theatrical unions and attacks by Congress. While she had Broadway ambitions, she did not have connections with the Broadway establishment, nor experience with theatrical unions. In addition, her published writings reflected her interest in Russian theatre and her sympathy with revolutionary art. See Robert E. Sherwood, *Roosevelt and Hopkins: An Intimate History* (New York: Harper and Brothers, 1948), and Joanne Bentley, *Hallie Flanagan: A Life in the American Theatre* (New York: Alfred A. Knopf, 1988), 185.

his student aide. Baker recommended her for a Guggenheim fellowship, and in 1926 Flanagan had the distinction of being the first woman to receive the award.

Flanagan used her fellowship to study the European theatre. On her travels, she came under the spell of Gordon Craig in England, and she was also in Russia for the ninth anniversary of the October Revolution. While in Russia, she observed Stanislavsky and Meyerhold at work, and she was particularly inspired by Meyerhold's production of *Roar, China!*, as well as the Blue Blouses' Living Newspaper productions. In Germany, she discovered that "innovation had given way to a drama of entertainment." As Flanagan's biographer, Joanne Bentley, asserts, "Hallie often used the word 'entertainment' scornfully." When she returned to her teaching post at Vassar, she quickly became a controversial figure. In 1932 Flanagan led a student field trip to the first national competition of workers' theatre in New York City, which prompted angry parents and college trustees to make a formal complaint against her.<sup>19</sup> Before the FTP, William Randolph Hearst singled Flanagan out as a "disseminator of Communist propaganda."<sup>20</sup> Although McDonald correctly asserts that "because of her preoccupation with the art theatre, [it was natural that Flanagan would] be concerned with high standards," she was also personally committed to a "national theatre and [the] building of a national culture," which she insisted could only be achieved by setting and reaching professional standards.<sup>21</sup> Finally, Flanagan's personal ambitions for the FTP combined her attraction to the aesthetic and ideological aims of the European Independent Theatre

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19. Bentley, *Flanagan*, 70-71, 77-78, 82, 129-130.

20. William Randolph Hearst, "Keep the Faith of Our Fathers," 24 February 1935, *New York Journal American*, 2.

21. Quoted in McDonald, *Federal Relief*, 502.

movement with her aversion to the characteristics of a centralized and commercial American theatre that were represented by the Broadway establishment.

The impact of personal motivations can also be observed in Flanagan's interpretation of the FTP's secondary mission, "[to] establish . . . theatres so vital to community life that they will continue to function after the program . . . is completed."<sup>22</sup> Flanagan interpreted this secondary mission as the basis for establishing professional standards, since "only such members of the theatrical profession as are skilled enough to have a reasonable chance of making a living in the theatre later [will insure] a standard of excellence to enable these theatre units to continue."<sup>23</sup> Scholars tend to neglect to note that this secondary mission, like the FTP's primary mission of re-employment, did not explicitly demand professionalism. The earlier work relief projects had employed theatre workers to provide recreational and educational activities in schools, public parks, and Civilian Conservation Corps camps, and the social utility of these activities was more important than their aesthetic quality or professionalism. Finally, when the CWA was liquidated in 1934, a variety of groups proposed theatre projects to Hopkins, and a model for a network of non-professional, community-based theatres already existed.<sup>24</sup>

The National Theatre Conference (NTC) was established in 1931 and eventually attracted the interest and support of the Rockefeller and Carnegie Foundations. At the time, these foundations were searching for organizations that could further the cause of

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22. *Instructions*, Federal Theatre Project, October, 1935, Billy Rose Theatre Collection, New York Public Library for the Performing Arts, New York City.

23. *Equity*, November 1935, 5.

24. McDonald, *Federal Relief*, 59, 496-499; Norris Houghton, *Advance From Broadway: 19,000 Miles of American Theatre* (New York: Harcourt, Brace and Company, 1941), 370-371.

adult education. The NTC had a mission of "serv[ing] collectively the best interests of the American Theatre" through a Regional Plan that would "enlarge opportunities and supply the needs of theatres and of dramatic education . . . in any community, large or small . . . [for] the creation of a national theatre with a hundred sources and a hundred outlets."<sup>25</sup> The NTC's Regional Plan included a national council, regional directors, and regional councils with representatives from each state. At the national level, the NTC organized an information bureau, a play bureau, an employment bureau, a tour/booking office, and a division of architecture and buildings. Flanagan acknowledged that she "had discussed the organization of regional theatres . . . predicated on [E.C. Mabie's] work for the National Theatre Conference . . . [but] we expanded and modified that plan to fit the new need and the use of professional talent," though there were no substantial differences between the structure of the FTP and the NTC.<sup>26</sup>

Flanagan chose seven of the NTC's ten member executive council, who were leaders of America's Little and University Theatres, as her regional directors.<sup>27</sup> Hopkins officially announced Flanagan's appointment as national director and unveiled his plans for the FTP at the NTC's 1935 annual meeting at the University of Iowa. Hopkins was obviously trying to distance the project from the commercial New York theatre and

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25. Minutes of the Council Meeting of the National Theatre Conference, 10 October 1932, National Theatre Conference Scrapbook, Billy Rose Theatre Collection.

26. Flanagan, *Arena*, 22.

27. The seven members of the NTC Executive Council that Flanagan enlisted for the FTP include Gilmor Brown (Pasadena Community Playhouse), Jasper Deeter (Hedgerow Theatre), Frederic McConnell (Cleveland Play House), Frederick Koch (University of North Carolina/Carolina Playmakers), Thomas Wood Stevens (Carnegie Institute of Technology), E.C. Mabie (University of Iowa), Glenn Hughes (University of Washington). Rosamond Gilder, another member of the NTC Council, was picked by Flanagan as the Director of the FTP Bureau of Research and Publications.

emphasize its national, non-commercial scope. Although he chose his own national director instead of turning the FTP over to the NTC, Hopkins certainly saw the NTC as the prototype for a network of theatres that were vital to their communities.

Flanagan was immediately made a member of the NTC. It is interesting to note that while Flanagan had been active in the educational and non-commercial theatre for many years, she had not become a member of the NTC until she was drafted by the organization. Although this fact has been overlooked, it is further evidence of Flanagan's attraction toward a professionalized project of high artistic standards. We must assume that Flanagan did not seek earlier membership in the NTC because she did not share its belief in the community-based, recreational, and educational value of theatre. Indeed, according to Bentley, Flanagan accepted the Vassar offer because "of [the college's] proximity to New York." She enjoyed the notoriety and attention which her college productions received from the New York press and commercial theatre producers. She even remounted a successful college production of Chekhov's *The Marriage Proposal* for an invited audience of "Broadway bigshots," but when it "flopped" she gave her student cast "hell" and was personally devastated by the embarrassing failure.<sup>28</sup>

Flanagan and the Little Theatre viewed one another as competitors rather than allies. In 1938 Flanagan reported to WPA Director Ellen Woodward that Glenn Hughes, director of the thriving Washington University School of Drama, "is the man who was my regional director for the past two years. I now see clearly that he never really pushed our company because he had no desire to build up a rival."<sup>29</sup> According to Hughes and

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28. Bentley, *Flanagan*, 45, 99.

29. Hallie Flanagan to Ellen S. Woodward, Report on Federal Theatre Project, Seattle, Washington, 4 November 1937, Billy Rose Theatre Collection.

Norris Houghton, Flanagan made little effort "to strengthen the already-existing community theatres."<sup>30</sup>

In addition to these personal motivations that encouraged Flanagan to formulate professional standards for the FTP, there were other significant challenges that the FTP encountered that could be effectively addressed through a strategy that administratively defined and privileged professionalism. Flanagan was under pressure to employ as many as possible, as quickly as possible, and because the FTP and other WPA programs were modeled on earlier CWA and CWS projects, the agency was required to follow the established bureaucratic system for worker classification. Classification was an administrative determination of workers' past experience and expertise, which was required before the FTP could place workers on the relief rolls and assign them to a project. Flanagan chose the unions as her best ally in the classification process, since the WPA, like the CWA and CWS, accepted union membership as a sign of professional standing, which allowed her to immediately classify workers as eligible for assignments with the FTP.<sup>31</sup> Therefore, an alliance between the FTP and the theatrical unions would expedite the classification process and would also reduce the amount of bureaucratic paperwork for the newly formed, and understaffed FTP.

The FTP's prime directive was the "re-employ[ment of] . . . theatre workers," but when Flanagan met with Equity, she represented the agency's goal as "the re-employment of professional theatre people."<sup>32</sup> IATSE (International Association of Theatrical Stage

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30. Glenn Hughes, *A History of the American Theatre: 1700-1950* (New York: Samuel French, 1951), 427, and Houghton, *Advance From Broadway*, 383.

31. *Ibid.*, 511.

32. *Instructions, Federal Theatre Project, and Actors' Equity Association, "Federal Theatre Relief Plans," Equity*, November 1935, 5.

Employees) and Equity agreed to support the FTP and participate in the classification process, in exchange for an assurance that its members, most of whom were in New York, would receive privileged treatment and be rewarded with the material benefits the FTP dispersed. For example, IATSE members were paid from non-relief funds, at the highest wage rate, and the union arranged for their members to be assigned to eight hour, unbroken shifts, which often required two full stage crews to cover rehearsals during the day and performances at night. This practice substantially increased the FTP's technical crew costs.<sup>33</sup> Equity members who accepted roles in non-FTP productions could automatically return to their previous FTP positions when their private-sector, commercial jobs ended. This agreement was in direct opposition to the FTP's stated goal of returning relief workers to the private sector, and it also favored Equity members above other FTP workers, who could not automatically return to their FTP assignments. Finally, actors on FTP projects were paid the same hourly rate whether they were rehearsing, on break, or performing. This FTP arrangement was better than the standard union contracts that only guaranteed a minimum rate for performances. Both IATSE and Equity were eventually able to extend their FTP arrangement and insure that union members would be paid for breaks and rehearsals by commercial producers.<sup>34</sup>

Apart from the impact of Flanagan's personal vision of a professionalized national theatre and the material benefits that union members received as a consequence of their administrative alliance with the FTP, the formulation of professional standards also provided the theatrical unions and the commercial theatre with the opportunity to exploit the FTP as a means to improve their positions and subvert the competing development of

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33. McDonald, *Federal Relief*, 529.

34. "Federal Theatre Holds Jobs," *Equity*, November 1937, 14.

the amateur theatre. Therefore, the FTP should be examined in the context of broader economic and ideological conditions that were occurring in the American theatre, rather than the common approach that is followed in most FTP scholarship, in which the agency is examined as a federal initiative that supplemented Broadway activity during an economic crisis that threatened the survival of American theatrical activity.

*The Economic and Ideological  
Basis of Theatrical Professionalism*

Motivated by self-preservation, the theatrical unions and the commercial theatre used the FTP as a buoy in the economic storm of the Depression. Although the commercial theatre had been on the wane since the mid-1920s, the Depression provided the field with an acknowledged national crisis that accounted for its own economic troubles, which it used as evidence to persuade the government that it needed federal support. The FTP responded to the commonly held view that the Depression established an economic imperative for federal support to insure professional employment of artists and thus guarantee the preservation of artistic creation and theatrical production. In *Theater in America: The Impact of Economic Forces, 1870-1967*, Jack Poggi disputes this view and argues that "the decline [of the road] was not something temporary and peculiar to the theater outside the big cities, but the beginning of a general and apparently permanent decline that did not become evident on Broadway until the late 1920's."<sup>35</sup> This is an important observation because it suggests that the fundamental economic imperative for federal arts support should be re-examined.

During the Depression, trends such as the decline of touring companies, fewer

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35. Jack Poggi, *Theater in America: The Impact of Economic Forces, 1870-1967* (Ithaca, NY: Cornell University Press, 1968), 33.

Broadway productions, shorter Broadway runs, and fewer theatres reflected the consolidation in the American theatre that Poggi noted. These trends contributed to the sense that more actors were unemployed during the Depression than previously, but this was an inaccurate perception that did not account for the broader impact of field-wide consolidation. When theatre activity had a short burst of energy in the first part of the twentieth century, more actors were working than ever before. Broadway activity steadily increased from eighty-seven productions in 1900 to 264 in 1928, then began a slow decline to return to its 1900 level in the late thirties. Road activity began to decline earlier, as Poggi stated, with the 1900 average of 339 tours steadily falling to twenty tours by the thirties.<sup>36</sup> As theatrical production slowed in the late twenties, job opportunities came off their earlier highs, but this was due to industry consolidation that was a consequence of a variety of broader phenomenon, such as the advent of radio and film, rather than the Depression.

In addition, the Depression did not represent a period of unusually high theatrical unemployment relative to trends that have continued to be experienced in the American theatre. According to the 1930 census, 19% of those who considered themselves actors were unemployed.<sup>37</sup> Unemployment increased to 35% by 1940, and while this increase may be attributable to the Depression, the difference between 1930 unemployment rates and 1940 rates are consistent with future patterns of growth and decline.<sup>38</sup> In 1950, the

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36. *Variety*, 7 June 1967, 64, 67; *New York Dramatic Mirror*, 1900 through 1919, first April issues of each year; *Billboard*, 1919 through 1940, first April and December issues of each year; *Equity*, July 1937, 10.

37. U.S. Department of Commerce, Bureau of the Census, *Fifteenth Census of the United States*, vol. II, *General Report* (Washington, D.C.: GPO, 1933), 17.

38. U.S. Department of Commerce, Bureau of the Census, *Sixteenth Census of the United States: 1940*, vol. 3, *Reports on Population* (Washington, D.C.: GPO, 1943), 75.

census reported that 20% of the profession was unemployed, and by 1960 the unemployment rate had risen to 27%.<sup>39</sup> According to an NEA study, *Artist Employment and Unemployment: 1971-1980*, an average 39% of the profession was out of work at some point during the seventies.<sup>40</sup> This data suggests that the Depression did not provoke a temporary unemployment crisis in the theatre, but rather, reflects a larger pattern of expansion and consolidation within the American theatre.

Finally, regardless of these broader employment trends, acting is a specialized trade, and it is not, for most who practice it, a source of full-time employment. Actors and others in the theatre have made a personal choice to pursue their passion for the stage in exchange for this lack of job security. There have always been more actors than roles, and casting is based not only on an actor's qualifications but also on physical type, as well as a range of intangibles such as the chemistry between a director and an actor. Finally, getting a role in a production is no guarantee that the actor will have permanent work because the production may not run for long. The unions exploited the government's lack of understanding about the nature of theatrical employment and used the Depression to advance their argument for access to federal work relief.

While the commercial theatre was consolidating in response to social and economic forces quite apart from the Depression, and a large percentage of the profession was out of work after the boom era of the early twentieth century, the amateur theatre was flourishing. One of the areas where FTP scholarship is most deficient is in its

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39. U.S. Department of Commerce, Bureau of the Census, *United States Census of Population, 1950*, pt. I, *Characteristics of the Population*, and *United States Census of Population, 1960: Occupational Characteristics*, Tables 3 and 14 (Washington, D.C.: GPO, 1955, 1961).

40. National Endowment for the Arts, *Artist Employment and Unemployment: 1971-1980* (Washington, D.C.: NEA, 1982), 14, 38-39.

analysis of the thriving American Little Theatre movement. Kenneth MacGowan traveled through America from 1928 to 1929 on a theatre pilgrimage. He discovered that "the death of traveling companies . . . provided play-starved audiences to welcome the amateurs." MacGowan found that an audience of 1.5 million was enjoying plays presented by an estimated one hundred Little Theatres and one hundred universities throughout America. When MacGowan added in high school drama class and drama club presentations, the audience swelled to 12.5 million.<sup>41</sup>

MacGowan's trip was funded by the American Association for Adult Education and the Carnegie Foundation. The character of his two sponsors reflects the early twentieth century American interest in promoting the non-commercial and educational value of theatre, and parallels Roosevelt's and Hopkins' attraction to the social utility of theatrical production. But, like Flanagan, MacGowan had been inspired by the European Independent Theatre movement, and he inaccurately attributed the origins of the American Little Theatre movement to the work of Antoine and his counterparts in other countries.<sup>42</sup> Certainly the Washington Square Players and a handful of other Little Theatres in major urban centers acknowledged that they were imitating those European models, but the majority of non-commercial American theatres originated in Percy MacKaye's program for a Civic Theatre, which had more in common with the spirit of Rousseau's "populist communal theatre" and Rolland's "people's theatre."<sup>43</sup> According to MacKaye, "the civic theatre is not merely the commercial theatre, reformed; it is not

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41. Kenneth MacGowan, *Footlights Across America* (New York: Harcourt, Brace and Company, 1930), 80, 12.

42. *Ibid.*, 23-24.

43. Marvin Carlson, *Theories of the Theatre: A Historical and Critical Survey, from the Greeks to the Present* (Ithaca, NY: Cornell University Press, 1984), 152, 317.

an art theatre for art's sake alone; it is not the municipal theatre of Europe, transferred to American soil . . . a civic theatre is the efficient instrument of the recreative art of a community."<sup>44</sup> MacKaye's views were embraced by communities throughout America and led to two distinct, non-commercial Little Theatre movements; art theatres that were usually located in urban centers such as New York, Chicago, and Los Angeles, and amateur civic, or community theatres that were established as outlets for leisure activity.

The FTP assimilated -- and in some cases, rejected -- the thriving amateur theatre movement, and this practice often put the federal project at odds with local groups, state and local governments, and audiences.<sup>45</sup> Flanagan stated that "the attempt to combine Federal Theatre with . . . amateur group[s] failed . . . [because] at first the amateur groups looked down on our companies . . . [and later] rivalries with the amateur group[s] developed."<sup>46</sup> The aesthetic values of the European art theatres that Flanagan was inclined toward were in opposition to the recreative and educational values of the civic theatre of Roosevelt, Hopkins, and most other citizens. When Flanagan "impos[ed] her artistic vision on theatres across the nation," she rejected the amateur theatre's "sporadic professionalism" and "old hat" repertory, which was a condition of the amateur movement's basis in recreation, with the aim of "provid[ing] a high type of theatrical entertainment," that would produce "new plays and classical repertory."<sup>47</sup> Flanagan's

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44. Percy MacKaye, *The Civic Theatre in Relation to the Redemption of Leisure: A Book of Suggestions* (New York: Mitchell Kennerley, 1912), 89-90.

45. See Lawrence Mankin, "Government Patronage: An Historical Overview," in *Public Policy and the Arts*, 124, and John Wray Young, *The Community Theatre and How It Works* (New York: Harper & Brothers, 1957), 8.

46. Flanagan, *Arena*, 84.

47. See Bentley, *Flanagan*, 195; MacGowan, *Footlights*, 95; Bentley, *Flanagan*, 229, 247, and Flanagan, *Arena*, 22.

attraction to the aesthetic values of the European art theatre and standards of professionalism would lead to constant frustrations because of the difficulty she encountered in finding talented and unionized personnel outside the existing urban theatre centers. In addition, the FTP's centralized structure that included a national Play Policy Board and a New York press office alienated communities throughout America, who had recently escaped from the centralized control of the Syndicate.

The FTP charter suggests that the government saw the amateur theatres as geographically diverse distribution centers from which they could expeditiously deliver their work relief. According to the *FTP Instructions*, "already existing public theatres or non-profit private theatres of proven excellence . . . will be selected as the centers about which certain Federal Theatre projects will be developed."<sup>48</sup> William McDonald accurately summarizes the dilemma which the government had created for the FTP when it included the subjective standard of "excellence" in the agency's charge:

It is clear that the heart of the project was to be the independent theater movement, as represented in the little theater, the community theater, and the university theater. Since none of these groups . . . employed professional actors . . . the problem presented itself as to how, without a radical change, professional actors . . . could be brought within the [sphere] of the independent non-profit theatre.<sup>49</sup>

While scholars have commented on the pressure that the theatrical unions exerted on the FTP's missions and standards, they have not fully examined how Equity used the FTP to advance its position and convert amateur groups into union-contracted theatres, for both economic and ideological reasons.

Equity had begun its efforts to impose its union contract on the amateur theatre

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48. *Instructions, Federal Theatre Project.*

49. McDonald, *Federal Relief*, 505.

in 1930. Since union actors had fewer job opportunities due to fewer Broadway and road productions, Equity was compelled to find them new jobs, not only to serve their membership, but also because unemployed actors could not pay dues. Equity was forced to begin suspending unemployed members for not paying dues because delinquency was becoming a significant problem. For example, in 1930, of the 9691 Equity members, more than half had not paid their dues.<sup>50</sup> In 1935, concurrent with the initiation of FTP projects and new employment, Equity began reinstating members whom they had suspended, in exchange for a portion of their back dues.<sup>51</sup> Thus the WPA was not only sustaining theatre workers, it was also subsidizing the professional unions, who were now able to collect past and current dues as its members were employed on FTP productions.

Equity also used its alliance with the FTP to extend its contract throughout the country. Prior to 1938, Equity's control was limited to a few urban centers. The union needed to expand its geographical dimensions in order to survive, since commercial Broadway productions had declined and road companies out of New York were disappearing. In 1938, the union established its Little Theatre contract which stipulated that theatres wishing to use union actors had to be "endorsed by Equity . . . [with] such endorsement . . . at the sole discretion of Equity," and that theatres must "recognize Equity as having the jurisdiction over . . . professional actors."<sup>52</sup> Equity's ability to

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50. Actors' Equity Association, Minutes of Equity Executive Council Meeting, 31 January 1930, Robert F. Wagner Labor Archives, Tamiment Library at Bobst Library, New York University, New York City.

51. Actors' Equity Association, Minutes of Equity Executive Council Meeting, 8 January 1935, Robert F. Wagner Labor Archives.

52. See Actors' Equity Association, Minutes of Executive Council Meeting, 10 March 1936, Robert F. Wagner Labor Archives; "Charges Against Four," *Equity*, July 1936, 14, "Little Theatres Can be Too Little," October 1936, 3, and "The Little Theatre Contract & Regulations," February 1938, 13.

advance its Little Theatre contract was certainly facilitated by the activities of FTP, which imposed professional standards as a condition of federal work relief and centralized the activities of the diverse Little Theatres that participated in FTP programs in a New York City production office.

The Equity contract may have been welcomed by many Little Theatres as a sign of professional status, but it also increased the distance between amateur and professional that Lawrence Levine describes in *Highbrow/Lowbrow: The Emergence of Cultural Hierarchy in America*. According to Levine, culture became distinguished from popular entertainment through a process of "sacralization." In a democratic society, Levine argues, it is difficult to find distinction. It was particularly hard for unemployed actors to find distinction in relief lines. The process of sacralization that was practiced by late nineteenth and early twentieth century elites established boundaries and barriers between high and low art, culture and entertainment, and professional and amateur, as a means to legitimate the status and authority of elites, be they artists or patrons.<sup>53</sup>

Ideologically, the theatrical unions had always insisted that the WPA treat their members as a distinct group of relief workers and had won concessions, including reduced work weeks and supervisory status, with supervisory pay, for its members through its alliance with the FTP. Theatrical unions emphasized the distinctions between professional and amateur as a means of maintaining their authority, and Equity's Little Theatre contract successfully extended the value of its imprimatur as an indication of "excellence."<sup>54</sup> When the Little Theatre movement was unionized, it was transformed

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53. Lawrence W. Levine, *Highbrow/Lowbrow: The Emergence of Cultural Hierarchy in America* (Cambridge, MA: Harvard University Press, 1988), 139, 227.

54. See Mathews, *Federal Theatre*, 51-52.

into a business that needed to generate increased revenue to cover the increased cost of union wages. MacGowan discovered that "the Cincinnati Little Civic Theater ran itself \$5000 in debt by using union labor."<sup>55</sup> More importantly, the diverse, community-based standards of Little Theatres were replaced with centralized, professional standards. Amateur theatres were either absorbed into or forced out of business by the FTP and Equity, and those that remained became, in a sense, authorized franchises of centralized "owners" or patrons in Washington and New York. Finally, the alliance between the FTP and Equity corrupted the organic development of the American Little Theatre movement by imposing professional standards on the amateur activity, which initiated the same pattern of consolidation and centralization that had, at the beginning of the twentieth century, been responsible for the decline of both the road and Broadway.<sup>56</sup>

#### *The Influence of Structural Incompatibility*

Because the FTP functioned as a single operational unit within the federal relief bureaucracy that also included Federal One, the WPA, and the Treasury Department, often with separate national, regional, state, and local administrators, structural problems were guaranteed. The conflicts between the FTP and its government patron that were primarily the result of the underlying incompatibility between their distinct missions and standards were most often experienced within the structural components of procedures, personnel, and accountability.

Flanagan's administrative design for the FTP, whose goal was artistic production,

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55. MacGowan, *Footlights*, 103.

56. Both Kenneth MacGowan and Norris Houghton believed that the Little Theatre movement could organically develop into a professional endeavor. See MacGowan, *Footlights*, 102, and Houghton, *Advance From Broadway*, 104-105.

came into regular conflict with the government's administrative structure, whose goal was the democratic delivery of work relief.<sup>57</sup> Flanagan expected difficulties when "the new staff, accustomed to the highly specialized and individualistic world of the theatre . . . met government procedure," and she acknowledged that "our problem has always been twofold -- the formation and execution of two policies -- an administrative policy and a production policy."<sup>58</sup> Shortly after the FTP began operating, the chairman of the Technical Supervisor's Council complained to Flanagan:

A number of difficulties are arising in our efforts to create competent and worthwhile Federal Theatre Projects. Since most of these troubles are caused by the almost insurmountable obstacles imposed upon us by present government regulations, we see the urgent need of adopting regular theatre practices. We are willing to conduct our projects along businesslike lines, but our experience tells us that the very art form of the theatre demands a little leeway.<sup>59</sup>

The cumbersome governmental structure was linked by a web of requests, reports, and approvals which transformed the simplest of procedures into a complex and often contradictory or absurd process that was bound to frustrate any theatre professional who was being pressured to open a production.

Edward Goodman, Chair of the FTP Supervisor's Council, described the absurdity of government procurement procedures to the regional director of the WPA:

Requisitions have required five or six weeks and even more to be filled, wherein request for requisitions have been lost, wherein returns of requests for requisitions have been made for immaterial corrections, wherein requests for requisitions have been refused after they had already been accepted but lost.<sup>60</sup>

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57. See Elmer Rice, *The Living Theatre* (New York: Harper & Brothers, 1959), 155.

58. Flanagan, *Arena*, 44, and Hallie Flanagan, Speech to Regional Conference in Washington, D.C., 13-14 March 1936, Billy Rose Theatre Collection.

59. Tom Adrian to Hallie Flanagan, 19 December 1935, Billy Rose Theatre Collection.

60. Edward Goodman to Philip Barber, 31 January 1936, Billy Rose Theatre Collection.

According to Goodman, the government procedures and paperwork that were required to order all production equipment or supplies -- from a spotlight to a box of nails -- was "often far greater than the cost of the materials requisitioned."<sup>61</sup> While on an inspection trip through the country, Flanagan noted another contradictory procedural situation in Chicago:

Mr. Davis says the bulletin on purchases through the agent cashier is not clear, and is being interpreted by the State Treasury Procurement office to mean that all purchases must be handled through the agent cashier, even when no such officer is in existence.<sup>62</sup>

Government procurement procedures also required a WPA inspector to be present at any production site that was receiving equipment or supplies. Before the materials could be unloaded from the delivery truck, they had to be inventoried and approved by the inspector. Often the inspector would arrive hours later -- and sometimes days later -- while the work of FTP technical crews, who were still on the clock, was halted.<sup>63</sup>

Because Flanagan had assembled her FTP staff from the theatre, while government personnel included a combination of political appointees and civil servants, few of whom had any experience or particular interest in the theatre, the procedural problems aggravated the tensions between the two groups. Although early procurement problems were eventually solved or, in most cases, accepted by the FTP, they established an antagonist attitude between the FTP staff and government personnel. When Flanagan and Elmer Rice, Regional Director of the New York project, were told that they would have to substitute recorded voice-overs for dialogue and speeches that were written to be

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61. Ibid.

62. Hallie Flanagan, Record of Chicago Trip, 30 April 1936, Billy Rose Theatre Collection.

63. See Goodman to Barber.

performed by actors impersonating Mussolini, Haile Selassie, and FDR in their first Living Newspaper production, *Ethiopia* (1936), Rice publicly accused the government of censorship.<sup>64</sup>

The *Ethiopia* incident is not a clear-cut case of government censorship, but rather, reveals more about the underlying antagonism that is likely to erupt when government and artistic/theatrical personnel come into conflict while they are attempting to accomplish their distinct projects. The government was acting as any producer might in requesting changes to the production. Indeed, it was common practice for commercial producers to make changes in a script or production, usually with little regard for the artistic integrity of the work.<sup>65</sup> The politically appointed WPA directors, as well as Franklin and Eleanor Roosevelt, made every effort to propose compromises to Flanagan and the FTP that would have had little material effect on *Ethiopia's* anti-fascist statement, but would have eliminated the potential for an international incident.<sup>66</sup> Since Rice chose to resign his FTP position rather than make changes in his script, the government canceled the production.

Rice's choice demonstrates what Anthony Downs has termed "zealots' behavior."

According to Downs,

The peculiarities of zealots' behavior spring from two characteristics: the narrowness of their sacred policies, and the implacable energy they focus solely upon promoting those policies. The narrowness of their interests causes zealots . . . to concentrate their energies and resources on their sacred policies regardless of the breadth of their formal responsibilities . . . [and] they are even willing to

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64. "Politics Charged to the WPA by Rice; Living Newspaper Censored as Injurious to Democrats, Says Director who Quit," *New York Times*, 25 January 1936, 7.

65. See Marc Connelly, *Extracts from Testimony*, U.S. Court for the Second Circuit, Case 6911, in the National Archives, New York, 4 folders, 26-187, 1950, 16.

66. See Mathews, *Federal Theatre*, 65, 66, and Flanagan, *Arena*, 66, 67.

antagonize their superiors to an astonishing degree.<sup>67</sup>

Rice was one of the most outspoken and extreme zealots in the FTP.<sup>68</sup> The majority of Flanagan's staff were less extreme, but they were all, to some degree, zealous theatre professionals.

While FTP staff regularly resigned in frustration, Hopkins responded to the antagonism between the FTP personnel and the myriad of supervisory government agencies by administratively restructuring the WPA.<sup>69</sup> Motivated by the desire to keep his agency operational, Hopkins reassigned whomever he could in the WPA when there were conflicts between government bureaucrats and experienced theatre workers. This strategy worked in some cases, but it eventually proved to be ineffective at alleviating procedural tensions for three reasons. First, if we accept Anthony Downs' theory, the theatre zealots of the FTP would always demonize their government supervisors, while government bureaucrats were also likely to be antagonistic, and this would be the

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67. Anthony Downs, *Inside Bureaucracy* (Boston: Little, Brown and Company, 1967), 110.

68. Rice had always despised interference from producers and directors. He was one of the principals in the Playwright's Producing Company, and in his successful career in the commercial theatre he most often produced and directed his own scripts. See John F. Wharton, *Life Among the Playwrights: Being Mostly the Story of the Playwrights Producing Company, Inc.* (New York: Quadrangle/The New York Times Book Company, 1974).

69. FTP resignations included Elmer Rice as New York City regional director, Jasper Deeter as regional director for New Jersey-Pennsylvania region, Frederic McConnell as director of the Ohio region, Charles Coburn as director of the New England region, Glenn Hughes as director of the Northwestern region, as well as a large number of state directors. Also, in 1938 Flanagan moved the FTP offices to New York and took over control of the New York City projects. The earliest of the numerous administrative changes that Hopkins made to the WPA was to fold the FTP into Ellen Woodward's Division of Women's and Professional Projects in 1936. Hopkins tried to insulate the FTP from the antagonistic bureaucracy of the WPA that Flanagan regularly complained about. See Harry Hopkins, *Memo to All Assistant Administrators, Regional Field Reps, and State Works Progress Administrators, 1 August 1936*, Billy Rose Theatre Collection, and Mathews, *Federal Theatre*, 93, 104, 163-164.

dominant tone of their relationship. Second, personnel changes disrupted whatever efficient administrative flow had been established by previous supervisors. Third, in 1938 Congress voted to require Senatorial confirmation for any WPA employee with an annual salary of more than \$5000, thus ending Hopkins' autonomous authority to hire all WPA directors.<sup>70</sup>

Even if the FTP had been able to surmount the enormous structural challenges that were posed by the distinct and often incompatible procedures and personnel of theatre and government, the agency was incapable of escaping political accountability. In theatre, the artistic product is typically judged, either independently or cooperatively, by its creators, facilitators, and audiences. Facilitators include producers, patrons, and administrators. These three groups, again either independently or cooperatively, decide how to judge the artistic product. For example, in the case of a commercial production, the mission of financial gain is translated into standards of mass entertainment, and all three groups will probably use financial measurements. Creators will want to get paid, facilitators will want to see profits, and audiences will want their money's worth. Since the FTP was a government project, politicians would ultimately judge the agency's success or failure on the basis of how well it fulfilled its democratic mission.

From the beginning, Congress had believed that the FTP appropriation should be spread amongst all the states.<sup>71</sup> This was a democratic principle of equality as much as an awareness of the political exigencies of congressional elections that rewarded representatives for guiding federal funds to their local constituents. Flanagan believed that the FTP accomplished the democratic aim of geographic diversity by establishing

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70. See McDonald, *Federal Relief*, 110.

71. *Ibid.*, 513.

FTP projects in as many states as possible. Of course, not all states had an equal level of professional talent that Flanagan required to accomplish her ambitions for a professional nationalized theatre of high artistic standards. In 1937, expenditures on projects in New York and California accounted for 83% of the total FTP funds.<sup>72</sup> By early 1939, Flanagan reported that she had "to close a number of projects which, after a fair trial, seemed unable to reach standards appropriate to a government-operated project."<sup>73</sup> Opponents of the New Deal therefore targeted this controversial and undemocratic agency that had consistently alienated WPA supervisors, was often the focus of negative press, and had shunned communities outside of the established urban theatrical centers.

In 1938, political zealot Martin Dies attacked the FTP in his overall strategy to subvert the New Deal social-welfare state. Dies was motivated by his belief that the "irreconcilable conflict between the teachings of Christ and Marx is the issue upon which the future of Western Civilization is staked."<sup>74</sup> He also believed that the country was on the road to economic recovery and that it was therefore time to "retrench . . . economize . . . [and] end [the] fruitless experimentation . . . [of] the Federal Government."<sup>75</sup> In addition, anyone who did not honor the "American system of checks and balances with its three independent co-ordinate branches of government" was a subversive.<sup>76</sup> As a means

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72. Ted Mauntz, Report to Dr. Frederic N. Bair, 11 September 1937, Billy Rose Theatre Collection.

73. Hallie Flanagan, Summary of Federal Theatre Activities to Sept. 1938, Billy Rose Theatre Collection.

74. Martin Dies, "More Snakes Than I Can Kill," *Liberty Magazine*, 10 February 1940, 42.

75. Congress, House, 75th Cong., 1st sess. *Congressional Record* 81, pt. 5 (14 June 1937), 5667, 5677-5682.

76. Dies, "More Snakes."

to achieve its primary goal to destabilize the Roosevelt administration, the Dies Committee created the impression in both Congress and the public consciousness that the FTP was operating as "a branch of the communistic organization . . . [and is] one more link in the vast and unparalleled New Deal propaganda machine."<sup>77</sup>

The theatre community's initial concerns about the possibilities of government interference were sensationalized in the *Ethiopia* incident of 1935 when Elmer Rice publicly accused the administration of government censorship. Apart from this incident, the relationship between the government and the FTP was relatively free of any further examples of intervention that could be interpreted as censorship. Dies ingeniously attacked the FTP by utilizing the same considerations that were the basis for the theatre community's paranoia about government influence, which originated in popularly held beliefs about the negative consequences of government patronage. According to this line of reasoning, patrons or producers will be attracted to those products that most closely resemble their own world view. Their choices about what products to patronize will ultimately influence artistic production, since certain works will be rewarded with more resources than others. It is only a short and easy leap to suggest that government will be most likely to subsidize the theatre that communicates and supports its political policies, and this was the basis of Dies' indictment of the idea and the practice of federal arts support.

An important point that previous examinations of the FTP have ignored is the strategic brilliance of Dies' attack, since it left the FTP defenseless. If WPA director Ellen Woodward and FTP director Hallie Flanagan, who both testified before the Dies Committee, argued that the project was free from government influence and did not

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77. "Theatre Project Faces an Inquiry," *New York Times*, 27 July 1938, 19.

reflect or endorse the Roosevelt administration's policies, then who was responsible for authorizing the production of pro-New Deal, revolutionary, Marxist propaganda such as *Triple A Plowed Under*, *Power*, and *The Revolt of the Beavers*?<sup>78</sup> Was Flanagan, who had left clear footprints of her interest in the workers' theatre movement and class consciousness, being allowed to spend the taxpayers' money without government supervision?<sup>79</sup> On the other hand, if the FTP argued that it was staying within the established boundaries of checks and balances that were required of any government agency and that it was finally accountable to the majority, then its productions of certain plays that "portray the interests of one class to the disadvantage of another class" were inappropriate "because of the very fact that we are using taxpayers' money."<sup>80</sup>

While Flanagan defended certain FTP productions as "propaganda for democracy," and argued that "propaganda, after all, is education," and was therefore an appropriate project for a federally subsidized theatre, Woodward gave the impression of a

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78. *Triple A Plowed Under* (1936) was prompted by a Supreme Court ruling that invalidated Roosevelt's Agricultural Adjustment Act (AAA), and it was publicized as showing the AAA in "a favorable way." See "WPA Theatre Plan Turns to AAA Script," *New York Times*, 14 February 1936, 22; *Power* (1937) "came out . . . against the electric light and power industry, and for the TVA." See "Power is WPA Ownership Propaganda," *Life*, 22 March 1937, 22 and Brooks Atkinson, "Power Produced by the Living Newspaper Under Federal Auspices," *New York Times*, 24 February 1937, 18; Flanagan herself described *The Revolt of the Beavers* (1937) as a "very class conscious" piece of children's theatre. See Mathews, *Federal Theatre*, 117.

79. Dies and Congress interpreted Flanagan's travels to Russia, her published accounts of the vitality of the Russian theatre, and her adaptation of Whittaker Chambers' novel, *Can Your Hear Their Voices*, as evidence of un-American activities. See Congress, House, Special Committee on Un-American Activities, *Investigation of un-American propoganda activities in the United States. Hearings before a Special Committee on Un-American Activities*, 75th Cong., 3d sess., through 78th Cong., 2d sess., 1938-1944., 2842-2854, and Congress, Senate, 76th Cong., 1st sess., *Congressional Record* 84, pt. 8 (30 June 1939), 8395.

80. *Hearings on Un-American Activities*, 2873.

government bureaucrat who had no awareness of how the FTP operated.<sup>81</sup> She answered many of the Committee's questions with "I don't know about that," or "I have no knowledge of that."<sup>82</sup> The Dies Committee successfully tainted the FTP as a propaganda organ for the New Deal, a hotbed of class conscious artists, and a government agency that was out of control. The press, which had been mostly antagonistic toward the FTP since 1935, publicized these characterizations of the FTP across the nation.<sup>83</sup>

Concerned about the upcoming congressional appropriation hearings and aware of the negative publicity which the FTP had received as a result of its poor showing before the Dies Committee, Flanagan suddenly realized that the FTP needed to "develop a program which will meet community needs and sponsorship." She urged her staff to develop evidence that could offset "the criticism from Congress that too much of our money is spent in New York City; that the rest of the country, particularly rural areas, does not receive the advantage of the large sums of money being spent by taxes from all over the country," and to find "an articulate audience willing to fight for the Project."<sup>84</sup> Obviously, the FTP was incapable of completely reorienting itself, and the congressional criticisms were basically accurate.

Consequently, there was little the FTP could do to defend itself when it encountered the same charges that the Dies Committee had attached to the idea of a government subsidized national theatre. Congress held the FTP up as an example of the

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81. Ibid., 2850-2851.

82. Ibid., 2803, 2817.

83. See Mathews, *Federal Theatre*, 205, 224.

84. Quoted in Mathews, *Federal Theatre*, 248, 254.

Roosevelt administration's attempt to use "relief for politics," and while there was general agreement that the stage should be free from censorship, legislators concluded that "we should not pay for this propaganda out of the Federal Treasury." Flanagan's personal interests, as well as the activities of many of her staff, were interpreted by a hostile Congress as evidence of communist sympathies, and the FTP was therefore "tainted and corrupted with Communism." One Senator argued that it was no coincidence that the FTP and the Workers' Alliance had their offices in the same building. Senators criticized productions which they had never seen on political, as well as moral grounds, reading biased, negative reviews into the *Congressional Record*. When they could not find any negative reviews, they attacked productions on their play titles alone.<sup>85</sup>

Congressional defenders had little ammunition to counter the vitriolic attack. The FTP's contribution to theatre was demonstrated by favorable reviews in the New York press, in specialized publications such as *Theatre Arts* and the *Theatre Guild Magazine*, and by a petition in support of the FTP from New York City drama critics. Senator Ashurst's highbrow plea to his colleagues that they "not go on record as censoring art. The stage is art. Art is truth, and in the final sum of worldly things, only art endures," had no impact on the debate. Defenses of Flanagan's democratic principles and her expertise in theatre had no impact. A procession of celebrity witnesses, including Helen Hayes, Lee Shubert, Tallulah Bankhead, and Moss Hart had no impact.<sup>86</sup>

The Emergency Relief Act (ERA) of 1939 that Congress finally passed called for sweeping reforms in the WPA. As the *New York Times* reported, most of the

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85. Congress, Senate, 76th Cong., 1st sess., *Congressional Record* 84, pt. 8, (28 and 30 June 1939), 8094, 8390, 8397-8398, 8400-8401.

86. *Ibid.*, 8093, 8100, 8096, 8093, 8100.

appropriation was to be used for construction projects, states had to provide a greater percentage of money, all relief workers were required to sign a loyalty oath and could only be carried on the relief rolls for a maximum of eighteen months. Although the other WPA arts projects were allowed to operate for another two months while they found state or local sponsorship, Congress voted to liquidate the FTP immediately.<sup>87</sup>

The ERA insured the continuation of work relief, which, after all, was the original aim of the WPA, but Congress sacrificed the FTP because it had become the most controversial of the WPA's "frilly art projects."<sup>88</sup> Thus Congress forced a reluctant Roosevelt to sign the ERA, which also eliminated the FTP, just as Roosevelt had forced a reluctant Congress to pass the WPA's first appropriation in 1935 to fund his Executive Order that would distribute relief funds throughout the country, but also included a program of federal arts support.

#### *Reconsidering the FTP's Legacy*

One of the most neglected features of the FTP is the negligible, and perhaps negative, impact that it exerted on the American theatre. Indeed, today it is difficult to find evidence of any positive contribution that the government's \$56 million made to the American theatre. While it is true that the FTP provided an initial psychological boost to the American theatre and gave work to thousands of theatre professionals for a short period of time, it offered very little that was lasting or significant. The FTP is often remembered for its role in insuring the survival of the American theatre though its

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87. "Money Bill Dies," *New York Times*, 1 July 1939, 1-2.

88. "Should Existing Methods of Administering Relief Funds be Changed," *Congressional Digest* 18, no. 2 (January 1939): 53.

support of talented artists, but I have demonstrated that actors were unemployed as a condition of industry-wide consolidation due to technological advances, as well as the intrinsic circumstances of theatrical production, rather than as a consequence of the Depression. It may be true that many talented actors, directors, writers, and designers worked on FTP projects, but we will never know if these artists would have continued to pursue careers in the theatre and found employment with commercial producers if the FTP had not supplemented Broadway activity. Finally, there is no reason to credit the agency with the discovery or preservation of theatrical talent, since the majority of these individuals were union members who had already committed to and been recognized by the profession.<sup>89</sup>

The FTP's influence is often incorrectly associated with an improvement in the quality of the commercial theatre through its popularization of socially conscious content and innovations in stagecraft, yet Broadway had already begun to exploit the economic value of topical social commentary and the novelty of European New Stagecraft. The Group Theatre supplied Broadway with plays by Clifford Odets (*Waiting for Lefty* and *Till the Day I Die*, 1935; *Awake and Sing*, 1935; *Paradise Lost*, 1935; *Golden Boy*, 1937) and Paul Green (*Johnny Johnson*, 1939), but the non-commercial Group was merely supplementing the offerings of other producers who were mounting works by Maxwell Anderson (*Winterset*, 1935), Sidney Kingsley (*Dead End*, 1936), Pulitzer Prize winner Robert E. Sherwood (*Idiot's Delight*, 1936), and Sidney Howard (*Paths of Glory*, 1936). Former FTP employees Orson Welles and John Houseman presented their Mercury Theatre production of *Julius Caesar* in modern dress and on a bare stage, and Thornton

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89. See Lawrence Langer, "The Future of the Government in the Theatre," *Yale Review* 27 (Autumn, 1937): 67.

Wilder's *Our Town* won the Pulitzer Prize for the 1937-38 season. By Morgan Himmelstein's count, thirty-three "social plays" were independently produced on Broadway between 1935 and 1939. According to Himmelstein, the FTP produced only sixteen "social plays."<sup>90</sup> Himmelstein's count indicates that the FTP was merely following the lead of the commercial theatre and was not responsible for a new dramaturgy.

The FTP's New York City productions represented an average of 114 additional weeks of Broadway employment during each season, or an increase of 9.8% over what the commercial theatre was providing.<sup>91</sup> This rather insignificant extension of Broadway work weeks simply offset whatever Broadway flops closed each season but did not slow the decrease in the actual number of new productions, which steadily declined through the rest of the century.<sup>92</sup> Because the commercial theatre's economic problems were related to factors other than the Depression, federal arts support was an ineffectual attempt to revive the industry and re-employ the profession.

Outside of New York City, the FTP also had a negligible, and even negative impact.<sup>93</sup> The FTP had initiated theatre activity in thirty states (not including New York and California) but, by 1939, had canceled projects in eleven of these states because they

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90. Morgan Himmelstein, *Drama Was a Weapon: The Left-Wing Theatre in New York, 1929-1941* (New Brunswick, NJ: Rutgers University Press, 1963), 89-110, 195-209.

91. Compiled from Burns Mantle, ed., *The Best Plays of 1934-1935*, and yearly through 1940-1941 (New York: Dodd, Mead, 1935-1941).

92. *Variety*, 7 June 1967, 64, 67.

93. The two theatres that were built during the FTP years (Dock Street Theatre in Charleston, NC, and the Showboat and Penthouse Theatres at the University of Washington) were really WPA construction projects rather than FTP projects, but the FTP was completely responsible for North Carolina's production of the pageant drama, *The Lost Colony*, which, it could be argued, was a positive contribution to the development of outdoor pageant drama in the United States. See Hughes, *History of American Theatre*, 427.

did not meet Flanagan's professional standards.<sup>94</sup> After 1940, the remaining nineteen FTP regional and local projects vanished, indicating that the FTP never achieved its secondary mission to "establish theatres . . . [that] will continue to function after the program." But, far worse, the FTP reversed the organic development of a professionalized regional theatre movement. In *The Economics of the American Theater*, Thomas Gale Moore states that "in 1940 and 1941, after the project was abandoned, there were fewer resident companies in existence than in 1935 when it started."<sup>95</sup> The FTP also seemed to retard the development of the amateur Little Theatre movement. Albert McCleery and Carl Glick counted 105 Little Theatres in their 1939 study, *Curtains Going Up* -- only five more than MacGowan had found ten years earlier. In addition, fewer Little Theatres were established between 1935 and 1939 than at any other point in the movement's history.<sup>96</sup> While it is impossible to offer anything more than a circumstantial correlation between the FTP and local theatre activity, these facts certainly provide further indications that the FTP did not achieve its goal of encouraging theatre throughout the country. A centralized national theatre, as well as Flanagan's commitment to a fully professional project that was envisioned to fulfill the aesthetic values of the European Independent Theatre movement, seem to have discouraged the organic development of a broadly-based, popular American theatre at this point in the twentieth century.

There is no evidence to suggest that the FTP and the other arts projects of the

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94. Flanagan, *Arena*, 434-436.

95. Thomas Gale Moore, *The Economics of the American Theater* (Durham, NC: Duke University Press, 1968), 121.

96. Albert McCleery and Carl Glick, *Curtains Going Up: Theatre Americana* (New York: Pitman Publishing Corporation, 1939), 336.

WPA were initiated because the administration wanted to use them as "bread and circuses" to ease the social unrest that was bubbling to the surface during the thirties.<sup>97</sup> If the government had spent more time devising a clearer agenda for the FTP and insured the accomplishment of its public aims, the agency might have avoided many of the conflicts which led to its demise, or at least would have been clearly guilty and premeditated about violating its charge. Rather, unique historical circumstances such as the success of the early New Deal programs and the euphoria of Depression era federal reform, as well as the administration's enthusiasm about the recreational and educational value of the arts, were the catalysts for the FTP. Yet the government's noblest of intentions and millions of dollars were incapable of integrating a professional theatre of high artistic standards into the fabric of the American theatre of the thirties, or easing the nation's elemental discomfort with an active relationship between theatre and government that "almost succeed[ed] in preventing any future government support for the arts . . . [since it] served to point up the dangers . . . that might come with an official embrace."<sup>98</sup>

The "dangers" of this "official embrace" signify either government interference to defenders of the FTP and advocates of federal arts support, or government endorsed art to adversaries, but both sides acknowledge that a relationship between the government and the arts is problematic. The potential for government interference in artistic creation and/or in the functional process of theatrical production that was experienced during the FTP years was offset by the economic advantages, as well as the ideological legitimacy that government endorsement provided for both artists and the artistic project in

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97. See Jerre Mangione, *The Dream and the Deal* (Boston: Little, Brown and Company, 1972), 30.

98. Mulcahy, "NEA as Public Patron of the Arts," 316.

America, while adversaries argued that government endorsed art was a euphemism for propaganda. The underlying dispute during the FTP years centered on whether government should legitimize particular artistic products and grant individual artists the authority to speak on behalf of the nation, since both sides in the dispute recognized the FTP as distinct from either the commercial or the amateur theatre, and understood that this distinction as the Federal Theatre transformed the merit goods of artistic creation into public goods of national culture.<sup>99</sup> Finally, the FTP experiment accentuated the tensions between the distinct missions, standards, and structures of theatre and government, and because the government controlled the purse strings, it had the power to withdraw its patronage and terminate the practice of federal arts support. Artists and politicians returned to the colonial principle that art was a private concern, and over the next twenty-five years the two groups would maintain their distance from the other.

As the next chapter will demonstrate, the NEA was authorized in 1965 during another unique moment in American history. But, because of shifting environmental factors and the competing motivations and actions of dominant individuals who participated in the agency's authorization, many of the fundamental tensions that were experienced during the FTP years became embedded in the discourse of federal arts support and were assimilated into the NEA's design.

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99. The understanding that the FTP signified government endorsement of the artist and artistic creation can be observed in the testimony of Ellen S. Woodward before the Dies Committee. As Assistant Administrator of the WPA, she argued that "when Congress created [the FTP] . . . it became the agency of this Government and was duly authorized, and its value is assumed." The distinction between artistic production and cultural production can be observed in Dies acknowledgement that "a play may have all of the artistic qualifications . . . of pure dramatic production . . . but the dramatic critic is not charged with the duty of separating, or passing upon the question as to whether or not it spreads propaganda." See *Hearings on Un-American Activities*, 2730, 2804-05.

## CHAPTER 3

### FOUR PIONEERS IN THE THEATRE OF THE NEW FRONTIER

After the FTP was liquidated in 1939, there were almost yearly attempts to revive federal arts support, but efforts to frame and pass legislation either languished in committee or, in the rare cases when bills actually made it to the floor, were defeated by the coalition of conservative Republicans and Southern Democrats who had supervised the demolition of the FTP. In 1949, congressional arts torch-bearer Jacob Javits proposed that the FTP be remembered as a New Deal "scheme for unemployment relief," rather than a controversial and "frilly arts project," and thus established a new strategy for renewing federal arts support.<sup>1</sup> Taking their cue from Javits, advocates rarely mentioned the FTP by name, and the arts became a single, monolithic idea, and the theatre was pushed into the shadows, behind less controversial disciplines such as orchestral music and classical ballet. This blurring of disciplines helped to repress the negative connotations that surrounded the FTP experience as a federally subsidized theatre and also bundled the not-for-profit arts to create a more substantial and popular package of an American national "high" culture.

Over the next two decades, advocates tested a variety of rhetorical and argumentative strategies to link this new concept of a national culture with shifting political imperatives that included America's post-war international responsibility, cold-

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1. Congress, House, 81st Cong, 1st sess. *Congressional Record* 95, pt. 1 (24 January 1949): 514.

war competition, and finally, to domestic concerns that were at the heart of President Kennedy's New Frontier and President Johnson's Great Society.

For example, in the fifties, advocates tried to attach federal arts support to America's new role as an international missionary of democracy. Senator Herbert Lehman argued that "the fine arts . . . provide one of the most effective ways of transmitting to the peoples of the world the true essence of democracy."<sup>2</sup> During this decade, politicians were unusually unanimous in their support of the idea of very limited government funding for international cultural exchange, but when projects were initiated, conflicts between arts advocates and adversaries immediately arose. The incompatibility between the arts and government that had been demonstrated during the FTP years resurfaced in the attacks of both politicians and artists, who impeached the cultural exchange programs for being infiltrated by communists and privileging unpopular and abstract modern art.<sup>3</sup> Throughout the fifties then, although the government tentatively funded some short-term, minor arts projects, the vitriolic attacks by adversaries in Congress, as well as division within the arts community, resembled the conflicts between artistic and political aims and accountability that the FTP had encountered.

In the late fifties and early sixties, concerns about the ubiquitous military-industrial complex, quality of life, and economic security for all citizens became popular political priorities, and advocates were able to push their agenda for federal arts support on the basis of a redesigned rhetoric. New Jersey Senator Frank Thompson argued that "as the city of Athens so long ago became known as the home of all learning, so must

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2. Congress, Senate, 83d Cong., 2d sess. *Congressional Record* 100, pt. 4 (22 April 1954): 5374-75.

3. Gary O. Larson, *The Reluctant Patron: The United States Government and the Arts* (Philadelphia: University of Pennsylvania Press, 1983), 109-113.

America be known not only for her great strength and high levels of production but also for her . . . rich heritage of the arts."<sup>4</sup> During his presidential campaign, Kennedy evoked the idea of an American renaissance based on artistic quality when he declared that, "the age of Elizabeth was also the age of Shakespeare. And the New Frontier for which I campaign in public life, can also be a New Frontier for American Art . . . for we stand, I believe, on the verge of a period of sustained cultural brilliance."<sup>5</sup> These oratorical flourishes were most often interpreted as elite cheerleading, and while advocates proposed new arguments that lacked both depth and supporting evidence, adversaries had the advantage of historical authority and concrete experience. They merely reminded their colleagues of America's long-standing policy of a separation between the arts and government, which, if disregarded, would lead to another FTP-like disaster.

Previous scholarship, including Alvin Toffler's *The Culture Consumers: A Controversial Study of Culture and Affluence in America*, Gary Larson's *The Reluctant Patron: The United States Government and the Arts, 1943-1965*, Livingston Biddle's eyewitness account of the legislative origins of the NEA, *Our Government and the Arts*, and Joseph Wesley Zeigler's *Arts in Crisis: The National Endowment for the Arts Versus America*, provide a narrative of the social, economic, and political developments that were most often advanced and created a favorable environment in which the NEA was possible. My approach differs from -- but augments -- this previous scholarship since it focuses on the personal motivations and individual actions of primary figures in the

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4. Frank Thompson, "Our Cultural Crisis," *Progressive* 22 (June 1958), 24.

5. Quoted in "Nixon, Kennedy View Music and the Arts," *Musical America* 80 (October 1960), 11.

development of the professional not-for-profit theatre movement and the NEA.

The scholarship of political psychology provides the theoretical basis for my analysis of the inter-relationship between personal motives, individual actions, and their social and political consequences, and is offered in the context of Walter Lippmann's admonition that "to talk about politics without reference to human beings . . . is the deepest error in our political thinking."<sup>6</sup> The discipline of political psychology traces its roots to the work of Harold Lasswell, who proposed that political behavior results from personal motives being displaced on public objects.<sup>7</sup> In the late eighties, Fred I. Greenstein formulated two important conditions in which the personal motives and individual actions of the political "actor" will influence events: "(1) The likelihood of personal impact increases to the degree that the environment admits of restructuring; and (2) the likelihood of personal impact varies with the actor's location in the environment."<sup>8</sup> The following examination of the motives and actions of four individuals is not intended as a Great Man survey of the NEA, but rather, is consistent with Greenstein's conditions, since the American not-for-profit theatre was controlled by a small number of urban elites, and because the arts lobby lacked a unified organization before the NEA was established.<sup>9</sup>

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6. Walter Lippmann, *Preface to Politics* (New York: Mitchell Kennerley, 1913), 2

7. See Harold D. Lasswell, *Psychopathology and Politics* (Chicago: University of Chicago Press, 1930).

8. Fred I. Greenstein, *Personality and Politics*, 2nd ed. (Princeton, NJ: Princeton University Press, 1987), 41-45

9. In 1961, president of the Arts Councils of America, Samuel Gould, urged "increased communication within the arts [and] greater cooperation among arts organizations" because, as he noted, "one of the most serious problems of the arts is an absence of structural development that exists in fields like health, education, and welfare." See "One Voice Urged for the Arts," *New York Times*, 17 June 1961, 18.

As director of the Ford Foundation's Humanities and Arts division, W. McNeil Lowry was the most generous, and consequently powerful, theatre patron of the period. Between 1957 and 1965, Lowry used Ford money to pump \$8.6 million into the American theatre and was almost solely responsible for the professional not-for-profit institutional theatre movement, which generated a concrete constituency, or demand, for federal arts support.<sup>10</sup> August Heckscher served as America's first presidential arts consultant under Kennedy, writing an important government policy paper, *The Arts and the National Government*, which reiterated the earlier writings on the subject that he had undertaken as a member of a policy panel during the Eisenhower administration. Heckscher was also director of the Twentieth Century Fund, which commissioned two important economic studies of the performing arts.<sup>11</sup> Through his government work, Heckscher shaped a political rhetoric that included the arts as an important ingredient in modern American democracy, and the publications of the Twentieth Century Fund offered economic arguments indicating that the arts needed subsidy. John D. Rockefeller 3rd chose the arts as his special province, and he supervised the Rockefeller Brothers Fund's ideologically influential study, *Performing Arts: Problems and Prospects*, which not only unified the diverse agendas of the professional performing arts, but also provided a modern American justification for individual and corporate philanthropy. Finally, although Lyndon Johnson holds a distinct position by virtue of being President of the United States, and if he is not a "pioneer" in the same sense as Lowry, Heckscher, and

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10. Lowry also provided massive support to the other performing arts, such as modern dance, ballet, and symphony orchestras. See Baumol and Bowen, *The Economic Dilemma*, 542-547.

11. The Twentieth Century Fund studies are Baumol and Bowen's *The Economic Dilemma* (Cambridge, MA: M.I.T. Press, 1966), and Netzer's *Subsidized Muse*.

Rockefeller, his extremely personal motivations provided the final and crucial impetus that insured passage of the enabling legislation for the NEA, and he should therefore be considered along with the others in this examination of the sources of the next pattern of attraction and repulsion between the arts and government that reflect the fundamental conflicts of modern American public arts policy.

*Lowry Launches a Movement*

Before 1957, there were only a handful of legally incorporated, tax-exempt, not-for-profit theatres that were established enough to meet the criteria necessary to receive foundation grants. American theatre was, by and large, considered either completely commercial or completely amateur, unlike symphony orchestras and operas, which had been established as not-for-profit enterprises in the late nineteenth and early twentieth century.<sup>12</sup> The rise of not-for-profit theatres in America, according to Joseph Wesley Zeigler, "depend[ed] upon the concept of theatre as an institution rather than as an entrepreneurial phenomenon."<sup>13</sup> In the late fifties, developments both in New York and throughout the country suggested that a new concept of an American institutional theatre was developing.

When the Group Theatre broke up in 1941, with America on war-alert, it seemed that the effort to establish an American art theatre as an alternative to Broadway had failed. After the war and during a period of economic recovery, Margo Jones established

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12. See Levine, *Highbrow/Lowbrow*, and Paul J. DiMaggio, "Cultural Entrepreneurship in Nineteenth-Century Boston," in *Nonprofit Enterprise in the Arts: Studies in Mission & Constraint*, ed. Paul J. DiMaggio (New York: Oxford University Press, 1986).

13. Joseph Wesley Zeigler, *Regional Theatre: The Revolutionary Stage* (Minneapolis: University of Minnesota Press, 1973), 2.

her not-for-profit Theatre '47 (Theatre '48, Theatre '49, etc.), and soon not-for-profit theatres opened in Milwaukee, Virginia, Boston, and Detroit. In New York, the not-for-profit Living Theatre began producing "poetic dramas" in 1948, followed by Circle in the Square (1951), the Phoenix Theatre (1953), and the New York Shakespeare Festival (1954).

These new theatres indicated that it might still be possible to establish organizations that placed art before commerce. The decentralization of Broadway that Flanagan and others had tried to bring about seemed to be occurring naturally as the American theatre was once again organically adapting to economic and social conditions that included rising production costs on Broadway and fewer Broadway theatres, but also included increased economic prosperity and leisure time, a greater number of theatre programs in American colleges and universities, and a more fluid population.

These changes in American theatre and society were in harmony with W. McNeil Lowry's conviction that "theatre is a cultural rather than commercial resource."<sup>14</sup> Lowry was born in 1913, in Columbus, Kansas, which he proudly pointed out "is 80 miles from the exact geographical center of the United States."<sup>15</sup> Lowry earned his Ph.D. in English at the University of Illinois, and then joined the faculty. During World War II he wrote for the Office of War Information and then worked at the International Press Institute. When he returned to the States, Lowry pursued a career as a journalist, serving a brief stint as editor of the *Dayton Daily News* (Ohio), until he convinced James M. Cox, president of Cox Newspapers, to put him in charge of a new Washington Bureau. Lowry

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14. W. McNeil Lowry, "The Ford Foundation and the Theatre," *Equity*, May 1961, 16-20.

15. Arthur Gelb, "Ford Fund Plans Wider Aid to Arts," *New York Times*, 5 October 1962, 1, 25.

was enlisted by the Ford Foundation in 1953, after a major realignment of Ford's priorities and an organizational restructuring. In 1957, he convinced Foundation president Henry Heald to create a separate Humanities and Arts division, of which Lowry became director.<sup>16</sup>

From 1957 to 1961, Lowry directed his new division to make small, "exploratory grants" to the emerging not-for-profit theatre movement, which, at the time, only Lowry envisioned. By his own account, "[when Heald asked me] to "come up with a couple of ideas, I came up with launching a movement in the United States for resident professional theatre companies."<sup>17</sup> These exploratory grants gave Lowry the opportunity to "test whether or not individual awards to artists could be effectively placed and administered . . . [as well as to] validate the jury system of awards . . . and give the staff valuable knowledge, contacts, and experience."<sup>18</sup> During these four years, Lowry dispersed grants under two categories -- "Development of Individual Talent" and "Experiments and Demonstrations." Lowry ingeniously disguised his ambition for "launching a movement" behind a terminology that evoked academic fellowships and scientific research models, both of which were easily accepted by the Ford Foundation and the philanthropic community, since both models had established forms of accountability that were familiar to foundation personnel.

Satisfied with his survey of the field, and having gained the knowledge,

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16. "Lowry to Head Ford Foundation Planning in the Arts," *New York Times*, 22 June 1964, 22.

17. W. McNeil Lowry, interview by Sharon Zane, January 1990, transcript, Oral History Project, Lincoln Center Archives, Lincoln Center for the Performing Arts, New York City, 39.

18. Richard Magat, *The Ford Foundation at Work* (New York: Plenum Press, 1979), 36.

information, and contacts that he had hoped for, Lowry was able to build a case to persuade the Ford trustees to fund his dream. In proposing his unprecedented grant package, Lowry convinced the trustees that it was time for "an American theatre movement [that] reaffirm[s] and extend[s] the institutional concept."<sup>19</sup> Lowry's plan was attractive to the Ford trustees because, according to William McPeak, vice president of the Foundation, "foreign leaders have told [the trustees] that one of the greatest services they could perform internationally would be to strengthen the quality and fabric of the American society at home," and that "the federal government is unlikely to sponsor a major subsidy program within the next decade."<sup>20</sup> In addition, according to Lowry, "the board loved the Humanities and Arts program because they could get on the front page with a \$60,000 grant, because nobody else was doing it."<sup>21</sup> Of course, as the primary patron in a new field of philanthropy, Lowry (and Ford) could exert enormous influence to insure that the not-for-profit theatre developed in accordance with his plan.

On October 10, 1962, Lowry announced that nine not-for-profit theatres would share a \$6.1 million grant package.<sup>22</sup> Overnight, Lowry, whose only theatre experience

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19. "Strengthening of Resident Theater in the United States," Docket excerpt, board of trustees meeting, 27-28 September 1962, Ford Foundation Archives, Ford Foundation, New York City.

20. Gelb, "Wider Aid to Arts."

21. Lowry, interview with Zane, 40.

22. The nine theatres which received part of the 1962 Ford Foundation grant package were Actors Studio (NYC, \$250,000), Actor's Workshop (San Francisco, \$197,000), Alley Theater (Houston, \$2,100,000), American Shakespeare Festival (Stratford, CT, \$503,000), Arena Stage (Washington DC, \$863,000), Guthrie Theatre (Minneapolis, \$337,000), Fred Miller Theater (Milwaukee, \$100,000), Mummer's Theatre (Oklahoma City, \$1,250,000), and the U.C.L.A. Theatre Group (Los Angeles, \$500,000). See [Richard Magat], "News from the Ford Foundation," Press release, 10 October 1962, Ford Foundation Archives, and Arthur Gelb, "9 Nonprofit Theatres Granted 6.1 Million by Ford Foundation," *New York Times*, 10 October 1962, 1, 44.

was a youthful try at playwriting, became the reigning savior of the American theatre. Lowry staged his press conference at Sardi's, a bastion of the New York commercial theatre, and the announcement not only signaled the official birth of the not-for-profit theatre movement in America but insured that, like Athena, it would be born full-grown, with Lowry and Ford cast as her father Zeus.

The Ford press release which heralded this remarkable event explained that the grant package was meant "to strengthen the repertory theater in the United States [and] to help selected professional groups reach and maintain new levels of artistic achievement and financial stability."<sup>23</sup> For Lowry, the specific long-term results of the grants (artistic achievement and financial stability) were less important than the role that these theatres would play his vision for a future cultural utopia:

The emergence of permanent companies over the past decade has become the chief hope for the advancement of serious American drama [and] it is fortunate also that . . . trends in the theater are matched by a new awareness of theater as an important cultural resource by community leaders in Houston, Minneapolis, Oklahoma City, and elsewhere.<sup>24</sup>

Perhaps because the Ford Foundation was particularly responsive to the assembly line technique of mass production that Henry Ford had pioneered, or perhaps as a result of Lowry's personal inclination toward theatres "that would set national artistic standards," the 1962 grant package established a particular type of not-for-profit theatre -- the institutional theatre, and a particular type of theatre professional -- the arts administrator.<sup>25</sup>

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23. "News from the Ford Foundation."

24. Ibid.

25. Typically, these early arts administrators had little background or training in not-for-profit arts management. Magat, *Ford Foundation*, 130.

Skeptical observers like Martin Gottfried were concerned about Lowry's dominating influence over the not-for-profit theatre movement:

When Mr. Lowry writes or speaks of the theater, it is about a theater that does not present plays or house actors. It is not the theater as a stage occurrence but only as an institution, a cultural entity. Always as some antiseptic, organized thing. For Lowry as for the Ford Foundation . . . the plain excitement of theater has been sterilized out as if it were a disobedient, undisciplined kind of vulgar germ that cannot fit into the neatly bound organizational schemes which are so close to their hearts.<sup>26</sup>

Gottfried's characterization of Lowry is unduly harsh. Lowry's concern for and interest in the arts is indicated by his diligent work on their behalf, first at Ford, and later, as president of the San Francisco Opera.

What is most notable about Lowry, other than his love of the arts, is that he was a hubristic, dogmatic, and often contradictory cultural pioneer who was extremely aware of his own role. Henry Ford II himself had asked Heald, "when are we going to keep Mac Lowry from being a czar in the arts?" In the Lincoln Center oral history project that Lowry participated in between 1990 and 1993, he often refers to himself in the third person -- "he had a very good rapport with Mac Lowry," or "what Lowry's program was interested in," or "since they had not gotten in Lowry's way." In describing one of his division's first theatre grants, to the Cleveland Playhouse in 1957, Lowry explains, "I was taking a specially developed and trained company of actors . . . all around the country," giving the incorrect impression that he was a tour manager rather than an office-bound patron.<sup>27</sup>

One source of Lowry's czar-like behavior can be traced back to his aborted

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26. Martin Gottfried, *A Theatre Divided* (Boston: Little, Brown and Company, 1967), 103.

27. Lowry, interview with Zane, 111, 52, 80, 94, 60.

attempt to become a playwright and novelist. Bitterly, Lowry remembers, "I had the stupid idea that I could take a Ph.D., teach, adjust to a marriage, and so on, and still find time to write."<sup>28</sup> Lowry was lucky that he was able to design a career that combined his artistic interests with a high paying bureaucratic position. Unfortunately, the personal conflicts that Lowry reconciled in his role as arts czar became manifest in his alternating focus on the artistic and then the financial and organizational aspects of the American not-for-profit theatre. This dichotomy echoes the split mission problem which the FTP confronted, and it would become the fundamental paradox of the institutional movement that Lowry launched with his \$6.1 million grant package.

The contradictions in Lowry's approach are evident in the following four examples. First, on October 5, 1962, Lowry was publicly critical of those "who seem to think they can buy culture through having fine buildings and artistic festivals," yet when he announced Ford's grant package five days later, the bulk of the money was for bricks and mortar.<sup>29</sup> In 1963, Lowry gave Lincoln Center another \$25 million, bringing Ford's total contribution to the first and most massive of America's cultural centers to \$50 million.<sup>30</sup> Second, in 1962, Lowry believed that efforts to strengthen the American not-for-profit theatre movement should be limited and temporary, serving as venture capital that the theatres would use to increase their earned income, local support, and finally achieve financial stability. In fact, he justified his 1962 initiative with the argument that "each of the grants . . . is related to impressive local efforts . . . [to strengthen] theater

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28. *Ibid.*, 5.

29. "News from the Ford Foundation."

30. Magat, *Ford Foundation*, 168. Lowry attributes Ford's massive support to Lincoln Center as "the blandishment of the idea . . . [and] the close ties and elbow rubbing of the American establishment." See Lowry, interview with Zane, 110.

companies as continuous and well-established outlets for talent and as important centers of cultural life in the community . . . [and were awarded] only when it could be demonstrated that the theater could reach the break even point."<sup>31</sup> However, by 1967 Lowry would admit that the American not-for-profit theatre, "like the symphony and the opera, will have to be operated on a deficit basis."<sup>32</sup> Third, according to a Ford insider, because Lowry did not "enforce financial discipline on the grantee companies," an "entitlement dilemma" became apparent in the early seventies:

The original idea of these grants was to help institutions grow or improve; therefore, budget increases were required . . . but such grants create dependency . . . there was too great a tendency on the part of the grantees to regard the Foundation as a cushion that they could always fall back on.<sup>33</sup>

While Lowry insisted that the Ford grant package would lead to financial stability, he seemed to place little importance on monitoring the impact of the money on the grantee's budgets. Fourth, in these early years, Lowry urged theatres to develop strong boards. Later, he felt that boards were "usurp[ing] the prerogatives of artistic leaders," and described the typical not-for-profit arts board as "absolutely moronic, destructive, indifferent and stupid! I mean, how many people can waste money better than bankers or real-estate people?"<sup>34</sup>

Because of his limited experience in the theatre, as well as the new, unformed nature of the not-for-profit movement, Lowry's learning process was necessarily one of trial and error. When an action revealed or generated an unanticipated problem, Lowry

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31. "Strengthening of Resident Theatre," Docket excerpt.

32. Lewis Funke, "Theatre Groups Get Ford Grants," *New York Times*, 19 May 1967, 34.

33. Magat, *Ford Foundation*, 131, 128.

34. Jack Anderson, "W. McNeil Lowry is Dead," *New York Times*, 7 June 1993, 8 (D).

merely redirected the target of his patronage from the individual artist to the institution, or vice versa, instead of acknowledging that his basic design for the movement might be flawed.

In order to evaluate the impact of the Ford grant package, we must understand the economic context into which the money came pouring. Unfortunately, financial data for the field before the early seventies is hard to find, primarily because the "concept of theatre as an institution" did not exist, and because there were no regulated accounting requirements for the few existing not-for-profit theatres that were operating before 1962. But a sketchy portrait of the economic conditions of the recipients of Lowry's largesse can be pieced together from a variety of sources. For the 1961-62 season, previous to the Ford grant package, total operating expenses for seven of the nine grantees was approximately \$1.6 million, or an average individual theatre budget of \$228,571.<sup>35</sup> The Guthrie Theatre and Actor's Studio cannot be included in the calculation because neither of them had produced a season before their Ford grants, so they did not have actual

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35. See Sandra Schmidt, "The Regional Theatre: Some Statistics," in *TDR* 10:1 (Fall 1965), 50 - 61; "Strengthening of Resident Theater in the United States," Docket excerpt: grant 06200488, The Actors Studio, Inc., 1 January 1963 -31 December 1964; grant 06200489, San Francisco Actor's Workshop Guild, 4 October 1962 - 3 October 1964; grant 06200490, Alley Theatre, 15 August 1963 - 1 February 1969; grant 06200491, American Shakespeare Theatre and Academy of Connecticut, 4 October 1962 - 20 September 1966; grant 06200492, Washington Drama Society, Inc., 1 October 1963 - 30 June 1972; grant 06200493, Drama Incorporated, 4 October 1962 - 3 October 1964; grant 06200494, Guthrie Theatre Foundation, 4 October 1962 - 31 December 1970; grant 06200495, Mummens Theatre, Inc., 17 February 1966 - 16 February 1969; grant 06200496, Regents of the University of California, 4 October 1962 - 3 October 1970; "Demonstration Project in Residential Repertory Theatre." grant 06000018, Alley Theatre, 25 November 1959 - 24 November 1963; grant 06000019, Washington Drama Society, Inc., 24 November 1959 - 23 November 1963. "Financial position of the Guthrie Theatre Foundation." grant 07200422, 1 January 1972 - 31 December 1975. Ford Foundation Archives; Murray Teigh Bloom, with research by Mia Fritsch Agee, "The Economic Problems of the American Theatre," Background paper prepared for the Rockefeller Brothers Fund panel on the performing arts, 15 November 1963, Americans for the Arts Library, Americans for the Arts, New York City, 132.

operating budgets for production activity for the 1961-62 season. If the grant amounts made to the Guthrie and Actor's Studio are subtracted from Ford's \$6.1 million, a little over \$5.5 million went to the remaining six theatres, thus increasing the average budget size for each theatre by more than four hundred percent.<sup>36</sup>

Despite this enormous and new level of support, of the nine Ford theatres, four were soon out of business and one had trouble meeting the conditions of its grant.

According to Gottfried;

Fred Miller's theatre folded. The Actor's Workshop lost Herbert Blau and Jules Irving to Lincoln Center, and along with them most of its Equity actors; it finally collapsed . . . The Actors Studio Theatre blew its \$250,000 through disorganization, bad planning, foolish spending and poor judgement . . . The Mummer's Theatre -- an abysmally amateur, Bible-belted company -- was not even able to use its funds . . . because of difficulties getting land for a new theatre.<sup>37</sup>

John Houseman soon left the U.C.L.A. Theatre Center, and the company's \$500,000 Ford grant laid dormant for five years until it was transferred to another not-for-profit entity, the Center Theatre Group of Los Angeles. The fact that more than half of Lowry's projects failed suggests that his basic scheme to subsidize a network of permanent institutions with high artistic standards was flawed, or that the original criteria he established to decide which theatres could accomplish his aims were ineffective.

Lowry believed that the Ford money was venture capital that would allow theatres to realize their artistic potential, which would attract larger audiences and thus increase their earned income, and would eventually cover the higher costs of artistic salaries, longer seasons, and expanded administrative structures. Lowry's approach to the

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36. While it is true that in some cases the Ford grants were paid to awardees over a number of years, the size of the awards in relation to the size of the field previous to the grants is significant.

37. Gottfried, *A Theatre Divided*, 99.

challenge of supporting and encouraging high artistic standards was flawed for three reasons. First, the creativity which is at the heart of artistic quality can rarely be achieved by money alone. At Arena, for example, the contracts which guaranteed ten actors thirty-nine weeks of work at two hundred dollars per week for the 1962-63 season certainly had a positive impact on their personal fortunes, but it did not necessarily make them better actors.<sup>38</sup> Nor did a contract for one season insure that the best among the company would return to Arena the next season if they were offered a commercial Broadway production, or a film or television series. In fact, the successful Ford grantees often encountered problems signing the actors they felt they needed and retaining the best actors.<sup>39</sup> Although the Ford actors received a guarantee of thirty or more weeks of work at the Ford theatres, at a weekly salary level that was almost double what they would receive from a minimum Broadway contract, the higher salary levels did not seem to persuade actors to turn down the chance to perform on Broadway. Finally, the Ford contracts set artificially high and unsustainable salary levels which the grantees would have difficulty covering on their own without regular subsidy.

Second, Lowry's decision to funnel money for artists through permanent institutional theatres tended to privilege costly institutional growth over artistic achievement, and set a too rapid pace of institutional expansion that was also extremely difficult for these theatres to sustain. For example, while the Arena was able to increase its subscriber base and extend its season, thus increasing its earned income, the

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38. Equity's Broadway contract that was in force for the 1962-63 season stipulated a minimum weekly salary of \$117.50. See Actors' Equity Association, *Equity Rules Governing Employment*, 1962.

39. See "Demonstration Project," grant 0600019, and "Strengthening Resident Theatre," grant 06200492, Washington Drama Society.

combination of increased artistic expenses, an expanding administration, and a hungry physical plant devoured the additional income.

Third, Lowry's 1962 initiative established a dual mission of artistic quality and institutional permanence for the grantees. As we have already seen in the case of the FTP, dual missions seem to make it difficult for a theatre to effectively design and operate within multiple sets of standards and structures. For example, artistic quality may be measured against standards of artistic satisfaction, innovation, or challenging repertory, while institutional permanence is usually measured on the basis of bricks and mortar, expanding audiences, and increases in unearned income, which demonstrates the institution's importance to the community. When a theatre has a dual mission, it will be challenged to reconcile the conflicts that may arise as a result of these different standards. Because artistic standards are much less tangible than institutional standards, there will be a temptation to focus on the tangible standards.

The impact of Lowry's grant package can be examined in more detail when we review what happened in the case of one of the four theatres that was able to achieve permanence.<sup>40</sup> In 1962 Arena Stage received \$863,000 from Ford to pay off the mortgage and complete construction on a new, larger theatre complex which Artistic Director Zelda Fichandler had been developing since 1960. Fichandler actually opened her new theatre on October 30, 1961, with a production of *The Caucasian Chalk Circle* -- almost a year before Lowry's announcement of the Ford grant package. In 1962,

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40. Although this analysis focuses on the Arena, the same pattern of institutional advancement can be observed in the Alley Theatre and the other two surviving Ford grantees. The Guthrie was initially established as a subsidized institutional theatre, since it did not begin producing until after the Ford award, and the American Shakespeare Festival had always been "subsidized" by an active touring and educational program. See "Strengthening Resident Theatre," grant 06200490, Alley Theatre, and grant 06200491, American Shakespeare Festival and Academy of Connecticut.

following the pattern of previous seasons and before the Ford money had arrived, Arena posted an operating surplus of \$33,280 -- all the more astonishing since the theatre was carrying a mortgage, paying interest on bonds which it had sold for the new building, and making capital expenditures.<sup>41</sup>

According to Lowry, the Ford grant would allow Fichandler to "complete the project [and] unencumber her operating budget for artistic and administrative expansion."<sup>42</sup> Fichandler would soon learn that expansion was expensive and habit forming. The expansionist approach that the Ford Foundation encouraged quickly transformed the Arena from a fiscally healthy theatre whose gradual growth had been paid for out of consistent operating surpluses into a deficit-based not-for-profit institution. In fact, it was Lowry who persuaded Fichandler to convert the Arena from a limited partnership to a not-for-profit, tax-exempt entity.<sup>43</sup>

In 1964 the Arena posted its first deficit of \$54,005. Over the next six years the Arena's box-office income continued to flourish, its operating budget continued to expand, and its deficit grew. While Arena's deficit was partially the result of increased production expenses in support of an expensive attempt at rotating repertory in 1967-1968 which Lowry encouraged, administrative expenses and "occupancy costs" for the new physical plant absorbed the bulk of the theatre's swelling earned income.<sup>44</sup> During its

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41. See "Demonstration Project," grant 0600019; "Strengthening of Resident Theatre," grant 06200492, Washington Drama Society.

42. "Strengthening Resident Theatre," Docket excerpt.

43. W. McNeil Lowry to Zelda Fichandler, 12 August 1959, Ford Foundation Archives.

44. For Lowry's endorsement of the repertory system see "Strengthening Resident Theatre," Docket excerpt. Arena's box-office receipts grew from a 1962 level of \$407,247 to \$633,882 in 1970. See "Demonstration Project," grant 0600019 and "Strengthening of Resident Theatre," grant 06200492, Washington Drama Society.

1969-1970 season the Arena had overspent by \$315,484 and was rewarded with a \$900,000 grant from Lowry, in partnership with the NEA, "to cover anticipated operating deficits over the next three seasons in an effort to create a measure of financial security for the theater."<sup>45</sup> This grant was predicated on the Arena's deficit remaining at the \$300,000 level, but in the next season its deficit jumped to \$498,133. Although we will never know how the Arena would have fared if it had continued to fund its own growth through increased earned income and frugal spending, it is clear that Lowry's 1962 grant package did not promote financial stability but stimulated overspending and established a new and still standard model for the deficit-based, institutional, American not-for-profit theatre.<sup>46</sup>

While Lowry finally assimilated the actual impact of his actions into a revised concept of an American not-for-profit theatre movement that would have to be subsidized, he never reconciled his apprehension about direct government patronage with the economic need of a subsidized theatre. Like many advocates, Lowry was unable to fully repress his apprehension about a formal and direct relationship between the arts and government in America, or overcome the apparent incompatibility between material need and an idealized concept of art. According to Lowry, "[government] money is going largely into a steady amateurization and popularization of the arts."<sup>47</sup> It is interesting to note that in the sixties, Lowry and other advocates began to revive the nineteenth century

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45. Laurence Maslon, *The Arena Adventure: The First 40 Years* (Washington D.C.: Arena Stage, 1990) 43; "Demonstration Project," grant 0600019 and "Strengthening of Resident Theatre," grant 06200492, Washington Drama Society.

46. It is worth noting that a condition for establishing or maintaining not-for-profit status that is authorized by an initial Letter of 501(c)3 Determination from the Internal Revenue Service requires that an organization spend at least what it earns.

47. Congress, House, Committee on Education and Labor, *Hearings before the Select Subcommittee on Education of the Committee on Education and Labor on the economic conditions in the performing arts*. 87th Cong., 1st and 2d sess., 1961, 1962, 248.

use of "popular" as a negatively qualitative critical term, thus eclipsing its positive association with the idea of democratic accessibility that had been common during the FTP years.<sup>48</sup> When advocates emphasized this new interpretation, they distanced themselves from the memory of the FTP and other WPA arts projects that had been established to insure the survival of the arts and promote their national expansion. Advocates metaphorically circled their wagons around a new principle that proposed the arts as an expression of American excellence, which was particularly evocative during a period when the popular media, especially television, were expanding at a rapid rate.

#### *Heckscher Crusades for Excellence*

Although Lowry's actions on behalf of the American not-for-profit theatre movement were unprecedented, they were consistent with a renewed awareness of the civic value of the arts in American democracy and resembled ideas that Percy MacKaye had expressed at the beginning of the century. While politicians experimented with new rhetorics in their attempt to minimize the majority's apprehension about a formal relationship between the government and the arts, they had the disadvantage of having to attach these new rhetorics to specific legislation. Their invocations of Athens and Renaissance England were interpreted as rather shameless rhetorical ornaments when bills were sent to congressional rules or conference committees. Just as the Kennedy administration had defined the civil rights movement as a political issue after the moral dilemma of the lack of freedom and equality in America had become apparent, advocates needed to formulate a central principle for federal arts support that would resonate

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48. Raymond Williams, *Keywords: A Vocabulary of Culture and Society* (New York: Oxford University Press, 1983), 237.

beyond a single legislative action. The challenge for advocates was that the arts were at least present and available in American society. Theatre was being produced on Broadway, books were being published, records were being pressed, and the marketplace certainly offered citizens many opportunities to experience art. Therefore, advocates would have to distinguish between the popular and commercial forms of art that were driven by market forces but were readily available, and high, or elite art, that required subsidies which could free it from market forces but also make it available to a broad audience.

Lowry's vision of an American not-for-profit theatre movement merely built upon the innovations of a few individuals who had established not-for-profit theatres that were dedicated to artistic rather than commercial goals. These theatres offered further proof that the development of American culture did not depend on governmental support. However, the arts lobby made a tactical mistake and assimilated these individual innovations into their argument for federal arts support. Advocates offered these few theatres and other performing arts enterprises as exhibits which indicated that America had an interest in high culture and that these institutions therefore merited the government's attention and financial support. Advocates also used their exhibits to demonstrate that there was, as yet, not enough popular interest to insure the movement's existence or expansion, and therefore the arts needed government funds to survive and flourish. This argument was weak because it reflected the same principles that were used as a justification for the FTP, and it was based on the limited experience of a few theatres. In addition, it lacked a point of engagement for those who were apathetic or hostile to the arts. While Lowry and the arts lobby focused their attention on existing not-for-profit arts institutions, August Heckscher refined his theories about the civic

function of the arts in modern democracy.

Although Heckscher wrote a chapter on the arts that was included in the 1960 *Report of the President's Commission on National Goals*, and although he served as America's first presidential consultant on the arts under Kennedy, he most often makes only a cameo appearance in narratives of the arts debate, and his views on the relationship between the arts and government have faded into the background. One possible explanation for this phenomenon could be that scholar-advocates wanted to reduce the paternalistic tone of Heckscher's concept of modern democracy, which relied heavily on political theory, in their continuing efforts to "demystify" the arts. It is also likely that Heckscher's apprehension about direct federal subsidy to the arts was perceived as a betrayal. But because Heckscher had the ear of two presidents and consistently argued that there could be a positive, though limited relationship between the government and the arts in American society, he should be considered an important cultural pioneer whose contributions deserve examination.

August Heckscher lived a privileged childhood that reflected the upward mobility of American democracy at work. His immigrant grandfather became a powerful real-estate magnate who often foiled John D. Rockefeller, Jr.'s attempts to control New York City's real-estate market.<sup>49</sup> Heckscher was marked as a scholar early on, receiving degrees in Government from Yale and Harvard, and he took a teaching post at Yale after graduation.<sup>50</sup> He left the academy to become chief editorial writer for the *New York Herald Tribune*, and later became director of the privately endowed Twentieth

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49. Peter Collier and David Horowitz, *The Rockefellers* (New York: Holt, Rinehart and Winston, 1976), 205.

50. See Arthur Gelb, "White House Names Heckscher to be Coordinator of Culture," *New York Times*, 22 February 1962, 14.

Century Fund, thus continuing the tradition of philanthropy that his grandfather had established with the Heckscher Foundation for Children, as well as his many contributions to the cause of conservation and public beautification, that included donations of land for New York parks.<sup>51</sup> After serving as Kennedy's special consultant on the arts, Heckscher briefly returned to the Twentieth Century Fund but, at Mayor Lindsay's urging, replaced Robert Moses as New York State Parks Commissioner, which was a logical career move for Heckscher, who was an early and active conservationist. Heckscher's professional choices reveal a man who was motivated by a desire to compensate the country that had provided him with his privilege, and they also suggest the origin of his particular, "aristocratic" understanding of the relationship between citizens and government in America.

According to Heckscher, "a healthy and active democracy must develop among its citizens a shared feeling for what is important in life; for the distinctions between first things and last; for the order and degrees of good." He believed that the New Deal era had been incorrectly based on satisfying special group interests, rather than on the "obligation to the whole."<sup>52</sup> The concept of the welfare state that was central to New Deal policies struck Heckscher as a purely administrative and bureaucratic function that displaced the more essential and intangible responsibility of modern democracy, which was to shape civilization in ways that gave "substance to [our] daily life."<sup>53</sup> Arts advocates correctly interpreted Heckscher's analysis of the New Deal as a critique of their

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51. Eric Pace, "August Heckscher, 83, Dies: Advocate for Parks & Arts," *New York Times*, 7 April 1997, 9 (B).

52. August Heckscher, *A Pattern of Politics* (New York: Reynal & Hitchcock, 1947), 197, 148.

53. August Heckscher, *The Public Happiness* (New York: Atheneum, 1962), 230-231.

efforts, since he suggested that modern democracy surrendered its obligation to establish well defined policies that would benefit all citizens when it gave in to the pressure of special interest groups, such as the arts lobby.

Heckscher believed that the New Deal welfare state established a pattern in which American government initiated public works programs in response to pressure from special interest groups, but these programs reinforced a mass tendency in modern society, since they were often realized at the expense of the individual's spiritual happiness. In Heckscher's American Republic, the most important quality of government was a sensitivity to the individual, which required politicians to design policies that could conserve "the individual . . . who is chiefly afraid of becoming part of the mass." For Heckscher, the danger of mass society was that it encouraged us "to fall below our best standards."<sup>54</sup> Therefore, the role of government was to recognize what was "best," and then develop policies that maintained excellence and encouraged its attainment.

As one example, Heckscher believed that the building of highways was motivated by a desire to speed up traffic, but the builders seemed to lack an awareness of how their highways would damage the aesthetic quality of a "harmonious civilization."<sup>55</sup> Because the modern citizen had more leisure to contemplate the environment, instead of struggling to conquer it, modern government should encourage public contemplation of the highest order. Better highways might facilitate better traffic, but Heckscher felt that this merely indicated surrender to the automobile culture and did nothing to advance human culture. Because Heckscher believed that the project of modern democracy was

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54. August Heckscher, *The Individual and the Mass* (New York: Twentieth Century Fund, 1965), 10.

55. *Ibid.*, 230, 231, 233.

to provide a human perspective for technological advancement in order to insure that the individual would not be overwhelmed by the scale and pace of faceless, mass modernity, the arts were "essential to the nation's moral well-being," since, "with the truth of the artist and the maker revealed to it fully and understood, a people would be able to preserve for itself, even amid numbers and mechanization, the values of individualism."<sup>56</sup> Just as government support of a liberal education, as opposed to technical training, was a proper concern of modern democracy because it offered citizens "a sense of detachment, freedom, illusion and play," the arts were also essential to the public happiness and were therefore a proper concern of government.<sup>57</sup>

Unfortunately, Heckscher observed that "the tradition of art as something to be recognized by the state as highly significant because it is the expression of order and the embodiment of inward values" was being ignored in favor of the popular arts, which sought the broadest mass audience.<sup>58</sup> Therefore, Heckscher distinguished popular art, which was best suited to television, industrial design, and advertising, from the fine arts, which were "the creations of the few, directed to the comparatively small and specialized audience," whose practice demanded "the maintenance of excellence and the concentration of an intense and undefiled artistic life." He proposed that although the fine arts existed in a "necessarily rarefied space," they prevented popular art from "becoming dehumanized and vulgar."<sup>59</sup> Although Heckscher's elite bias did not play well

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56. August Heckscher, "The Quality of American Culture," in *Goals for Americans: The Report of the President's Commission on National Goals* (New York: Prentice Hall, Inc., 1960), 133.

57. Heckscher, *Public Happiness*, 188, 199.

58. *Ibid.*, 292.

59. Heckscher, *National Goals*, 134.

in his own time and is perhaps even more distasteful in our inclusive, contemporary society, it is, nonetheless, the origin of a more acceptable and commonly held view. When distinctions between popular and high, or not-for-profit art are made, the implication is that while popular art is driven by market forces, the not-for-profit arts require subsidy to protect them from the debasing pressures of the commercial marketplace. While popular art is the result of popular tastes, the not-for-profit arts must remain dedicated to less popular artistic goals, not only because they function as a living museum of past traditions, but also because they carry on research and development that is absorbed by the popular arts, where they can be appreciated by a broad audience, as well as serve the standards of excellence.

While Heckscher's views on the responsibility of government to protect the individual from mass society were relatively abstract and complicated, he was extremely clear about distinctions between the fine and popular arts. He proposed four principles that advocates either heeded and enlisted into their arts debate, or ignored; (1) excellence in the arts can only be achieved by professional artists; (2) art is not immediately enjoyable; (3) any attempt to broaden public appreciation of the arts may diminish their excellence; and (4) art must be supported for its own sake.<sup>60</sup> When Heckscher applied these four principles to the relationship between the government and the arts, he concluded that "government's role in the arts must always remain peripheral," and he imagined "an organic relationship -- loose and flexible in terms of organization."<sup>61</sup> Since Heckscher believed that one of the most important characteristics of the fine arts was

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60. Ibid., 135-136.

61. Congress, Senate, *The Arts and the National Government. Report to the President Submitted by August Heckscher, Special Consultant on the Arts, May 28, 1963*. Senate Document No. 28, 88th Cong., 1st sess., 72; *Public Happiness*, 281.

that they were the creation of individuals who had successfully defined a private sphere in mass society, and since politics tended to be overly concerned with "the way it affects numbers of men, strikes a bold average, builds hugely and in the mass," the relationship between them must remain indirect if the arts were to effectively fulfill their role.<sup>62</sup>

Heckscher considered the shifting rhetorics of advocates as a negative force that was only possible because the government lacked a comprehensive and far-sighted arts policy. As a result of this lack of public policy, the government had been allowed to exploit the arts as "commodit[ies] of national prestige . . . [and] an attraction for tourists," in exchange for temporary support. This short-term exploitation of the arts had displaced the more essential government obligation to set standards of excellence and had also tended to establish a discourse in which the arts were seen as ornaments to other national priorities, rather than valuable for their own sake.<sup>63</sup> Heckscher's disappointment with the past efforts of advocates is an underlying feature of his report to President Kennedy -- *The Arts and the National Government* -- in which he catalogued the numerous government agencies that provided indirect financial support to the arts. If advocates only wanted government money, Heckscher demonstrated that it was certainly available.

In *The Reluctant Patron*, Gary Larson states that Heckscher's report "called for . . . a national arts foundation."<sup>64</sup> I dispute Larson's conclusion and believe that we must interpret Heckscher's attitude toward the pending legislation for the National Arts Foundation as a half-hearted acceptance of a *fait accompli*. Heckscher did not want to be accused of sabotaging the effort, but, since the legislation was in advance of what he

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62. Heckscher, *Public Happiness*, 275.

63. *Ibid.*, 280.

64. Larson, *Reluctant Patron*, 168.

considered to be the more important task of framing an arts policy, he suggested that the National Arts Foundation should be seen as only a first step toward "what could become a permanent policy giving form to the relationship between government and the arts." Heckscher urged advocates to use the opportunity that was presented by the expanded national interest in the arts to participate in an "assessment of the problems and needs of the arts and the formation of sound and realistic public policies," otherwise the "government [may] impose obstacles to the growth of the arts and to the well-being of the individual artist."<sup>65</sup> If advocates were optimistic about the future of their cause when President Kennedy appointed a special consultant on the arts, Heckscher's report was certainly anti-climactic.

Instead of suppressing the sense of apprehension that was held by some politicians, artists, and the public about a direct and formal relationship between the government and the arts, Heckscher argued that apprehension was both valuable and necessary to balance the often incompatible goals of the two endeavors. Instead of proposing new subsidy programs, Heckscher argued that there were enough public agencies to provide aid, at least for the present. Instead of congratulating advocates for their commitment to the cause and acknowledging their long efforts that had led to the naming of a presidential consultant on the arts and legislation for a National Arts Foundation, Heckscher criticized their strategies, held their past victories up as negative examples, and urged them to understand that passage of the National Arts Foundation bill did not substitute for the opportunity to engage in a meaningful national debate and formulate a positive and comprehensive public arts policy.

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65. Heckscher, *Arts and National Government*, 72, 45, 6.

*Rockefeller Commissions a Manifesto*

In 1963, when John D. Rockefeller 3rd chose to commission and chair the Rockefeller panel report, *The Performing Arts: Problems and Prospects (Report)*, he may have been acting on the advice of Heckscher, or he may have been carving out a place in the development of the not-for-profit arts, in competition with Lowry, who was supervising the patent on the American not-for-profit theatre movement that the Ford Foundation had purchased. Published in 1965, the *Rockefeller Report* synthesized many of the arguments and ideas of the arts lobby that was consolidating its position and gaining self-confidence as the result of the culture explosion of the early sixties. The *Report* continues the trend of examining the performing arts as a relatively monolithic field that shared common characteristics, and therefore its treatment of the not-for-profit theatre is brief. The *Report* was enormously significant because it represented the arts lobby's first unified manifesto, culled from two years of intense work by a geographically diverse group of almost one thousand artists, arts administrators, academics from many disciplines, politicians, journalists, and business leaders. This elite group of advocates regarded themselves as a kind of Constitutional Arts Congress, hoping to "engage the attention of the American people . . . waken their concern about the performing arts in the United States . . . stimulate public discussion, and stir action."<sup>66</sup>

Rockefeller was not as personally involved in the *Report* as Lowry was in designing and executing Ford's arts policy, nor was he as interested in the arts for their own sake as Heckscher was. But, while the *Report* was the product of many, rather than Lowry's czar-like status at Ford or Heckscher's individual writings, Rockefeller's personal orientation to the arts is an important consideration because it led him to bring together the

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66. *Rockefeller Report*, v, ix.

participants and publish their findings, which most likely reflected his own views.

Rockefeller's personal motivations are also important to consider because he had more at stake than either Lowry or Heckscher. While Lowry was making choices about where to spend someone else's money (though he was certainly aware of his position in history), and while Heckscher approached the theory and practice of the arts from a relatively scholarly position, Rockefeller was expected to insure a positive legacy for both himself and his family, because he was heir to the Rockefeller name and fortune. Finally, only by examining Rockefeller's personal attraction to the arts can we begin to understand why he chose to commission a study, rather than make direct cash contributions from his extraordinary personal and philanthropic resources.<sup>67</sup>

As the eldest son and heir to the family fortune, Rockefeller was burdened by his sense of responsibility that echoed his grandfather's belief that "the power to make money is a gift from God . . . to be developed and used to the best of our ability for the good of mankind." He was also burdened by the public's perception of him as merely a "sign and symbol of a vast fortune carried into the third generation."<sup>68</sup> Throughout his life, Rockefeller tried to live up to his inheritance, fulfill the family's manifest destiny, and make a personal contribution to humanity.

Rockefeller spent his early years trying to free himself from his father's influence and escape the sense of inadequacy he felt in relation to his more charismatic younger brother, Nelson. After returning from a diplomatic mission to Japan in 1951, Rockefeller

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67. Rockefeller supported the performing arts by writing personal checks (primarily to Lincoln Center), as well as through the Rockefeller Foundation and other family philanthropies, which made sizeable cash grants to the early not-for-profit theatre movement. See Richard Schechner, *Public Domain: Essays on the Theatre* (New York: Avon, 1969): 39-40.

68. Collier and Horowitz, *Rockefellers*, 48, 194.

began to focus both his personal and philanthropic energies on Asian cultural exchange projects, which he considered to be a "major step in my independence and a major step outside the family orbit." In the late fifties, he became involved in the creation of Lincoln Center and soon became president, even though he admitted that he "had no love of opera or dance. For me it was more a chance to do something that would be a major contribution to the community." Rockefeller family biographers Peter Collier and David Horowitz believe that "bringing the sprawling, stubborn Lincoln Center project to a successful conclusion was a major step in Rockefeller's development. It was the first time he had ventured into an area that had not in some sense been inherited from his father, and it encouraged him to venture out further from the family umbrella."<sup>69</sup> Although Collier and Horowitz have ignored the fact that the Rockefeller family had a long tradition of supporting the arts, the Lincoln Center experience was certainly an important motivation for Rockefeller's decision to commission a study of the performing arts.

The *Report* not only gave Rockefeller an opportunity to learn from experts in the field, which would help him become better equipped to handle the massive Lincoln Center project, but on a deeper personal level, he may have hoped to help advance a fuller understanding of the not-for-profit performing arts because they were as misunderstood as Japan, or the juvenile delinquents he worked with in the thirties during his first efforts at philanthropy.<sup>70</sup> Perhaps Rockefeller was drawn to work on behalf of the misunderstood because he felt out-of-place during most of his life. He shared his father's belief that the Rockefellers were "much misunderstood by the press and the

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69. *Ibid.*, 283-284, 373, 374.

70. "John D. Rockefeller 3rd Examines Prisons to Fight Youthful Crime," *New York Times*, 22 May 1938, 1 (2).

people of this country." Rockefeller had not only been told, but had also experienced, how Rockefeller charity could lead to Rockefeller baiting. In 1905 his grandfather's \$100,000 donation to the Protestant church had exploded into a controversy about whether or not the church should accept the "tainted money." Throughout the century, the Rockefellers were alternately perceived as robber-barons or American Medicis. Rockefeller had also experienced the change in public sentiment when his Japan/U.S. cultural exchange projects had first earned him individual respect as "Mr. Asia," but eventually defined him as "an architect of U.S. imperialism."<sup>71</sup> Because of Rockefeller's inherited wealth, money had value only when it was used as an informed instrument of public good, and only when there was a clear recognition of its public good.

Therefore, the *Report* not only presents "a thoughtful assessment of the place of the performing arts in our national life and . . . [an identification of] the impediments to their greater welfare," as Rockefeller states in his foreword, but it can also be read as a modern American validation of patronage to the performing arts, that was less vulnerable to misinterpretation or ambiguity than Rockefeller money.<sup>72</sup> Rockefeller may have wanted to support the arts on a grand scale, but he would proceed only if they wanted his help, and only if he received a field-wide consensus as to the target and the specific intent of a subsidy program, which would reduce the possibility that he would come under attack later. In addition, Rockefeller would need to understand how the performing arts envisioned themselves on a grand scale that would allow him to fulfill his ambition to make a significant contribution to humanity and insure a positive legacy for the family name. Finally, the *Report* was written by elite advocates, at the invitation of Rockefeller,

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71. Collier and Horowitz, *Rockefellers*, 118, 3, 365.

72. *Rockefeller Report*, v.

and it functions as a collective grant proposal to American philanthropy in general, that both justifies the inclusion of the performing arts in the national agenda and argues that they merit the same philanthropic attention that education and science received.

One of the most original contributions of the *Report* to the arts debate was its utilization of the standard of quality to reconcile the concepts of "art for art's sake" with the public benefit of "cultural democracy." Heckscher had first insisted that any government arts policy must establish a "standard of excellence" that would guide them in their support of the fine arts.<sup>73</sup> The *Report* chose the more utilitarian term, "quality," perhaps because it was more democratic and relatively more achievable than supreme "excellence." While "excellence" requires developed critical skills and implies a certain rarity, quality is less taxing to perceive and far easier to attain.

The *Report* never precisely defines this standard of quality, except in opposition to the amateur and mediocrity, which is "the menace that lies inherent in egalitarianism."<sup>74</sup> But the panel makes it the centerpiece of its rhetoric because the idea of quality was generally accepted as the basis for consensus building that could raise the performing arts to a position equal to education and science in the nation's public discourse and philanthropic agendas. Unfortunately, America's common understanding of theatrical quality was still largely based on Flanagan's use of the term, which she had specifically applied to artistic creation and theatrical production. As long as quality was conceived of only in relationship to these elite and intangible ideas, the same alienating influence that caused conflicts between the FTP, the public, and the government prevailed.

The panel argued that cultural democracy would only be achieved after efforts,

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73. Heckscher, *National Goals*, 135.

74. *Rockefeller Report*, 185.

such as Lowry's on behalf of the not-for-profit theatre movement, were expanded into a chain of planned, cultural institutions (i.e. regional theatres, professional opera, music, and dance companies, and multi-disciplinary centers such as Lincoln Center). These institutions would not only alleviate many of the obstacles that professional artists encountered, but they would also "have a special custodianship of high quality," serve "huge numbers of people," and provide citizens with "a lasting place in history and . . . the chance [to attain] the fullest freedom and happiness."<sup>75</sup> The panel proposed that the mission of these cultural institutions should be cultural democracy, judged against a reinterpreted standard of quality that faintly echoed Heckscher's powerful evocation of excellence. The diffuse and intangible standard of quality that the panel devised could be shared among professional artists and the public, and it required training, financial support, and patience before all three groups could attain it.

According to the panel, there were six major challenges which were common to all the performing arts, and prevented the nation from achieving a high standard of quality: poverty among professionals; second-class training; a lack of places to perform; a lack of sponsoring organizations (presenting institutions); "the curse of crisis financing;" and planning and research.<sup>76</sup> In placing their discussion of the condition of the performing arts within the broader question of how the nation could build upon the present to realize a future that was rich with the vague promise of abundant quality, the panel's New Frontier strategy was extremely effective. It not only validated the Lincoln Center project for Rockefeller, but also intimated at the part the performing arts could play in the nation's pursuit of the grandeur of American democracy. But, more

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75. *Ibid.*, 207, 48, 4-6.

76. *Ibid.*, 17-19.

importantly, the panel established the performing arts institution as the primary agency of cultural democracy, thus obscuring the merit value of the artistic product in itself in their effort to clarify the social utility and public benefits of the arts.

The panel argued that "if arts organizations can be strengthened, the increased strength will flow to the artists as well." The notion that a strong institution was the best remedy for the problems confronting the performing arts in America betrays an ambivalence toward the individual artist. The panel suggested that "the goal of the nation [should] be the day when the performing arts are considered a permanent year-round contribution to communities throughout the country, and our artists are considered as necessary as educators."<sup>77</sup> This attempt to transform the troublesome and misunderstood artist into a non-controversial and regulated professional, whose contribution to society would be as indisputable as a teacher's, created difficulties for the panel. Although they were concerned with "setting the artist free," the panel ignored Heckscher's position that "the watering down of high culture to the consistency of the common place can have its start in an uncritical and too easy merging of arts and education," and chose to accept the conclusion of Richard Eells, who argued that "although there is some fear that support for institutions . . . may distort the function of the artist . . . corporate support for these arts is more easily obtainable . . . under the educational rubric."<sup>78</sup> The panel's capitulation to expedience was necessitated by their awareness that "not a few Americans, including many in political circles, are not quite

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77. *Ibid.*, 10-11, 49.

78. *Rockefeller Report*, 4; Richard Eells, "Corporate Support of the Performing Arts," background paper prepared for the Rockefeller Brothers Fund panel on the performing arts, 13 March 1964, Americans for the Arts Library, 5.

persuaded that performing artists are major contributors to the nation's way of life."<sup>79</sup> The *Report* therefore proposed a positive and unique role for the professional artist in American society that not only superceeded the aims of the individual artist, but also imbued the artistic product with social utility.

The cultural institution was not only the custodian of quality, but was also a conduit that would insure a regulated interchange between the public and the artist. In addition, affiliation with a cultural institution would endow the individual artist with professional status in the community, and the institution could also provide the artist with needed training, better facilities, and expanded employment opportunities to ease their economic instability.

In many ways, the *Report* perpetuated the pattern of sacralization that Lawrence Levine observed in late nineteenth and early twentieth century America. According to Levine, "sacralization increased the distance between the amateur and the professional . . . it was asserted that it was only the highly trained professional who had the knowledge, the skill, and the will to understand and carry out the intentions of the creators of the divine art."<sup>80</sup> This process of differentiating between amateur and professional that was apparent in the FTP's development is also echoed in the background paper, "The Amateur and the Professional in the American Theatre," written by Dick Moore (Equity's Public Relations director) and Jack Golodner (Equity's Legislative lobbyist), whose bias toward the professional is understandable. They believe that quality can only be achieved if the artist is allowed to "devote [time] to performing or

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79. Andrew Hacker, "The Federal Government and the Performing Arts," background paper prepared for the Rockefeller Brothers Fund panel on the performing arts, 15 November 1963, Americans for the Arts Library, 132.

80. Levine, *Highbrow/Lowbrow*, 137.

developing one's talent." The authors also quote Heckscher, who argued that amateurs often confuse "their own accomplishments . . . with the accomplishments of men and women who devote a lifetime listening to the God within and shaping beauty after their own desire."<sup>81</sup> Further echoes of sacralization can be found in the *Report* itself, such as the panel's explanation that "artists require expensive and extensive training to bring their talents to that pitch where they can fully realize and communicate all the meaning and nuance of the primary creator's work."<sup>82</sup> The terms that the panel uses to describe the artist are perhaps intentionally ambiguous and remind one of the eighteenth century Romantic concept of the artist/divinity. In their effort to perpetuate the elite qualities of the professional artist and simultaneously define the social utility of these special qualities, the panel argued that artists require special training, special places to ply their trade, and more opportunities to deepen their craft, but that improvements in training, places of performance, and regular employment were necessary if artists were to "fulfill their cultural mission in the United States."<sup>83</sup> The *Report* suggests that the artist's cultural mission is similar to the teacher's educational mission, yet while the teacher exposes students to knowledge, the professional artist who is at the height of her powers can expose the public to an exalting experience.

The *Report* built a strong parallel between the familiar and validated educational model in its effort to clarify the more intangible, public benefits of the performing arts. The *Report* proposes that cultural institutions be imagined as universities that could

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81. Dick Moore and Jack Golodner, "The Amateur and the Professional in the American Theatre," background paper prepared for the Rockefeller Brothers Fund panel on the performing arts, 2 December 1963, *Americans for the Arts Library*, 37.

82. *Rockefeller Report*, 5.

83. *Ibid.*, 207.

insure a high standard of quality, provide artists with "tenure" and research opportunities to deepen their own talent and advance the field. In addition, these cultural institutions would serve as community resources where the public would have access to quality art, which would help strengthen the democracy as the result of "a general public recognition of what constitutes high quality . . . [and] an appreciation of form and a basic concern for the things of the mind and the spirit." The public would be called upon to support these institutions, not only through attendance, but also through individual contributions, and indirectly through local and national foundations, corporations, and the government. In exchange, cultural institutions would provide the public with "simple enjoyment," and, when the arts reached their fullest potential of quality, "an exalting [experience], with some of religion's moral and mystical power." The panel extended their arts/education analogy by concluding that although appreciation for the performing arts was a cultivated taste, "a sizable public prepared through education" could be developed "to receive aesthetic pleasure . . . and to join in the attempt to enhance the nation's cultural life."<sup>84</sup> This process of mass aesthetic education continues to follow Levine's analysis of sacralization.

[Society's elite] pursue their own cultural pleasures and create institutions after their own fashion, [which] would in the long haul benefit all classes of society. [As the arts are] removed from the pressures of everyday economic and social life, and placed, significantly, in concert halls, opera houses, and museums that often resembled temples, to be perused, enjoyed and protected by the initiated -- those who had the inclination, the leisure, and the knowledge to appreciate them.<sup>85</sup>

The elite Rockefeller panel developed an effective strategy that simultaneously maintained distinctions between amateur and professional artists, and between the

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84. *Ibid.*, 7, 185, 18, 181.

85. Levine, *Highbrow/Lowbrow*, 226, 230.

initiated and the uninitiated public, but also placed the arts in a democratic context, arguing that while the doors of the nation's arts "temples" needed to be opened wider, cultural democracy would be achieved only after the public had been schooled in the arts.

The panel accepted the conclusion of respected advocate, Samuel R. Rosenbaum, who argued that "to stimulate the arts themselves without cultivating the demand would be comparable to hydroponics in agriculture . . . [giving] the appearance of healthy flush without true vitality."<sup>86</sup> Therefore, the panel took the long view, and formulated the attainment of cultural democracy in four stages. The nation was currently in the first stage, represented by the culture explosion. The enormous quantitative expansion of the arts in America had received wide publicity and had, in part, motivated Rockefeller to commission the *Report*.<sup>87</sup> The panel believed that the second stage required a unified commitment to quality among artists and the elite leaders of the newly democratized cultural institutions, who were still responsible for mediating between artists and the public. The attainment of quality would be the most expensive stage, and it would therefore demand subsidy at a much higher level than was currently being directed toward the performing arts. The third stage required the participation of families, educators, the media, unions, arts organizations, and the government, to facilitate habitual arts attendance, from the time a child was six and continuing through adulthood.<sup>88</sup> The attainment of cultural democracy, or fourth stage, would occur when cultural institutions presented the highest quality art to a public that was able to

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86. Robert Bendiner, "Federal Support for the Performing Arts: Programs and Prospects," background paper prepared for the Rockefeller Brothers Fund panel on the performing arts, 24 February 1964, *Americans for the Arts Library*, 43.

87. *Rockefeller Report*, 13-15.

88. *Ibid.*, 185-202.

recognize and appreciate its quality.

Significantly, the Rockefeller panel envisioned a marginal role for the federal government in their four stage program toward cultural democracy because it was apprehensive about a direct relationship between government and the performing arts in America, due to a combination of past experiences (FTP), recent developments, and long-range goals. While politicians had been engaged in a seemingly endless debate about what form their participation in the nation's cultural life should take, artists, the private sector, and the public had been solely responsible for launching the culture explosion.

Lowry had begun his relatively impulsive not-for-profit theatre initiatives at the Ford Foundation before the culture explosion had been recognized, and his efforts called national attention to the phenomenon. When Lowry began his work in 1957, the government had exhibited little interest in supporting the arts for their own sake. But the culture explosion had generated a large number of congressional initiatives. In 1963, by Heckscher's count, "at least forty bills before congress concerned the arts in some measure or other, and several major pieces of arts legislation were under discussion."<sup>89</sup> This flurry of activity led advocates to be guardedly optimistic about the future potential of government money coming to the performing arts, which would reduce the financial burden of private sources, but would also threaten their prerogatives.

The panel creatively assimilated the government's historical lack of action on behalf of the arts for their own sake and formulated a federal role that was familiar, positive, and limited. The panel extended their arts/education paradigm and proposed that the relationship between the government and the arts was analogous to higher

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89. Heckscher, *Arts and National Government*, 9-10.

education, where the government established "a national tone of interest and concern," and also "provid[ed] matching grants for capital equipment, leaving the educational process strictly alone." In order to insure that possible "federal interference . . . [in the performing arts] be kept at a minimum," the *Report* recommended that "private support should remain dominant," while the federal government "should give strong support to the performing arts . . . by appropriate recognition of their importance, by direct and indirect encouragement, and by financial cooperation."<sup>90</sup> This recommendation avoids the terms "patronage" and "subsidy," because the panel was concerned about the government conditions that most often came attached to government money. These conditions tended to exert pressure on the development of missions, standards, and structures, as was demonstrated during the FTP years. Government conditions might again lead to a confusion of standards, as well as displace the structure of accountability that the Rockefeller panel had formulated, in which cultural institutions were responsible for determining quality.

The panel's apprehension about government also reflected Rockefeller's personal belief that "the arts . . . ought to be as far removed from centralized, external influences as possible."<sup>91</sup> It is likely that Rockefeller shared the position of his father and grandfather, who believed that the federal government had passed anti-trust and income tax legislation as a direct assault on the Rockefeller family. Rockefeller's personal paranoia about big government reflected the common, post-FTP image of the politician as a bumbling bureaucrat who was insensitive to the arts. Russell Lyons stated this position most clearly when he declared, "politics are politics and art is art, and for the

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90. *Rockefeller Report*, 113, 148.

91. Bendiner, "Federal Support," 34.

love of Art, let them be free of each other."<sup>92</sup> As a result of this demonization of government, its influence was imagined as negative, while the centralized, external influence that cultural institutions would exert over the individual artist was projected to be benign. Consequently, the *Report* defines an extremely specific type of government aid for the performing arts that resembled its aid to education -- capital projects, such as expanding or building new cultural institutions. In this way, the performing arts would be able to access much needed government money, while maintaining elite "custodianship" of their institutions.

Finally, the panel accepted the position of advocates in government, who noted the absence of a national, grassroots arts lobby for the performing arts. Politicians argued that they needed "citizens' committees to beat the drums," and provide "the kind of steady and articulate pressure that in so many other fields has served not only to prod Congress to necessary action but to help it in a unified and coherent way to frame desired legislation."<sup>93</sup> Again, having learned from the FTP experience, advocates realized that even if the pending legislation for the National Arts Foundation was passed -- as it would be when the *Report* was published in 1965 -- it was essential for a large and active audience to be developed. Government arts initiatives could not be protected from future attacks if only an unrepresentative and self-interested group of individual artists and professional unions rose to their defense. Because it would be some time before the fourth stage of cultural democracy would be achieved, the panel wisely recommended that the government concentrate its immediate financial support on capital improvements during the second stage, which is where it was needed most. In this way,

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92. *Rockefeller Report*, 148; Bendiner, "Federal Support," 28.

93. Bendiner, "Federal Support," 47, 48.

the panel tried to postpone another congressional arts battle until an active and organized public had been developed.

In addition, like Heckscher, the panel was extremely concerned about the lack of a unified and informed government arts policy that was directed at supporting the arts for their own sake. This chapter began with a brief review of the congressional arts debate in order to illustrate how advocates attached their legislative initiatives to other political imperatives, with the result that "federal aid to the performing arts is readily characterized [as] . . . a weapon, designed to aid the national defense or promote foreign policy . . . [or] educational in intent . . . only distantly related to the present practice of the arts . . . [but] when we come to contributions to the arts for their own sake . . . we find there is extremely little to measure." Therefore, the panel regarded the culture explosion as "a unique opportunity . . . to mold federal policy," because it had raised "broad philosophical questions, the answers to which should indicate the kind of legislative future congresses should be asked to enact."<sup>94</sup> In lieu of an informed government arts policy, as well as a national commitment to quality and an arts appreciative public that could speak for itself, new legislation was likely to "encourage mediocrity . . . [because it would be a form of] political log-rolling . . . a pork barrel for sophisticates . . . [and] the quality of the arts would be negligible -- no matter how much was spent."<sup>95</sup> Consequently, the *Report* endorsed Heckscher's recommendations that the federal government should strengthen its existing programs that indirectly affected the performing arts, and that the function of the newly formed National Council on the Arts was to keep "all the federal policies and programs affecting the arts under continuing

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94. *Ibid.*, 1-2, 40.

95. *Rockefeller Report*, 145.

review," as well as provide leadership for a "searching study on a continuing basis . . . to determine the most desirable types of federal support and the most desirable ways of providing them."<sup>96</sup> In this way, the panel formulated a continuing, though limited, relationship between the performing arts and the government that combined elements of Heckscher's long-term view with Lowry's practice of active and immediate action.

Aside from the immediate need for government support of capital projects, the panel assimilated the past experiences and present state of the relationship between the performing arts and government within their vision of a future American cultural democracy. The National Council for the Arts was charged with coordinating existing programs, insuring the "quality" of future legislation, and directing the national campaign for an effective encouragement of the performing arts, all for the sake of cultural democracy. The elite leaders of the nation's cultural institutions provided security to artists, were custodians of future artistic quality, and were also responsible for encouraging public arts appreciation. This parallel design of separate structures that were appropriate to the distinct operations of American government and the performing arts offered an ingenious solution to the conflicts that seemed to be inherent in their interaction.

The *Report* successfully fulfilled its multiple charges. As a collective grant application to Rockefeller and the philanthropic community, it established the standard of

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96. The *Rockefeller Report* inventory of existing federal arts support included the domestic presenting and support activities of the Library of Congress, the National Gallery, the National Park Service, the Defense Department, the Office of Education, the Urban Renewal Program, the Department of Commerce, and the Kennedy Center, as well as taxation and copyright policies, and the international presenting activities of the Cultural Presentations Program and the U.S. Information Agency. See *Rockefeller Report*, 132-139, 143. These are the same agencies that Heckscher catalogued in *Arts and National Government*.

quality as the means to future cultural democracy, which clarified the social utility of the performing arts as an educational process. The *Report* also contextualized the culture explosion as the first stage of a evolutionary process that required financial support and patience. The four stage process toward cultural democracy was envisioned on an appropriately grand scale, to satisfy Rockefeller's desire to make a contribution to humanity. In addition, because the attainment of cultural democracy was projected for the future, the panel reassured Rockefeller of a positive legacy for himself and the Rockefeller name. Finally, because the past experiences of both the Rockefeller family and advocates tended to perceive the government as a negative influence, the panel designed a plan that allowed elite advocates to maintain control over cultural institutions, while the government was given a limited and indirect role.

#### *LBJ Seeks Status*

Ironically, when the government was on the verge of recognizing the arts as a valuable national asset that deserved subsidy, the arts community began to worry. The nation seemed consumed by a passion for art and cultural attainment, and events were moving very quickly, as politicians who had scorned the arts for decades were rushing to officially embrace them. In 1964, Johnson appointed members to the long-awaited National Arts Council that Kennedy had authorized the previous year. The enabling legislation for the NEA would soon follow. By Gary Larson's count, 165 arts and humanities bills were introduced in the House in 1965.<sup>97</sup> After twenty-five years of defeats, now that victory seemed assured, advocates sought to decelerate the momentum. There was a growing awareness among many advocates that they might have diluted the

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97. Larson, *Reluctant Patron*, 269.

unique characteristics of the arts in favor of building political consensus -- that they had, in essence, sold the soul of the arts to the devil of popularization and official recognition. The *Rockefeller Report* had aligned the arts with education, attempting to clarify their social utility, but the publication of the *Report of the Commission on the Humanities* in 1964 not only pre-empted publication of the *Rockefeller Report*, it fully appropriated the arts into its cause for a National Foundation on the Humanities. The slow, steady work of advocates to advance their efforts for federal recognition and financial aid was threatened as new legislation for the humanities foundation, which would include, but not be specific to the arts, quickly gained support.

Federal support to the humanities, directed primarily at research and professional development, was easier for politicians to endorse for four reasons. First, money would be going either to or through the existing academic establishment. The nascent professional not-for-profit arts did not yet have a network of nationally recognized centers of quality. Second, while advocates had to overcome the negative resonance of the WPA arts projects each time they embarked on a new campaign, support for the humanities resonated with the positive glow of enlightenment. Third, artists continued to be marginally represented in Washington. The attendance of celebrity artists at Kennedy and Johnson's inaugurations generated enormous national publicity because it was so unusual. While artists continued to be perceived as novelties or ornaments, academics and scholars were a familiar fixture of government.

Finally, advocates had hoped that the merit of education in America would advance their efforts on behalf of the arts. Advocates designed their arts/education paradigm to clarify the positive role of the arts in relation to the nation's concern with quality, for both domestic and international purposes, as well as the arts' ability to

provide a balance to science and technology. Yet the majority of politicians remained confused about how a federally subsidized theatre in Dallas or an orchestra in St. Louis would accomplish these aims. Because many politicians believed that the primary purpose of art was to entertain, the arts/education analogy was ultimately unconvincing, since it seemed as if advocates were self-consciously manufacturing a connection between two extremely dissimilar activities. For those politicians who acknowledged that the arts were sometimes capable of communicating a message, they viewed this as propagandistic and unworthy of federal subsidies, due to the FTP experience. But when the humanities lobby argued that government support was necessary to provide "suitable means for educating and developing scholars . . . and teachers at every stage of their growth," politicians were more certain that their support of a humanities foundation would be perceived by their constituents as direct support of a valued American principal.<sup>98</sup>

Before the White House submitted its own proposal for separate arts and humanities foundations on March 10, 1965, it seemed as if the arts would be absorbed into a single humanities foundation. Javits and Thompson, both veteran congressional advocates, expressed their concern that the arts were being "swallowed up" in the proposal to establish a single foundation that would include both the humanities and the arts.<sup>99</sup> Claiborne Pell's legislative aide Livingston Biddle cobbled together a bill that capitalized on the positive features of both the arts and the humanities ideas, but proposed that each operate as a separate agency. Pell's bill was strengthened by

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98. "Report of the Commission on the Humanities," *New York Times*, 24 June 1964, 27.

99. Congress, House and Senate, Committee on Labor and Public Welfare, U.S. Senate, and the Special Subcommittee on Labor of the Committee on Education and Labor, House, *Bills to Establish National Foundation on the Arts and Humanities*, 89th Cong., 1st sess., 1965, 228.

Johnson's endorsement, but even then, arts advocate Harold Weston realized, "when the [National Arts Foundation] legislation came to the home stretch in Congress, the arts were hanging onto the coat-tails of the fast-running sponsors of the humanities."<sup>100</sup> It took only six months for the Pell bill to work its way through the Senate and the House, and Johnson finally signed the enabling legislation for the National Endowment for the Humanities and the NEA on September 29, 1965.

While the legislative machinery had certainly been well-greased by twenty-five years of effort by advocates, and while the arts were strengthened by their alliance with the humanities, Johnson's personal involvement and his use of the power of the presidency are usually overlooked as significant factors that account for the speed of the bill's passage. The standard narrative of the establishment of the NEA tends to suggest that Kennedy planted the seeds of government support of the arts, while Johnson's contribution is most often seen as a formal signing of enabling legislation, or a harvesting of the crop. Kennedy had confined his arts support to ornamental gestures and rhetoric, often employing the arts as an emblem of his administration, but doing little else. To be sure, these gestures included an enormously well-publicized Pablo Casals concert at the White House in 1961, the naming of Heckscher as the president's special consultant for the arts in 1962, and the executive order to establish the National Council on the Arts in 1963. These may be the "seeds" of the NEA, but they could also be interpreted as highly significant gestures without substance. Kennedy had no need of the arts because he was perceived as a cultured man by association with his wife, Jacqueline, who was perceived as a cultured woman, and he already had the support of the arts lobby. Consequently, he would not gain any political advantage that justified more than an occasional salute to the

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100. Quoted in Larson, *Reluctant Patron*, 188.

arts, and certainly there was nothing to encourage him to become active in the quagmire of the congressional arts debate.

Johnson was not perceived as a cultural role model or leader, and Lady Bird was primarily known for her highway beautification program. The Johnsons were typically seen as the antithesis of the Kennedys. Political historian and psychologist James David Barber has categorized Kennedy as an active/positive president, characterized by his "high self-esteem and relative success in relating to the environment," while Johnson is an active/negative president, driven by "profound insecurity . . . a compulsive quality, as if the man were trying to make up for something or to escape from anxiety."<sup>101</sup> Whether we are willing to accept Barber's simplification of complex political and psychological motivations, there is no doubt that the backgrounds and circumstances of the two men were extremely different, and that these differences helped to determine their particular orientations to the presidency, as well as how they approached the arts debate.

Johnson wondered "whether I've got the intelligence . . . to be President," and he often lashed out at Robert Kennedy and the other "over-bred smart alecks who live in Georgetown and think in Harvard."<sup>102</sup> His mother had tried to teach him the value of culture and scholarship but Johnson felt that he had failed to acquire either, and his sense of failure is a likely source of his resentment of intellectuals, which was reinforced when he was attacked by the academic and artistic establishment for his escalation of the Vietnam War.<sup>103</sup> In addition, Johnson had also learned the more practical value of

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101. Barber, *Presidential Character*, 9, 80.

102. Hugh Sidey, *A Very Personal Presidency* (New York: Atheneum, 1968), 283; Barber, *Presidential Character*, 79

103. Alfred Johnson, *Sam Johnson's Boy* (New York: Macmillan, 1968), 15; Larson, *Reluctant Patron*, 208-212.

political patronage from his father.<sup>104</sup> These early developmental experiences suggest that Johnson may have sought to reconcile the conflict between his attraction to and resentment of the arts by, in a sense, acquiring them indirectly through the use of his political power.

Also, Johnson was politically astute enough to see the truth in advisor Arthur Schlesinger's memo, in which he suggested that if the president supported the arts and humanities legislation, it would "strengthen the connections between the Administration and the intellectual and artistic community -- something not to be dismissed when victory or defeat next fall will probably depend on who carried New York, Pennsylvania, California, Illinois, and Michigan."<sup>105</sup> After the re-election, Johnson continued to seek approval from artists and intellectuals when he endorsed the Pell bill, which assured him the gratitude of two separate groups of elite constituents.

In addition, with an escalating and unpopular "conflict" in Southeast Asia, Johnson may have hoped to misdirect attention to the positive domestic reforms of his Great Society. Passage of arts and humanities legislation briefly accomplished this goal at home, because at the time the national media tended to give the story more prominence than news from Southeast Asia. On the international front, the move also gave Johnson prestige and credibility. America's European allies perceived Johnson's support of the arts and the humanities as a demonstration of his concern for ideas and the intellect. In sum, motivated by both personal and political aims, Johnson's active support was the

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104. Barber, *Presidential Character*, 115.

105. Arthur Schlesinger, Jr. memorandum to Lyndon B. Johnson, "Future of the Arts Program," 29 November 1962, 1, quoted in Milton Cummings, "To Change a Nation's Cultural Policy: The Kennedy Administration and the Arts in the United States, 1961-1963," in Mulchacy and Swaim, *Public Policy and the Arts*, 160.

determining factor in the final legislation for separate endowments, and he gained both private satisfaction and political advantage when he ceremoniously signed the National Foundation on the Arts and the Humanities Act in 1965.

The culture explosion of the early sixties resembled the American gold rush, or the more recent oil boom, and was consistent with Kennedy's New Frontier imagery. In the New Frontier, advocates proposed that the arts should be imagined as unharnessed natural resources. The performing arts needed government capital to mine or drill for quality, as well as insure national distribution. In this period, advocates tried to demonstrate both the potent merit of their product and the economic need of the performing arts industry. They were future-directed, like pioneers, and they developed a rhetoric of values that ranged from Lowry's vision of an American version of the European institutional theatre, to the elite separatism and concern with quality that was the basis of Heckscher's argument, to the *Report's* program of popularization and mass arts appreciation that would lead to cultural democracy. In the New Frontier, it was argued that the arts provided the same national benefits as education, health, and welfare, that artists were educators, that cultural institutions were community resources, and that the professional performing arts needed government encouragement and aid if they were to remain free of the negative forces of commercialism and amateurism.

The New Frontier was followed by the Great Society. It is fitting that the NEA was authorized during Johnson's Great Society, because the passage of that legislation proclaimed the government's jurisdiction over the nation's culture. In the New Frontier, the enormous expansion in the arts during the culture explosion was primarily amateur.<sup>106</sup> But, in the Great Society, professionalism and institutionalization prevailed

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106. *Rockefeller Report*, 14.

when the NEA was authorized, and the not-for-profit arts became a regulated national resource to be efficiently delivered through the existing structures and hierarchies of society, to benefit all citizens.

In a 1964 *New York Times Magazine* article, Mark Harris observed that, "in moments of sheerest, undeceived clarity, the artist knows that his art cannot be translated directly to national purpose . . . he becomes alarmed at the breakdown of his own language, his own ethic."<sup>107</sup> The shifting rhetorics of advocates during the twenty-five year arts debate were a primary source of the breakdown of language and ethics that Harris exposed in 1964. But, after the NEA was established, a new pattern of attraction and repulsion between the American theatre and government was initiated, and it led to further conflicts, and subsequent breakdowns, which reinforced the traditional American position that both government and the arts were perhaps better served if they remained independent of each other.

This concludes my historical narrative of the economic, political, and ideological origins of federal arts support. I have identified the environmental factors and examined the motivations and actions of individuals that influenced the idea and practice of federal arts support. I have also presented a revised evaluation of the outcome of federal arts support during the FTP years, and have considered the economic and ideological consequences of Ford Foundation support, as well as some of the initial political consequences of the NEA authorization process.

The strategies that were advanced in the thirties to reconcile the distinct and contradictory aims of American government and theatre were ineffective at overcoming

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107. Mark Harris, "Government as Patron of the Arts," *New York Times Magazine*, 13 September 1964, 139.

the tensions between their distinct missions, standards, and structures. These strategies evolved, were adjusted, and became more sophisticated during the fifties and sixties, and advocates eventually settled on an argument of need and merit, which provided the basis for the establishment of the NEA. While the terms of the need/merit argument referred to fluid concepts that I will examine in more depth later, they originated in central and inter-related economic and ideological principles that I will focus on in the next two chapters. In Chapter Four I will reconsider the central economic principle of deficit-based budgeting and present an alternative analysis of not-for-profit income gaps, and in Chapter Five I will review previous methodologies and modify an existing model to test the outcome of federal arts support against its underlying ideological principles.

## CHAPTER 4

### THE LEGITIMATION OF DEFICITS

Radical socio-economic realignments in the sixties were responsible for a culture explosion and caused the American theatre to reconstitute itself as it had previously reconstituted itself during the Great Depression. In the sixties, the benefits of post-war prosperity led to increases in education, income, mobility, and leisure time for the middle class. Because this segment of the population had always represented the majority of audiences, as well as artists, both demand for theatre and artistic entrepreneurship increased, and the sixties provided a favorable environment for the not-for-profit theatre to develop.

One of the defining characteristics of the sixties not-for-profit theatre was a self-proclaimed artistic mission that was expressed in opposition to the commercialism of Broadway. When John Hancock, who had recently graduated from Harvard, became artistic director of the Pittsburgh Playhouse in 1965, the theatre's season brochure advertised his pledge to "renew our commitment to a radical departure from the presentation of 'warmed over' Broadway hits."<sup>1</sup> Hancock's rhetoric expressed a discontent with the American Dream and conspicuous consumption that were defining features of the post-war generation, who rejected Broadway as the embodiment of "establishment" values. Hancock's statement is also typical of the manifesto-like

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1. Quoted in Julius Novick, *Beyond Broadway: The Quest for Permanent Theatres* (New York, Hill and Wang, 1968), 31.

declarations of the period that relied on a polarized view of art and entertainment. This dialectic had been initiated by the Little Theatre movement at the turn-of-the-century, was revived in the thirties as one of the ideological justifications for the FTP, and became formulated as a dichotomy between culture and commercialism in the sixties.

In 1963, Reginald Allen, general manager of the Metropolitan Opera, articulated the challenges that cultural institutions encountered in America's capitalistic and commercial economy for a Senate subcommittee conducting hearings on the National Arts Legislation:

While we strongly favor the traditional encouragement and support of the performing arts by private means, we cannot lose sight of the fact that these private means are not enough. Many countries, whose democratic way of life we approve, give direct financial support to the performing arts. Indeed, the respective managers of the Vienna State Opera, of the Berlin State Opera, of La Scala, of the Paris Opera, of Covent Garden -- to name but a few -- need not struggle with recurrent financial problems that beset Mr. Bing, for each of these great institutions receives massive state support. They need not worry about deficits. These institutions can devote all their time and effort to their artistic responsibilities -- not to ways of raising more money just to exist. As a result, they can attempt new works -- challenging works which the Met must often avoid for fear of a box-office loss. Far from being injured by state aid, their standards of artistic excellence are enhanced, and their artistic independence is not impaired.<sup>2</sup>

Allen effectively transformed the issue of federal arts support into a call for independence -- a concept that had enormous resonance for American democracy. In addition, he located the plight of the Met within a global context and was thus able to capitalize on America's concern with its image as a super-power.

Allen's statement is strategically significant because it shifted the debate away from a consideration of the merits of arts to a concern with economically sustaining and

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2. Congress, Senate, Committee on Labor and Public Welfare, *Hearings before the Special Subcommittee on the Arts of the Committee on Labor and Public Welfare on S. 165 and S. 1316*, 88th Cong., 1st sess., 28-31 October and 1 November 1963, 326.

encouraging the American culture explosion. If politicians were uneasy about supporting the arts for their own sake, advocates like Allen suggested that federal support be understood as an investment in the nation's domestic and international cultural infrastructure. While August Heckscher believed that the government had a role in encouraging artistic excellence by developing a public arts policy that might include some form of financial support, advocates now argued that performing arts institutions had a natural inclination to innovate, expand audiences, achieve excellence, and promote cultural democracy, but that they were thwarted by the industry's economic structure, which was based solely on earned income. Federal support would liberate institutions from their dependence on box-office income and permit them to fulfill a diverse agenda of politically popular goals.

In 1965, the NEA was authorized as Public Law 209, and the enabling legislation attempted to reconcile the historical tension between art and democracy, as well as synthesize the major currents of arts advocacy that had been defined by Lowry, Heckscher, and Rockefeller. Most importantly, the legislation validated an important economic distinction between not-for-profit cultural production and commercial production that separated the artistic project of the not-for-profit theatre movement from commercial Broadway entertainment.

The statute's "Declaration of Purpose" included broad statements about the arts in America that allowed President Johnson to politically exploit the NEA as both a component of the Great Society and a rhetorical weapon in the Cold War. The agency was charged with "encourag[ing] and support[ing] . . . projects and productions which have substantial artistic and cultural significance, giving emphasis to American creativity and cultural diversity," and it also signaled an awareness that America's position as a

world leader did not "rest solely upon superior power, wealth, and technology, but must be solidly founded upon worldwide respect and admiration for the Nation's high qualities . . . in the realm of ideas and of the spirit." The legislation acknowledged the economic difficulties of artists, which had become a central argument of arts advocacy, and the NEA represented an acceptance of a federal role in "encouraging . . . the material conditions facilitating the release of . . . creative talent," although this role was carefully structured to be limited and consistent with the principles of Jeffersonian democracy.<sup>3</sup>

The legislation emphasized that while "the encouragement and support . . . of the arts [is] primarily a matter for private and local initiatives . . . it is necessary and appropriate for the federal government to complement, assist, and add to programs [supported] by local, state, regional, and private agencies."<sup>4</sup> The legislation included two funding requirements that were intended to insulate the government from direct and exclusive responsibility for the projects it supported. First, 20% of the NEA's annual appropriation was earmarked for state arts agencies, and second, grantees could only receive a maximum of 50% of their total project costs from the NEA. Both requirements served as a guarantee that other regulated and institutional sources of support were committed before federal funds could be awarded.<sup>5</sup> The legislation also defined NEA support as "grants-in-aid or loans," indicating that federal funds were understood as

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3. National Endowment for the Arts, *Five-Year Planning Document; 1986-1990* (Washington, D.C.: NEA, 1984), 348.

4. Ibid. Stanley Kauffmann recognized the paradox implicit in this approach. According to Kauffmann, "the government wants to respect the ideal of private enterprise at the same time that its very action proves that private enterprise -- which has given us most of our art -- is incapable of fulfilling new needs." See Stanley Kauffmann, "Can Culture Explode: Notes on Subsidizing the Arts," *Commentary* 40, no. 2 (August 1965): 20.

5. NEA, *Planning Document*, 369, 352.

temporary, meant to stimulate other sources of private and local support, or to serve as emergency funds on a one-time basis.<sup>6</sup> The term "loan" is used only once in the legislation, and although it is not clarified, the implication is that NEA support will net a return over and above what was originally provided. Apart from the symbolic significance of the concept of "loan," which suggests a *quid pro quo* of federal funds for social utility, NEA funding was initially understood as a limited arrangement, and the American form of federal arts support was intentionally distinguished from the European practice of regular state subsidy.

The statute attempted to clarify the NEA's status as a limited partner, as opposed to a producer, a leader in formulating and directing a national arts policy, or a constant source of subsidy, with reasoning that echoed the *Rockefeller Report*. The NEA was established to "encourage and develop the appreciation and enjoyment of the arts . . . [that] would otherwise be unavailable to our citizens for geographic or economic reasons." by providing financial support to professional artists to "work in residence at educational or cultural institutions" on projects that fulfilled the undefined standards of "artistic and cultural significance," "authenticity," and "excellence."<sup>7</sup> Having learned from the difficulties that the Roosevelt administration had encountered during the FTP years, and perhaps in response to Heckscher and Rockefeller's concerns about government interference, the legislation privileged the professional over the amateur, and the institution over the individual. Federal funds would stimulate other regulated private and public sources and encourage not-for-profit institutions to improve the quality of the artistic products of certified professional artists that would facilitate the political aim of

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6. *Ibid.*, 351.

7. *Ibid.*

cultural democracy.

Finally, Public Law 209, like the FTP charter, should be read as an economic stimulus package rather than an original statement of public policy or a radically redefined relationship between the government and the arts in America. The federal funds that were legislatively appropriated to the NEA were intended to act as an economic buffer and catalyst. NEA grants would insulate the arts from the popularizing influences of the commercial marketplace by providing financial support to projects that were endorsed by a consortium of cultural institutions and private and local sources, and would also serve as an ideological and economic catalyst to encourage broad national support of and participation in the arts. The NEA represented a highly publicized governmental commitment to culture, and advocates had argued that this federal commitment would result in increases in private and local support, just as earlier federal initiatives in the areas of science, health, and education had led to increased support from the private sector. In addition, the NEA's matching grant structure motivated cultural institutions to devise more aggressive fundraising strategies that would generate the increased private and local support that was required before they could access federal aid.

Apart from the material benefits of a new program of federal arts support, the American not-for-profit theatre has tended to accept the NEA without question because it has understood federal funding as the means by which its artistic project is distinguished from and privileged above commercial entertainment. Although the NEA has gone through a series of policy adjustments and reorganizations over its thirty-five year history, measurements of the agency's effectiveness have been conducted either by advocates or adversaries of the idea of federal support, to justify or attack the practice, rather than provide an impartial operational analysis. Advocates have reiterated the

standard social utility arguments that date back to the thirties, while adversaries have presented evidence to reinforce their position that American democracy is better served by a separation between government and the arts. Both sides have examined the NEA from their entrenched ideological positions and are ultimately irreconcilable in the context of public arts policy debates in which the idea of federal arts support has been justified as socially useful or attacked as an elite entitlement. But, ever since the NEA was established as an economic buffer and catalyst, this discourse has obscured the agency's economic impact on the American not-for-profit theatre.

*Economics as an Ideological Distinction*

In 1965, concurrent with the beginning of the House and Senate debates on NEA legislation, a preview of the findings of two economists, William J. Baumol and William G. Bowen, appeared in *The American Economic Review*, and their full study was published the following year as *Performing Arts: The Economic Dilemma*.<sup>8</sup> Baumol and Bowen had participated as consultants for the *Rockefeller Report*, and *The Economic Dilemma* was commissioned by the Twentieth Century Fund while Heckscher was director. Heckscher's views about the distinctions between culture and commercialism inform Baumol and Bowen's work, but the polarizing and elite pitch of that position was modulated by a tone of scholarly inquiry that was presented, and accepted, as an objective reflection of empirical truth.

Working from the hypothesis that "in the performing arts . . . crisis is apparently a way of life," Baumol and Bowen attempted to discover and then explain the economic

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8. William J. Baumol and William G. Bowen, "On the Performing Arts: The Anatomy of Their Economic Problems," *American Economic Review, Papers, and Proceedings* 55 (May 1965): 495-502.

conditions that were responsible.<sup>9</sup> They gathered comprehensive data on the performing arts industry -- a significant project that had not been attempted since Alfred Bernheim's *The Business of the Theatre* had been published in 1932. In addition, Baumol and Bowen's work would have a major impact on the evolution of the NEA because it contradicted the position of both Lowry and the agency's enabling legislation that the arts could become self-sufficient if enough venture capital were provided.

Baumol and Bowen argued that "because of the economic structure of the performing arts . . . financial pressures are here to stay, and there are fundamental reasons for expecting the income gap to widen steadily with the passage of time."<sup>10</sup> Their income gap theory was a particularly significant contribution to the cause of advocacy. It established a rhetorical strategy in which the negative connotations of "deficits," which were conventionally interpreted as evidence of inefficient business practices or a lack of consumer demand, were transformed into an inherent economic condition of artistic creation/production.

Baumol and Bowen demonstrated that the performing arts were adversely affected by the relationships among technological advancement, productivity, and prices, costs, and wage pressures that existed in capitalist economies. For example, when technological advancement improves productivity in the manufacture of automobiles, each labor-hour yields more cars. As productivity increases, labor demands or is rewarded with wage increases, but corporate revenues will remain stable or may even grow, because increased wages will lead to increased prosperity in the general economy. As prosperity grows, demand for automobiles should also grow. Even if demand remains constant, automobile

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9. Baumol and Bowen, *The Economic Dilemma*, 3.

10. *Ibid.*, 161.

manufacturers are still capable of offsetting their rising production costs (raw materials and wages) with labor saving technological advancements, or they can simply raise prices and sell fewer cars for more money.

According to Baumol and Bowen, the performing arts were incapable of operating effectively within this free market system for three reasons. First, theatres could not substantially increase their productivity because "it requires about as many minutes for *Richard II* to tell us his 'sad stories of the death of kings' as it did on the stage of the Globe."<sup>11</sup> Although theatres could produce more performances, sell more seats, or charge more per ticket, additional performances would increase labor costs, higher ticket prices might discourage attendance, and generating larger audiences would increase marketing costs.

Second, the performing arts were at a disadvantage in the free market because the cost of goods and services within the broader economy would continue to rise, while revenue in the performing arts was relatively fixed. Lumber for sets, cloth for costumes, electrical power for lights, paper for programs and posters, and other production expenses would rise, thus putting pressure on the institution to generate more revenue. But because theatres had a limited number of seats and their products were not in high demand, they were incapable of meeting these increasing costs with earned income.

Third, theatres would be compelled to increase wages so that their employees could afford the higher cost of living that was a consequence of national prosperity. Wage pressures would thus increase theatre expenses and put additional demands on the theatre to increase its earned income. Baumol and Bowen believed that the performing arts could make slight increases in ticket prices and slight improvements in their

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11. *Ibid.*, 164.

operating efficiency, but neither of these strategies would succeed in increasing revenues or reducing expenses to a large enough degree to offset the growing income gap.

Therefore, the arts would need constantly expanding financial assistance to supplement their ticket income and fill the ever-widening gap between revenue and expenses.

One of the clearest indications of Baumol and Bowen's underlying attitudes about the positive value of the performing arts is their contradictory reasoning that while artistic products are market commodities, the performing arts are unlike other small businesses, such as restaurants and inns, that must also confront pricing pressures and also lack the ability to significantly increase their revenues through technological advancement -- because they will always have a limited number of tables or rooms. If Baumol and Bowen's reasoning were to be applied to restaurants, it could advance an argument for subsidizing that industry as well. A restaurant may not be able to cut its costs or increase its productivity to keep pace with the rising price of food, linen, and other goods and services that are essential to its operations. In addition, the restaurant will have to pay higher salaries to retain or hire a chef and waiters to compete with other employers that have benefitted from economic prosperity and have raised their wage rates. Finally, each day food will have to be purchased, and the chef and waiters will have to be paid, regardless of whether any customers appear.

All businesses confront challenges in balancing their costs and revenue, but Baumol and Bowen classified the performing arts as "mixed commodities," to distinguish them from both private and public goods. When market forces are operating effectively, they insure a balance between supply and demand. Private goods are manufactured to fill consumer demand, and if the industry is managed competently it will make only what it can sell, and will only sell what it makes if it can earn a profit. Public goods, such as

clean air and national defense, must operate outside this economic structure because "they lack the basic requisite of the market -- saleability," since "[that] which is vital to all citizens can not be sold to any one of them."<sup>12</sup> According to Baumol and Bowen, mixed commodities, such as health care and higher education, provide both private and public benefits, and the position of mixed commodities in free market capitalism is therefore more complicated. Baumol and Bowen use the example of higher education to clarify how mixed commodities cross standard economic boundaries between private and public sector goods:

When a student attends a school or university his own welfare (including his future earning ability) is thereby increased. In this sense education is a private good -- it can be sold to an individual purchaser because it yields benefits specifically to him. But at the same time education is also a public service because it enriches society as a whole -- it not only increases the productivity of the individual, it makes for a better life for everyone in the community.<sup>13</sup>

According to the economists, both the student and the nation "consume" the product universities manufacture. While the student should pay for the private and direct benefits he receives, the public should share the cost and pay for the indirect benefits it receives.

As scholar-advocates, Baumol and Bowen were more interested in the ideological qualities of the arts that met their definition of mixed commodities than they were in the characteristics that define the arts as private goods. Certain specialized sectors of the performing arts may be mixed commodities, such as buskers or outdoor festivals, because they can be enjoyed equally by those who put money in the hat and those who do not. But to propose that the Goodman Theatre's recent production of *Death of a Salesman* provided benefits that were shared equally by the paying audience member and society at

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12. Ibid., 380-81.

13. Ibid., 381-82.

large is an unconvincing argument, regardless of whether the not-for-profit run or the commercial Broadway run are considered. In addition, the American school system evolved as the direct result of a long-standing national commitment to public education, while the American theatre developed and continues to exist as a commercial enterprise.<sup>14</sup> Although the intangible benefits of theatre and education may have certain similarities that suggest they are both mixed commodities and while advocates have argued that theatre, and the arts in general, are important ingredients in an enlightened society, this ideological bias does not necessarily reflect a national consensus, nor does it explain why the not-for-profit theatre is economically unstable while the commercial theatre often has the capacity to generate profits.

Finally, the central thesis of *The Economic Dilemma* rests upon the same polarized views about culture and commercialism that were expressed by the founders of the Little Theatre movement, were repeated by Heckscher, Lowry, and Rockefeller, and ultimately became absorbed into the NEA's enabling legislation. Baumol and Bowen provided economic arguments that quantified these ideological distinctions, and they argued that performing arts deficits were not the result of inefficient business practices or limited demand, but were an inherent condition that was caused by factors in the broader economy that were inhospitable to cultural production. Baumol and Bowen's income gap theory legitimated not-for-profit deficits and intimated that the federal government could insure the continued vitality of the culture explosion if it provided relatively minimal, but on-going, financial support.

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14. For an analysis of the development of American not-for-profit arts institutions as a means of legitimizing distinction and claims of status by urban elites, see Levine, *Highbrow/Lowbrow*, and DiMaggio, "Cultural Entrepreneurship," 33-50.

*An Alternative Analysis of Income Gaps*

In 1977, the Twentieth Century Fund commissioned another economic study of the performing arts. M.J. Rossant, who succeeded Heckscher as director of the Fund, introduced Dick Netzer's *The Subsidized Muse: Public Support for the Arts in the United States* as "a critical analysis . . . [and] assessment of direct government support of the arts." According to Rossant, the study was necessary because

Until fairly recently, rapid increases in funding have given government arts agencies the luxury of distributing grants . . . without considering such questions as the relative merits of new applicants as opposed to past recipients, who have become somewhat dependent on government subsidy . . . competing claims on public resources for purposes other than sustaining the arts are eliminating this luxury. So arts agencies [i.e. funders] now confront the need to make hard choices.<sup>15</sup>

Rossant's statement and Netzer's book both reflected a new awareness among advocates that after ten years of federal support, the NEA was an ineffective economic buffer and catalyst.

In the context of growing deficits among not-for-profit arts institutions, Netzer questioned the market failure argument that was the foundation of the Baumol-Bowen thesis. According to Baumol and Bowen, performing arts institutions both required and deserved contributed support because of their inherent economic structure, as well as because their cultural products were mixed commodities that could not survive in the free market. Netzer examined and ultimately accepted the view that cultural products may be mixed commodities, but he replaced the value-neutral term of "mixed commodities" with the value-positive term, "merit goods." This semantic adjustment reflected Netzer's interest in examining the public policy consequences of federal arts funding, rather than to question the economic basis of a practice that he supported, and his project was to

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15. Netzer, *The Subsidized Muse*, vii, viii.

determine "on what ground should governments intervene to allocate more resources than commercial processes provide."<sup>16</sup>

*The Subsidized Muse* is recognized as "pioneering" and "path-breaking," since it was the first "explicit policy analysis" of federal arts support, based on ten years of data that attempted to illuminate the impact of NEA grants and other forms of contributed income on performing arts institutions.<sup>17</sup> Netzer disputed the economic basis of the Baumol-Bowen thesis that argued that the structure of the performing arts prevented them from operating effectively in the free market, and he demonstrated that the relationships among technological advancement, productivity, costs, prices, and wages that are fundamental in commercial businesses are also present in the arts.

According to Netzer, "the financial difficulties of the performing arts were not traceable to the Baumol-Bowen trends but to unsuccessful ventures, a failure to develop expected support at the box office or elsewhere, a withdrawal of previously available support, or efforts to expand without either market or donor support visible." In addition, Netzer concluded that NEA grants, and contributed income in general, had artificially inflated wage rates in the American not-for-profit theatre beyond the rate of increase in the general economy, and the NEA's practice of federal arts support "was a questionable use of public funds."<sup>18</sup> Therefore, Netzer argued that market failure was not an inherent condition of the performing arts that justified federal support, and further, that federal support did not necessarily have a positive impact.

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16. Ibid., 13, 26-27.

17. Mark Blaug, "A Tribute to Dick Netzer and *The Subsidized Muse*," *Journal of Cultural Economics* 23 (1999): 31-33.

18. Netzer, *The Subsidized Muse*, 153-154, 131.

Because Netzer was (and is) an advocate and approves of the idea of federal arts support, he concluded that if NEA funding were to be redirected it could achieve the goals of "preservation, enhancement, and diffusion of our national culture."<sup>19</sup> While Netzer was intellectually sensitive to the unique characteristics of the individual performing arts and included "case studies" of theatre, dance, opera, orchestras, and museums, he continued to follow the practice of most public policy analysts and considered the performing arts in general. In addition, because Netzer lacked practical experience in the not-for-profit theatre, he was inattentive to the influences of the Baumol-Bowen thesis and NEA funding on their dynamics. The following examination of Baumol and Bowen's income gap theory adds twenty years of data and thus extends Netzer's work, but more importantly, it analyzes the interplay among the income gap, NEA funding, and theatre budgeting, which are relationships that he did not consider.

Baumol and Bowen stated that their work did not offer an "inspirational message proclaiming the virtues of the live performing arts and their crucial role in the enrichment of human existence," yet they concluded their study with the hopeful prognosis that "although professional performing arts organizations will find themselves in difficulty . . . there are grounds for a reasonably optimistic assessment of their chances of meeting this challenge."<sup>20</sup> The economists only hint at the basis of their optimism after theoretically demonstrating the immutability of increasing income gaps, and they predicted that without federal arts support, the American not-for-profit theatre would post a \$6.8 to \$8.5 million gap by 1975.<sup>21</sup> Baumol and Bowen utilized annual growth rates in expenses,

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19. *Ibid.*, 195.

20. Baumol and Bowen, *The Economic Dilemma*, 4, 405.

21. *Ibid.*, 553.

income, and private support for not-for-profit theatres for a ten year period to calculate their income gap projections, but they chose to neglect the potential impact of federal arts support. The economists had participated as consultants on a number of advocacy efforts, and while some form of federal arts support was understood as the likely outcome of current legislative activities, Baumol and Bowen made a strategic choice to leave it as an open question. After all, the income gaps that they predicted were relatively small sums for a prosperous nation to consider. The gap was manageable if private and local support increased slightly over time, but it was not unreasonable to hope that "particularly significant" developments in Washington would result in the federal government covering the entire gap, since the cost of insuring a vibrant national culture and improving America's international reputation would only cost a few million dollars.<sup>22</sup>

However, despite nine years of federal arts support provided by the NEA, Theatre Communications Group (TCG) reported that the 1975 total income gap was more than \$12 million, and by 1996 the gap had reached \$166 million.<sup>23</sup> At least in principle, Baumol and Bowen's theory has proven to be correct, since the gap between earnings and expenses has continued to grow, but its growth cannot be attributed solely to the field's

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22. Ibid., 403.

23. All dollar amounts will be presented in current, rather than constant dollars for three reasons. First, early studies did not adjust for constant dollars, and TCG has perpetuated the practice. Therefore, I will maintain this approach to link my analysis with the existing data. Second, the functional impact of patterns of NEA funding on the not-for-profit theatre are experienced from year to year as current dollars, and are not affected by broad economic considerations of inflation. Third, conversion into constant dollars would merely magnify the trends that I will present as current dollars in my analysis. For example, if the \$154 million increase in the income gap from 1975 to 1996 reported by TCG was converted into constant dollars, the inflation factor of 2.916 would result in a \$449 million increase, based on 1996 constant dollars. Finally, I will provide constant dollar figures in Appendix A. See Theatre Communications Group, *Fiscal Survey*, annually from 1974 to 1978, and "Theatre Facts," annually from 1979 to 1998 in *American Theatre*.

inability to keep pace with cost, price, and wage pressures as the economists had proposed.

Fluctuations in the Consumer Price Index (CPI) that measures these components of the national economy do not appear to have a direct or proportional influence on theatre expenses or income gaps. Chart 4.1 on the next page illustrates general patterns of growth and decline in the CPI, theatre operating expenses, and income gaps from 1966 to 1996, and while there appears to be some correlation in the general patterns of all three components, there are also significant differences in their relative percentage changes, as well as in their direction.

For example, in 1969 the CPI rose 5%, while theatres increased their average expenses by 13%, or more than double the rate of CPI growth.<sup>24</sup> In 1971, 1974, 1978, 1988, 1994, and 1995 CPI growth was larger than the rate of increase in theatre expenses. In 1976, theatres reduced their expenses by 42% while the CPI rose by 6%. This pattern in which theatres reduced their expenses while the CPI rose also occurred in 1967, 1972, 1975, 1983, 1990, 1993, and 1996.

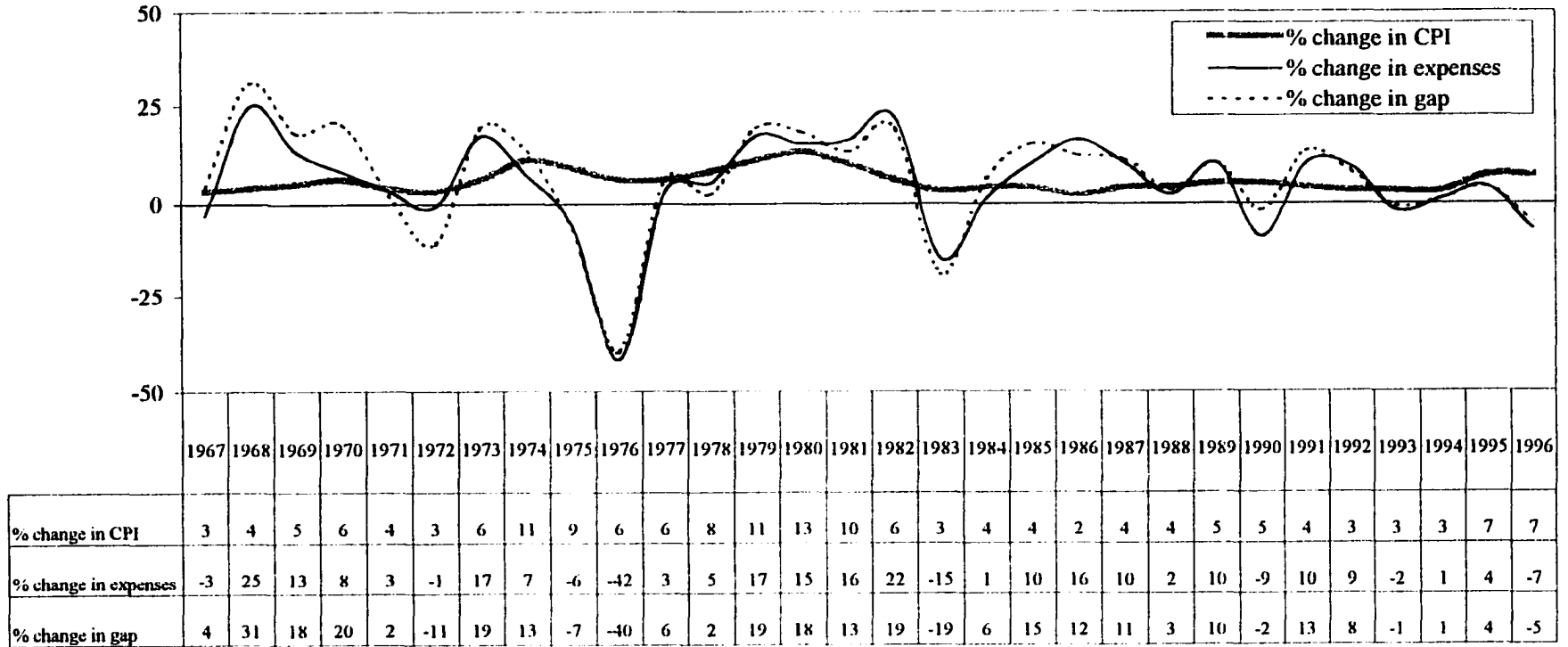
Further evidence that the CPI exerts a limited influence on theatre budgets is demonstrated by the relationships between the CPI and income gaps. The 1969 percentage change in the average income gap (18%) was significantly more than the increase in the CPI (5%), and this discrepancy between the CPI and income gaps occurred in 1967, 1968, 1970, 1973, 1979, 1981, 1984, 1988, 1994, and 1995 and 1994. In 1972, the income gap dropped by 11%, while the CPI rose 3%, and incongruities occurred in the direction of these two components in 1975, 1983, 1990, 1993, and 1996.

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24. I have rounded the percentages from my calculations and am presenting them as whole numbers for ease of reading.

CHART 4.1

ANNUAL PERCENTAGE CHANGES IN THE CONSUMER PRICE INDEX (CPI),  
OPERATING EXPENSES, AND INCOME GAPS FROM 1966 TO 1996 <sup>25</sup>



Source: U.S. Department of Commerce, *Statistical Abstracts of the United States*, 1989, 1992, 1998; Ford Foundation, *The Finances of the Performing Arts*, Volume 1, 1974; Theatre Communications Group, *Fiscal Survey*, 1974-1978, and "Theatre Facts," *American Theatre*, 1979-1998.

25. Since this chart measures annual changes, 1967 represents the change from 1966 to 1967. In addition, percentages are rounded to whole numbers.

The divergences between the CPI and expenses contradict Baumol and Bowen's view that macroeconomic conditions are a primary influence on rising theatre expenses, and the variance between the CPI and income gaps disputes their thesis that these macroeconomic pressures are the source of income gaps. Therefore, an alternative analysis that locates the origin of income gaps and reveals the conditions that affect them is required.

Two important factors were missing from Baumol and Bowen's work that might account for the inaccuracy of their projections and might also exercise a more direct influence on theatre expenses and income gaps than the CPI. First, NEA support may have inflated general theatre expense levels, just as Netzer had concluded that federal support had inflated artist wages. Operationally, it does not matter to a theatre whether income is earned or contributed, and increases in any form of income are likely to raise expenses, since income tends to fuel expansion. Second, while Baumol and Bowen perceived that cast size and differing levels of quality affect costs, their theory imagines a universe in which a theatre's expenses are essentially determined -- and driven upward -- by prices and wages for goods and services in the broader economy. This limited view neglects the dynamics of theatre budgets and their impact on both expenses and the income gap.

Theatres create annual budgets by combining past experience with future expectations. A shortfall between ticket income and operating costs will therefore reflect an incorrect analysis of the past or unrealized expectations that may arise from radical changes in the environment. As I indicated in the previous chapter, the Arena operated as a commercial enterprise until 1962, when it received Ford support. Like the Arena, most theatres were compelled to balance their budgets to remain in business. They

projected their future expenses on the basis of anticipated earnings, and this practice occasionally resulted in an operating surplus.

Prior to 1962, theatres tempered their artistic goals with an analysis of how many tickets they could sell to meet a set of relatively fixed production costs, including royalties, artist salaries, and supplies, as well as non-production costs such as occupancy, marketing, and administration. In 1962, and again in 1966, the dynamics of budgeting were affected on two levels as theatres integrated new, unearned income from Ford and then from the NEA. First, expenses were no longer limited by earned income. Theatres could build new facilities, expand their seasons, or increase salaries without substantially increasing ticket sales. Initially, the unearned income appeared to serve as an economic buffer which shielded theatres from the vicissitudes of the commercial marketplace that advocates had argued was inhospitable to cultural production, and it allowed theatres to expand. But eventually the pattern of expansion that was fueled by contributed income led to higher fixed costs for occupancy, salaries, and administration. Second, theatres began to cover a greater percentage of their expenses with unearned income. This redistribution in theatre fiscal policies led to a greater dependence on unearned income, and particularly NEA funding, since until recently, NEA grants comprised the largest single source of contributed support.<sup>26</sup> In addition, the initial idea that NEA support was temporary was transformed into an imperative for regular subsidy, as theatres covered a greater percentage of their increasing operating costs with contributed income.

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26. It is important to note that while individual and corporate donors have tended to represent a larger aggregate in total dollars of an average theatre's unearned income, these categories represent numerous sources, while NEA support represents a single source. If contributors are understood as altruistic boosters who buy blocks of advance tickets and then allow theatres to resell them to the public at a discount, the NEA has, until recently, bought the largest block of tickets. Therefore, the federal government exerts more influence on theatre budgets than any other funder.

These relationships among earned income, expenses, income gaps, and NEA funding can be illustrated with the averages for a group of sixteen not-for-profit theatres for which fiscal data exists throughout the nine year period from 1966 and 1975. I have chosen to begin my analysis of these relationships with the inaugural years of NEA activity for two reasons. First, an examination of this period may provide an explanation for the inaccuracy of the Baumol-Bowen income gap projection and may support my view that their low and incorrect estimate was the result of neglecting the impact of NEA support. Second, the influence of initial NEA support was likely to be extreme and therefore more observable in this formative period.

During the nine year period from 1966 to 1975, the sixteen theatres reported a 6% average annual rate of growth in earned income and a 6% average annual increase in expenses, while the income gap grew at an average annual rate of 9%. In 1966, theatres were subsidizing 26% of their costs with private and local sources of contributed income, and 2% with NEA support. By 1975, private and local support had increased by only two percentage points and represented 28% of contributed income, while NEA support grew by six percentage points and now represented 8% of total contributed income. Theatres realigned their budgets and by 1975 were subsidizing 36% of their operations with contributed income.<sup>27</sup> Therefore, while earned income, expenses, and private and local support remained relatively stable over the ten year period, the 9% growth in the income gap corresponds to the 8% growth in NEA support.

The correlation in income gap growth and NEA funding suggests that income gaps may have been a consequence of NEA funding. The trends that occurred from 1966 to 1975 illustrate the same general relationships among expenses, income gaps, and NEA

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27. Theatre Communications Group, *Fiscal Survey, 1974-75*.

funding that I considered in my analysis of impact of Ford Foundation support on the Arena Stage. In this case, Arena's experience can be used to illustrate the impact of federal arts support on the functional dynamics of the income gap, or deficit-based budgeting.

In its 1969 audit, Arena reported earnings of \$659,441 against expenses of \$1.02 million, which represented an income gap of \$361,292. The financial statement also reports an accumulated cash surplus of \$345,000.<sup>28</sup> This would suggest that Arena's income gap for 1969 was \$16,292, but the theatre kept its surplus in the bank and reported a \$300,000 deficit that was covered with a \$300,000 grant from the Ford Foundation. During its 1969 season, Arena received notification that it had been awarded \$150,000 for the next two years from the NEA. In a document that Arena submitted to the Ford Foundation, the theatre projected annual budgets for its current season (1970) and the next two seasons (1971 and 1972).<sup>29</sup> Although box-office income had grown by an average 7% for the previous eight seasons, Arena's executive director, Thomas Fichandler, accepted Baumol and Bowen's view that it was difficult, if not impossible, for theatres to sustain earned income growth, and he projected flat ticket sales of \$600,000 through 1972.<sup>30</sup> It is worth noting that Thomas Fichandler, who was Zelda's husband, came to the Arena after working for the Twentieth Century Fund. He was therefore more likely to understand the practical significance of Baumol and Bowen's

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28. Washington Drama Society, Inc., "Comparative Statement of Income and Expenses for the Fiscal Year Ending June 30, 1969 and June 30, 1968," grant 06200496, Ford Foundation Archives.

29. Washington Drama Society, "Approved Budget," 5 March 1970, grant 6200492D, Ford Foundation Archives.

30. Washington Drama Society, Inc., "Comparative Statement of Income and Expenses," 1962 through 1969, grant 06000019 and 06200495, Ford Foundation Archives.

income gap theory and assimilate it into the functional dynamics of a deficit-based budgeting process than other theatre managers, who were accustomed to only two fiscal categories -- income and expenses.

The Arena experienced an average 12% increase in expenses over the previous eight seasons, but the budgets they submitted to Ford projected a 43% increase from 1969 to 1970, a 41% reduction in 1970 to 1971, and a 2% rise for 1972, resulting in a 4% net increase. In conjunction with the projection of flat earned income, these extreme shifts in expenses allowed Fichandler to project income gaps of \$150,000 for 1970 and 1971, and a \$300,000 gap for 1972. The 1970 and 1971 gaps would be offset by the promised NEA funds, and the Arena had received an indication from Lowry in 1969 that Ford would be able to provide the theatre with an additional \$300,000 in 1972. Therefore, this three year budget document represents an accounting gambit in which expenses are determined by expectations for contributed income, rather than by realistic earned income projections. Finally, the document demonstrates how Arena rejected its past experience as the basis for budgeting, and also illustrates how radical shifts in the external funding environment affected expectations and ultimately resulted in the legitimization of artificial deficits as a strategy to access these new resources.<sup>31</sup>

The short-term trends from 1966 through 1975 that demonstrate an influence between NEA funding patterns on both theatre expenses and income gaps are reproduced in the thirty year period from 1966 to 1996. Annual figures for average NEA grants, theatre expenses, income gaps, and earned income for 1966 through 1996 appear

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31. I have chosen to exclude "Capital Building Drive" contributions totaling \$432,000, as well as "Capital Funding and Improvements" costs, from the Arena's 1970 figures because they are not part of the theatre's ongoing production activity. In addition, the previous chapter reviews the impact of Ford Foundation support on the Arena's brick and mortar costs. See Washington Drama Society, "Approved Budget."

in Table 4.2. I have included earned income in the table but will not feature it in my analysis because the basis of my argument is that income gaps are the result of self-directed overspending, rather than unavoidable shortfalls. Since theatres have been capable of increasing their earned income and macroeconomic pressures are not the source of increased expenses, income gaps must be related to other factors.

NEA funding patterns exhibit five distinct trends between 1967 and 1996 that are illustrated in Chart 4.3 and are attributable to changes in legislative appropriations, as well as with growth and decline in the universe of applicants. The first period runs from 1967 to 1970 when the average grant size decreased, as new theatres were established, applied for, and received NEA support.<sup>32</sup> By 1970, the agency was supporting eighty theatres, and although the Theatre Program's share of total agency appropriations increased significantly from 1967 to 1970, the number of awardees nearly doubled, and consequently the average grant amount declined.<sup>33</sup> In the second period, between 1971 and 1976, NEA grants move in an upward direction. This period is acknowledged as "the golden age" under Nancy Hanks' leadership. Legislative appropriations to the agency increased from \$8.2 million to over \$123 million, and the Theatre Program's share also increased. Thus, the NEA was able to fund more theatres at higher levels of support.<sup>34</sup>

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32. Since the NEA made only two theatre grants in 1966 averaging \$221,500, I have eliminated this one year aberration from my analysis.

33. Legislative appropriations to the NEA were \$2.5 million in 1966, \$7.9 million in 1967, \$7.1 million in 1968, \$7.8 million in 1969, and \$9.1 million in 1970, and the Theatre Program dispersed grants totaling \$442,500 in 1966, \$985,124 in 1967, \$1.1 million in 1968, \$1.8 million in 1969, and \$2.2 million in 1970. See National Council for the Arts, National Endowment for the Arts, *The First Five Years: Fiscal 1966 Through Fiscal 1970* (Washington, D.C.: GPO, 1970).

34. See Zeigler, *Arts in Crisis*, 25-37, and Netzer, *The Subsidized Muse*, 61, 216.

TABLE 4.2

AVERAGE NEA THEATRE GRANT, AVERAGE THEATRE EXPENSE,  
AVERAGE EARNED INCOME, AND AVERAGE INCOME GAP  
FROM 1966 TO 1996

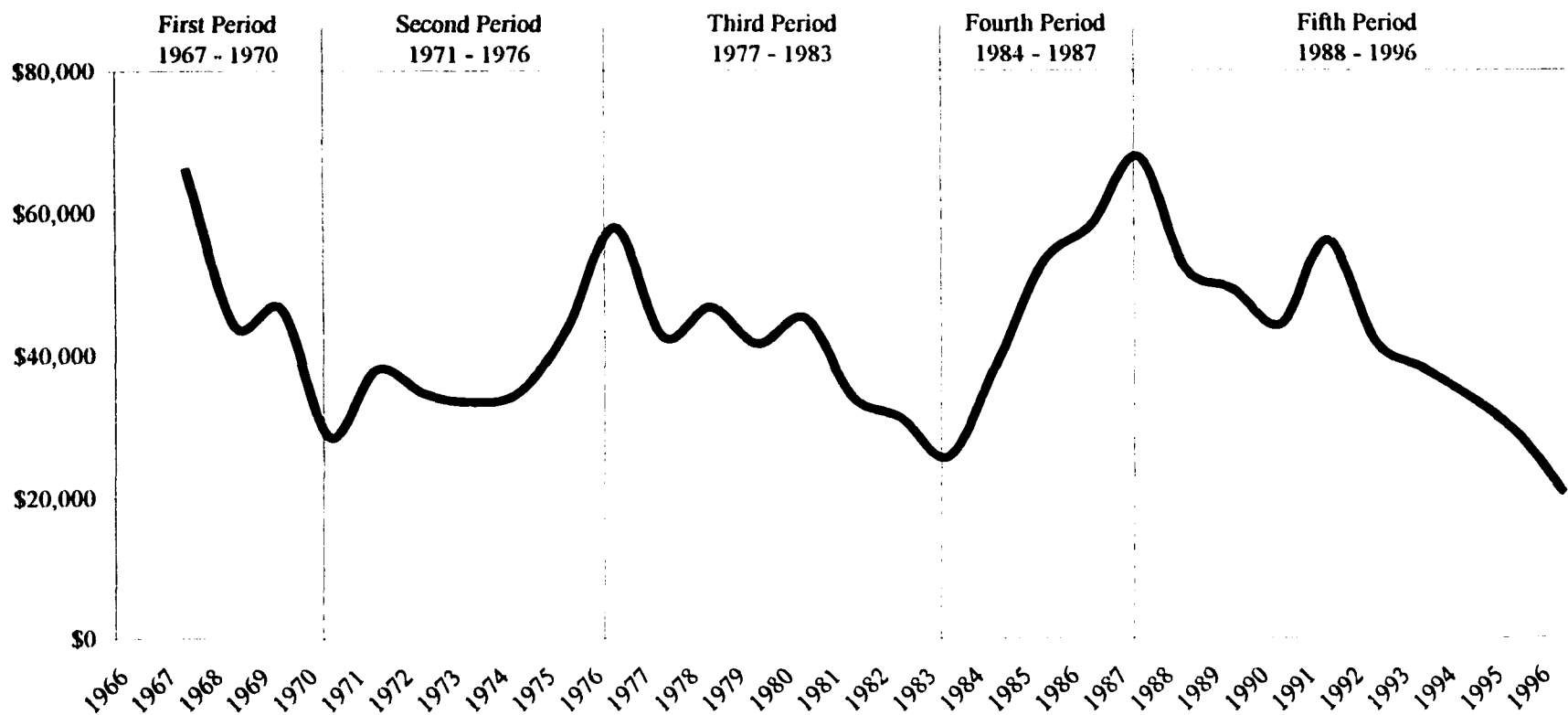
Fiscal Year	Average NEA grant	Average theatre expense	Average earned income	Average income gap
1966	\$221,250	\$448,802	\$328,948	\$119,856
1967	\$65,674	\$437,007	\$312,711	\$124,296
1968	\$44,202	\$576,808	\$398,658	\$178,150
1969	\$46,501	\$656,168	\$439,856	\$216,311
1970	\$28,560	\$707,775	\$438,588	\$269,186
1971	\$37,977	\$727,525	\$453,668	\$273,856
1972	\$34,564	\$726,543	\$480,734	\$245,809
1973	\$33,351	\$865,958	\$565,127	\$300,831
1974	\$34,908	\$925,667	\$582,656	\$343,011
1975	\$43,943	\$879,137	\$559,461	\$319,676
1976	\$57,969	\$511,790	\$318,031	\$193,758
1977	\$42,657	\$527,248	\$321,482	\$205,766
1978	\$46,655	\$554,869	\$343,716	\$211,153
1979	\$41,539	\$663,744	\$404,462	\$259,280
1980	\$45,193	\$772,741	\$458,047	\$314,693
1981	\$34,001	\$919,743	\$558,247	\$361,496
1982	\$31,255	\$1,173,275	\$727,666	\$445,609
1983	\$25,743	\$999,929	\$620,026	\$363,843
1984	\$38,586	\$1,001,300	\$634,279	\$383,266
1985	\$53,111	\$1,102,949	\$673,406	\$450,706
1986	\$58,167	\$1,309,872	\$799,948	\$509,924
1987	\$67,743	\$1,451,004	\$878,674	\$572,329
1988	\$52,079	\$1,470,245	\$883,994	\$586,250
1989	\$49,178	\$1,818,647	\$1,169,620	\$649,026
1990	\$44,336	\$1,655,944	\$1,018,546	\$637,379
1991	\$56,010	\$1,829,788	\$1,100,916	\$728,871
1992	\$41,791	\$2,008,940	\$1,222,406	\$786,554
1993	\$38,121	\$1,973,337	\$1,184,709	\$788,627
1994	\$34,122	\$1,992,170	\$1,200,677	\$791,492
1995	\$29,099	\$2,069,472	\$1,308,092	\$761,379
1996	\$20,959	\$1,927,637	\$1,201,962	\$725,675

*Source:* Ford Foundation, *Finances of the Performing Arts*: Theatre Communications Group, *Fiscal Survey*, 1975 through 1983, and "Theatre Facts," *American Theatre*, 1984-1997; National Endowment for the Arts, *Annual Reports*, 1966-1996.

I have calculated the size of average NEA grants on the basis of how many individual theatres received support, rather than by following the format of NEA *Annual Reports*. The *Reports* present a dollar total for Theatre Program support and the total number of grants that were made. The NEA's figures are deceptive since the same theatre often received support through a variety of different categories in the Theatre Program, as well as from Advancement and Challenge categories. Consequently, my averages are higher than the averages that could be calculated from the summary data in the *Annual Reports*.

CHART 4.3

AVERAGE NEA THEATRE GRANT DEMONSTRATING FIVE FUNDING PATTERNS FROM 1966 TO 1996



Source : See Table 4.2 and note 33.

During the third period, between 1977 and 1983, average grants decrease. In 1977, the NEA awarded 184 grants, but by 1983 it was supporting 466 theatres, while its appropriations had remained relatively constant. These two variables explain the downward trend in this period, as more theatres received a smaller share of the total funds available. In the fourth period, between 1984 and 1987, although appropriations remained flat, the NEA redirected its priorities under the direction of a new chair, Frank Hodsoll, who instituted computers at the agency in an attempt to impose "stricter discipline and greater consistency" in the award process.<sup>35</sup> This operational change led to a reduction in the number of grant recipients, but it also had the net effect of increasing the size of the average grant. Finally, apart from an upward spike in 1991 that was the result of an earlier appropriation package, the fifth period from 1988 to 1996 trends downward. This downward trend is indicative of the frequent controversies that have led to decreasing legislative appropriations and a realignment of NEA funding policies that has limited access to a fixed group of approximately 280 theatres.

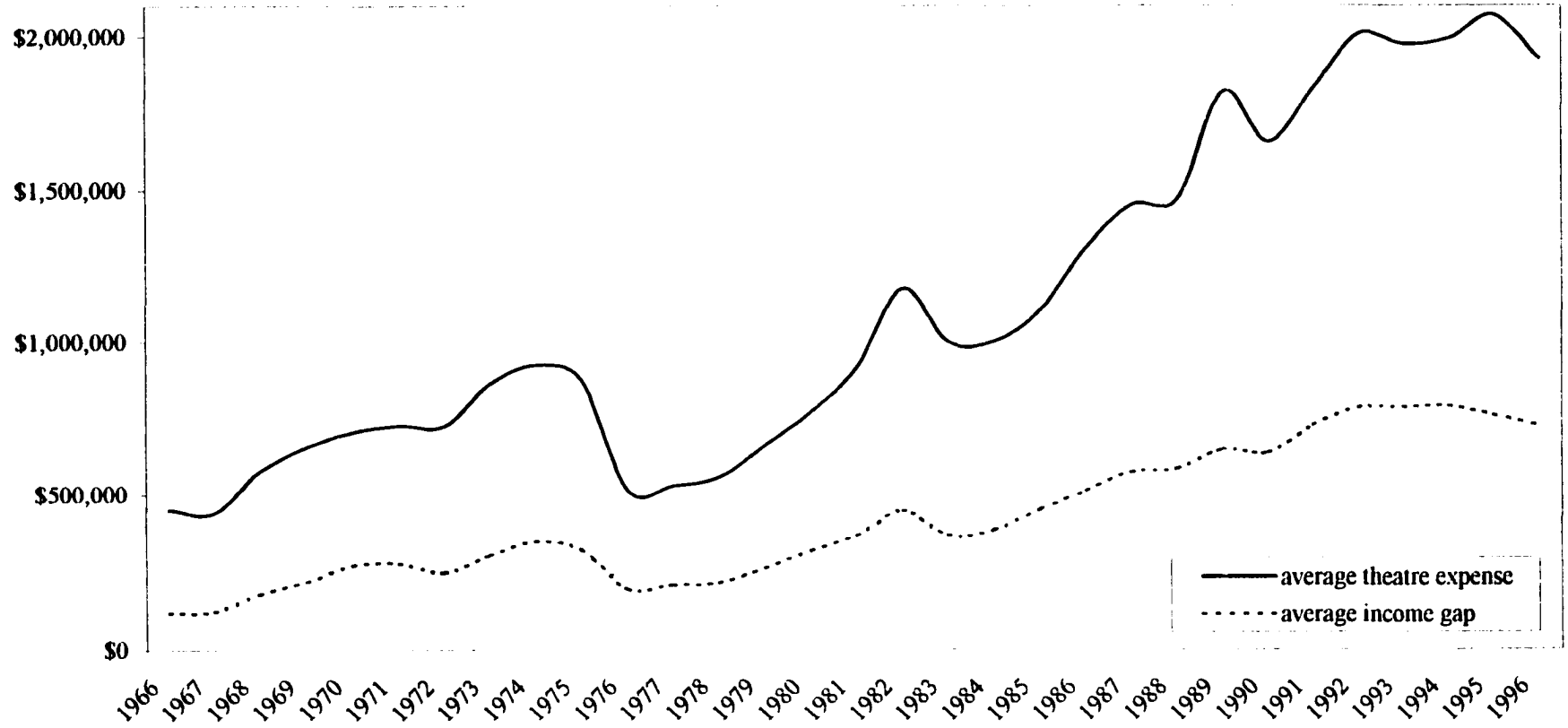
These five patterns in NEA funding can be correlated to changes in expenses and income gaps, which are presented in Table 4.2, and are also visually illustrated in Chart 4.4 on the next page. Expenses declined in 1972, 1975-1976, 1982-83, 1990, 1993, and 1996, while the income gap declined in 1972, 1975-76, 1983, 1990, 1995-96. Finally, because expenses, income gaps, and NEA grants all declined in 1972, 1975-76, 1983, 1990, 1996, these five periods deserve a deeper analysis to test my hypothesis that NEA funding patterns exert an influence on these two other components of theatre finances.<sup>36</sup>

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35. Quoted in Zeigler, *Arts in Crisis*, 53.

36. Table A.1. in the Appendix illustrates the same general patterns, although the degree of increases and decreases is larger or smaller, or the trend occurs over fewer years or is extended.

**CHART 4.4**  
**AVERAGE THEATRE EXPENSE AND INCOME GAP FROM 1966 TO 1996**



Source : See Table 4.2.

The first decline in both theatre expenses and income gaps occurred in 1972, and this year marks the end of a period of adjustment when arts administrators were learning how to create deficit budgets, and the NEA was developing an administrative structure and operational style. Between 1966 and 1971, theatres used federal funding to increase artist wages, expand their administrative staff, and extend their seasons, while earned income remained relatively flat. During this initial period of adjustment, both expenses and income gaps increased, but in 1972 theatres were compelled to slow their rate of growth to cope with their growing deficits and adapt to fluctuations in NEA support. From 1966 to 1971, theatres increased their expenses at a 7.6% annual rate of growth, while earned income rose only six points annually. During this five year period, theatres consistently spent more than they earned, and the income gap doubled.

After overspending in 1973 and 1974, theatres returned to a posture of fiscal austerity in 1975 and 1976. In 1975, average expenses fell slightly from \$925,667 to \$879,137, and in 1976 they dropped significantly. Therefore, although NEA support increased in this second period, theatres used NEA funds to support existing programs, rather than initiating new programs that would inflate their costs, and they were able to bring their expenses and income gaps close to their lowest level in ten years, even as the CPI continued to rise.

In 1983, expenses and income gaps declined for the third time, and the declines in this period can be accounted for by two significant aspects of NEA funding. First, the NEA made grants to 466 theatres in 1983, and this figure still represents the largest number of institutions that the agency has supported. Second, the 1983 average grant size represents the low end of the range in patterns of NEA funding.

Apart from reinforcing my argument that NEA grants influence both theatre

expenses and income gaps, 1983 also illustrates what is perhaps self-evident -- that when the average size of NEA grants is low, they exert less impact on theatre budgets. Advocates have argued that this is a negative consequence of reductions in NEA appropriations for two reasons. First, according to the "trickle down" theory, reductions in federal support would be followed by reductions in private support. The trickle down theory emphasized the NEA's role as an economic catalyst, and it was devised in the early eighties when the agency was threatened by President Reagan's budget director, David Stockman, who stated that the NEA was "ineffective or of low priority," and "could be cut by at least one-third."<sup>37</sup> In 1983, contributed support from private sources rose significantly, from \$11.8 million to \$14.1 million, contradicting the trickle down theory.<sup>38</sup>

Second, advocates forecast that as all forms of contributed support declined, theatres would become more dependent on box-office revenue. This dependence was formulated as both artistically and fiscally dangerous, because if theatres could not afford to fulfill their cultural missions, they would begin to produce popular works that were more likely to achieve commercial success. But, because the Baumol-Bowen thesis indicated that the economic structure of the performing arts industry was highly susceptible to cost, price, and wage pressures, it was unlikely that any degree of commercial success could offset rising expenses, and reductions in contributed income would ultimately lead to larger deficits. I will examine the artistic impact of reductions in NEA support in the next chapter, but the economic dangers that advocates warned of are countered by the reductions in expenses and income gaps that occurred in 1983 as a consequence of reductions in NEA funding.

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37. Quoted in "What's Next for the Arts?" *American Arts*, March 1981, 16.

38. "Theatre Facts 84," *American Theatre*, March 1985, 9.

Expenses and income gaps dipped slightly in 1990. This fourth period follows the general pattern of previous declines, when reductions in the average size of NEA grants also declined as the result of fewer awards and smaller legislative appropriations. This pattern is repeated in the fifth and final period of decline between 1994 and 1996, when each of the individual components fell in two of these three years. In 1995, an unusual and significant discrepancy in this pattern occurred, as earned income and theatre expenses increased, while NEA grants and income gaps decreased. Therefore, 1995 provides a powerful denouement in this narrative of the interplay among NEA funding, theatre expenses, and income gaps.

The nineties represent another period of adjustment in the historical relationship between the NEA and the not-for-profit theatre. Reductions in the size of NEA grants, as well as the regular political controversies that have absorbed the agency's attentions, led to a redirection in advocacy that has tended to defend the NEA as an ideological validation of cultural production, rather than a source of substantial economic value. This redirection in advocacy was possible because private sources of contributed income have grown to compensate for reductions in NEA support, and it reflects a parallel realignment in the dynamics of theatre budgeting.<sup>39</sup> As NEA support declined both in size and as a percentage of a theatre's total budget, it no longer functioned as a fundamental consideration in the budgeting process. Other sources of contributed income, and particularly earned income, replaced NEA funding as the most influential components of theatre budgets. This realignment in the dynamics of budgeting accounts for the divergences in NEA funding and income gaps in relation to theatre expenses and

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39. This long-term trend in the rise of non-NEA contributed income provides further evidence that contradicts the trickle down theory of eighties advocacy.

earned income in 1995. In addition, the divergences among these economic factors disputes the Baumol-Bowen thesis, as well as the concerns of advocates that warned of the dangers of reductions in NEA support, since they demonstrate that theatres are capable of absorbing increases in the CPI with earned income.

This narrative interpretation of the data is based on a consideration of the possible causes for observable patterns among NEA funding, theatre expenses, and income gaps. One of the most problematic qualities of the Baumol-Bowen thesis, and perhaps all economic theory, is that it advances a compelling though abstract argument that depends on a subjective ordering and analysis of neutral data. Advocates may read the data as a distressing narrative of box-office dependence and commercialism, while economists or statisticians may propose alternative interpretations that embody their own biases. But, because the NEA was originally established as an economic buffer and catalyst, designed to address the financial need -- as well acknowledge the social merit -- of the not-for-profit arts, and because theatres have continued to experience deficits that appear to be unrelated to their inherent economic structures, it is difficult to use this data to form a reassuring narrative that supports the view that the NEA has achieved its mission, or that the agency has exerted a positive economic impact on the American not-for-profit theatre. Finally, because these economic indicators can only illuminate the influence of NEA funding patterns on the dynamics of theatre budgeting, in the next chapter I will consider these patterns in relation to artistic innovation and theatrical diversity as a means to test my hypothesis that federal arts support has exerted a negative pressure on these qualities of the American not-for-profit theatre.

## CHAPTER 5

### STRUCTURAL AND ARTISTIC CONFORMITY

During Ronald Reagan's 1980 presidential campaign, the former Hollywood actor indicated that he would continue the pattern set by previous chief executives and work with Congress to increase NEA appropriations.<sup>1</sup> Shortly after Reagan's inauguration, he reversed his position, and his administration began to implement measures to reduce the federal deficit in response to the nation's high inflation, interest rates, and unemployment. Federal entitlement programs, including the NEA, were slated for reductions or elimination. Consequently, when a conservative think-tank, the Heritage Foundation, published *Mandate for Leadership: Policy Management in a Conservative Administration*, which included a brief though comprehensive critique of the NEA, it put enormous pressure on advocates to politically justify the agency.

The Heritage Foundation publication charged the NEA with encouraging "a creeping nationalization of culture," and "emphasiz[ing] politically inspired social philosophies at the expense of the independence of the arts."<sup>2</sup> This indictment of the agency supported the administration's economic policy proposal to reduce NEA appropriations, and as Paul DiMaggio observed, "to arts advocates in an expansionist

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1. See Zeigler, *Arts in Crisis*, 45-46.

2. Heritage Foundation, *Mandate for Leadership: Policy Management in a Conservative Administration*, quoted in Marquis, *Art Lessons*, 164, and Barron, "A Mission Renewed," 25.

mood . . . and to organizations suffering from liabilities of newness or from expenses incurred by recent expansion, such cuts seemed to pose critical threats."<sup>3</sup> More importantly, the document focused attention on the unresolved public policy aspects of federal arts support that had allowed the NEA to operate for fourteen years as a relatively unconstrained government agency that administered a relatively minor economic stimulus package to not-for-profit arts institutions.

Although most advocates argued with the specific criticisms of the NEA in the Heritage Foundation document, some did not dispute its conclusion that "the major problem which the [Endowment] will face is not financial but rather philosophical," and the attack reanimated the fundamental tensions surrounding the issue of federal arts support that had been dormant for almost two decades.<sup>4</sup> In the sixties, and to a lesser extent in the seventies, the two conditions of national prosperity and a concern about an American culture-gap created an atmosphere in which the arts were politically exploited for their emblematic significance as domestic and international representations of enlightened democracy. In this climate, basic policy questions of federal arts support were deferred in favor of maintaining the momentum of the culture explosion. Initially, the NEA appeared to sustain the culture explosion and achieve its primary public goals of increased access and geographic diversity. The American not-for-profit theatre developed rapidly and on many levels during the sixties and seventies, as new theatres were established and existing theatres expanded their administrative structures, budgets, production activity, and audiences. But, while this statistical growth was impressive, artists and administrators began to experience a dissatisfaction with the institutional

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3. DiMaggio, "Can Culture Survive," 67.

4. Barron, "A Mission Renewed," 25.

framework of the not-for-profit theatre that echoed earlier concerns about quantity in the absence of quality that Heckscher, Lowry, Rockefeller, and other advocates had advanced as a justification for federal support. In 1963, Reginald Allen had articulated the incompatibility of culture and commercialism as an imperative for federal support that would allow "institutions [to] devote all their time and effort to their artistic responsibilities -- not to ways of raising more money just to exist."<sup>5</sup> But, by the late seventies, it appeared that "economic priorities [were taking] precedence over aesthetic concerns," and the term "artistic deficit" was coined to express the sense of disconnection from the process of artistic creation.<sup>6</sup>

This concept of an artistic deficit in the not-for-profit theatre signified two negative aspects of the relationship between government and the arts. First, the concept of artistic deficits referred to the awareness that economic concerns could displace artistic aims. The NEA was established as an economic buffer to allow not-for-profit arts institutions to focus on artistic aims, but the condition of a 50% or more matching requirement to receive federal support forced institutions to shift their focus from generating more earned income to generating more unearned income. Second, the sense of disconnection from the process of artistic creation originated from within the field, and it echoed Mark Harris' 1964 warning that "in moments of sheerest, undeceived clarity, the artist knows that his art cannot be translated directly to national purpose . . . he becomes alarmed at the breakdown of his own language, his own ethic."<sup>7</sup> Artists who had rejected

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5. *National Arts Legislation Hearings*, 326.

6. Peter Zeisler, foreword to Todd London, *The Artistic Home: Discussions with Artistic Directors of America's Institutional Theatres* (New York: Theatre Communications Group, Inc., 1988), xi.

7. Harris, "Government as Patron," 139.

the Broadway theatre as a commercial enterprise and had received federal support to construct alternative institutions dedicated to the pursuit of art began to recognize that their artistic products had become commodities of national culture, and their theatres had been transformed into regulated distribution centers. Before the NEA was established, theatre budgets and programming were determined on the basis of individual artistic tastes and shared missions, in conjunction with a desire to interact with a specific and local audience. After 1966, artists and administrators adjusted their budgets and programming to fit within the funding criteria of the NEA as the means to access federal aid.

The concept of artistic deficits reflected a growing awareness that individual artistic goals and the public aims of federal arts support were perhaps incompatible, and the articulation of this awareness was concurrent with a renewal of conflicts between government and the arts. In the early sixties, before the NEA was established, the underlying tensions between government and the arts were temporarily reconciled by the political consensus about the need to respond to the culture-gap. The distinctions between culture and commercialism were addressed by an economic policy during a period of national prosperity, and the NEA was authorized to disperse abundant federal funds to improve both artistic standards of general quality and public standards of access and geographic diversity. However, after Watergate and the Iran hostage crisis, America's sense of its unlimited potential was dampened. In addition, economic prosperity was no longer a national experience. Divisions between rich and poor became more pronounced and led to increased social and political demands on a dwindling tax-base. The fragile political consensus that had made the NEA possible started to unravel, and the unresolved policy questions surrounding federal arts support were exposed in a

debate that began to focus on distinctions between elite and populist, experimental and conventional, and obscene and decent.

The Twentieth Century Fund commissioned Dick Netzer's *The Subsidized Muse* in this context in 1978. Netzer's work was a liberal policy mandate that proposed strategies to insure the NEA's existence and effectiveness in this new environment, while the Heritage Foundation advanced a conservative mandate. Netzer accepted federal arts support as valid, and he sought to define funding criteria that would help the agency achieve the positive and democratic standards of access and geographic diversity. Samuel Lipman, who was a member of the National Council on the Arts and wrote the NEA section for the Heritage Foundation document, worked from the same basic principles as Netzer but was concerned with the agency's negative impact on artistic standards and argued that "the Endowment . . . [should] exist for the cultivation of serious culture," rather than "mere entertainment."<sup>8</sup> Both Netzer and Lipman recognized the NEA as an agency of public policy through which the government influences the type of art that is produced and the type of consumer that it is produced for, and they both acknowledged that the government's influence could be either positive or negative. In addition, they also agreed that the absence of clear and unified policy standards that informed NEA funding criteria was a negative condition that could be corrected, and their differing views of these standards reflected the underlying conflict between public and artistic goals.

In 1983, shortly after legislative appropriations to the NEA were reduced as a consequence of the Heritage Foundation document that signaled the return of a divisive political climate surrounding the issue of federal arts support, Paul DiMaggio argued for and proposed a methodology to measure the degree to which both the artistic and public

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8. Barron, "A Mission Renewed," 25.

aims of federal arts support were being achieved. In "Can Culture Survive the Marketplace," DiMaggio considered the impact of increased demands on a dwindling tax-base that had motivated the Twentieth Century Fund to commission Netzer's study. DiMaggio echoed Netzer's view and recognized that "reduction[s] in public support for the arts would not affect all organizations equally." But, while Netzer focused his attention on those conditions of NEA funding that encouraged the democratic aims of access and geographic diversity, DiMaggio argued that "because direct public support in the United States is so decentralized . . . the public contribution is potentially important beyond its size." In addition, DiMaggio noted that the "highly decentralized U.S. system of direct public assistance supports a wider range of values . . . [such as] excellence in both traditional, and to some extent, nontraditional art forms; innovation; access . . . diversity . . . conservation . . . and, at the local level, participation." DiMaggio was sensitive to the tensions that were created by this "dual imperative to support the wealthiest and to provide access," and he expanded Netzer's economic policy analysis to consider artistic and social criteria as more meaningful measurements to gauge the broader impact of federal arts support.<sup>9</sup>

DiMaggio built upon major themes that were originally articulated by Lowry, Heckscher, and Rockefeller and then integrated into the NEA's authorizing legislation, and he also incorporated the work of Baumol and Bowen, to hypothesize that "where markets for an art are highly segmented, pluralism and often innovation thrive. Where mass markets are sought, pluralism, innovation, and, from the standpoint of many artists and consumers, excellence suffers."<sup>10</sup> DiMaggio and co-author Kristen Stenberg

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9. DiMaggio, "Can Culture Survive," 67, 82, 81.

10. Ibid., 89.

presented evidence of this in their paper, "Conformity and Diversity in the American Resident Theater." DiMaggio and Stenberg developed a methodology to measure the accepted dual imperatives of public policy (pluralism) and the evolutionary development of the arts (innovation) by tracking the degree of diversity in theatre repertoires, since "diversity serves the interests of both artists and their publics."<sup>11</sup> According to DiMaggio and Stenberg, diversity is an indicator of "excellence" that provides a measure to evaluate the outcomes of both public goods and merit goods. Although the authors weaken their thesis when they alternately demonize the mass market and then imagine a nation of elite and discriminating consumers who recognize when "excellence suffers," DiMaggio and Stenberg attempted to address the conflict between Netzer's public-centered view of federal arts support and Lipman's elite, artist-centered view. Their work reflects a new awareness that "we need not worry about the survival of culture, because culture always survives. What we are really concerned about is the sort of culture that will survive."<sup>12</sup> Finally, DiMaggio and Stenberg make a significant contribution to public policy analysis because their evaluation of the operational efficacy of NEA funding was based on plays and theatre repertoires -- rather than economic factors -- and therefore illuminates the "sort of culture" that federal arts support encouraged.

*Measuring Conformity and  
Diversity in Theatre Repertoires*

DiMaggio and Stenberg chose to examine the repertoires of not-for-profit theatres

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11. DiMaggio and Stenberg, "Conformity and Diversity," 116.

12. According to DiMaggio, arts audiences decide what play to see by making differentiations between levels of "skill" and "sophistication," as well as on the basis of the work's ability to be "evocative of more profound responses." DiMaggio, "Can Culture Survive," 68-69.

because of the growing concern within the community that "[we may] have traded artistic vitality and red ink for fiscal health and an 'artistic deficit.'"<sup>13</sup> With a background in sociology and public policy, DiMaggio and Stenberg considered the impact of federal arts support on innovation and diversity in theatre repertories as a reflection of the field's artistic condition, just as Baumol and Bowen had considered not-for-profit arts budgets and income gaps as a reflection of the field's economic condition.

DiMaggio and Stenberg examined annual production activity for TCG member theatres between 1971 and 1981.<sup>14</sup> They preserved the format of their source material, *Theatre Profiles* (Theatre Communications Group's (TCG) biannual chronicle of not-for-profit theatre seasons), and they arranged production activity into five biannual periods and analyzed the data in two directions. First, using the play as the unit of measure, they calculated the number of times it was mounted in each biannual period to determine the play's Herfindahl Index ("a measure of concentration used widely in industrial economics"), and second, using the theatre as the unit of measure, they rated its season in relation to other producing theatres to determine the theatre's Conformity Index.<sup>15</sup>

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13. Peter Zeisler, "The Cost of Doing Business," *American Theatre*, May 1984, 3. The sense of "fiscal health" that Zeisler noted indicates the extent to which Baumol and Bowen's theoretical construct legitimated deficits, since the growing income gaps of not-for-profits theatres was considered as an acceptable element of overall "fiscal health."

14. DiMaggio and Stenberg recognized that their data set of TCG member theatres "does not exhaust the number of American theatre companies, [but] it does include virtually all aesthetically oriented U.S. resident theatre companies of influence or magnitude." "Conformity and Diversity," 120. In addition, because TCG membership signifies identification with the American not-for-profit theatre movement, and because membership has tended to increase each year and has included small theatres, mid-sized theatres, and large theatres, and because the majority of NEA support has tended to be directed to theatres that are members of TCG, the data set provides the most comprehensive inventory of not-for-profit theatre activity and is a valid basis for an analysis of the impact of NEA support on conformity/diversity in theatre repertories.

15. *Ibid.*, 120.

They correlated their findings to three conditions of the not-for-profit theatre that they believed had the greatest impact on conformity/diversity: age, growth, and institutionalization. According to DiMaggio and Stenberg, "aging causes conservatism [as] older theatres lose the creative spark," and "growth . . . in budgets . . . leads to more commercial and less adventuresome repertoires," while "institutionalization . . . may induce conservative programming."<sup>16</sup> Their Conformity Index appeared to support this interpretation, since it indicated that younger and smaller theatres tended to produce plays that received fewer productions by other theatres and were therefore more diverse, while theatres that survived through the decade tended to expand in budget size and produce repertoires that were progressively more similar to the repertoires of other theatres. Therefore, DiMaggio and Stenberg concluded that "artistic diversity may be better served by policies aimed at increasing the birthrates of new organizations and maintaining innovative organizations through their first few years than by those focusing on support for major established institutions," but they also noted that "policies designed to foster growth and institutionalization may threaten diversity, while policies that encourage innovation may dampen growth and threaten stability."<sup>17</sup> Finally, DiMaggio and Stenberg recognized that the NEA was challenged by multiple values that resulted in a divided mission, and their work demonstrates that the aims of public policy may be in conflict with artistic aims, since large theatres that facilitate democracy through their size are more institutional and more conformist, while artistic innovation appears to originate in less institutionalized theatres that cater to small, connoisseur audiences.

Because DiMaggio and Stenberg suggested that the NEA was not achieving its

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16. *Ibid.*, 118-119.

17. *Ibid.*, 136, 119.

dual mission of encouraging both artistic innovation and democratic diversity, their methodological approach was ignored by advocates. The arts lobby had expanded and consolidated during the NEA's early years, but throughout the period it remained dominated by representatives from major institutions (large not-for-profit theatres, the theatrical unions, foundations, corporations, and government, and in some cases, single individuals represented multiple institutions because they were members of theatre boards, arts councils, panels, and union committees). Since public arts policy was controlled by this elite lobby of vested interests, the suggestion that NEA practices were incompatible with artistic innovation had to be rejected for economic, ideological, and political reasons.

Economically, the arts lobby was unwilling to propose or accept a redistribution of NEA funds that would result in less money for the large institutions that they represented. Ideologically, DiMaggio and Stenberg questioned the artistic authority of the institutional theatres and problematized their "special custodianship of high quality."<sup>18</sup> During the period that DiMaggio and Stenberg examined, the NEA had consistently directed the majority of its support to these larger theatres.<sup>19</sup> From 1972 to 1980, not-for-profit theatres with budgets over one million dollars received between 79% to 92% of the NEA's total theatre funding. The general trend toward increasing conformity in the field, and specifically in the repertoires of fifty-four theatres that survived the decade, suggested that there was a correlation between federal support, institutionalization, and conformity. Finally, DiMaggio's earlier view that the NEA

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18. *Rockefeller Report*, 207.

19. See National Council on the Arts, *First Five Years*, and National Endowment for the Arts, *Annual Reports, 1971-1980* (Washington, D.C.: NEA).

should "support programs that no one else will fund" was politically unrealistic, since the NEA was structured to function as a partner with private and local funders in an effort to insulate the government from direct and exclusive responsibility.<sup>20</sup>

DiMaggio and Stenberg recognized that their methodology might be rejected as too literal, since quantifying the degree of conformity/diversity by measuring plays and theatre repertoires could not account for differences between one theatre's production of *Hamlet* and another theatre's production, nor would a list of a theatre's repertory express the innovativeness of interpretation or production style. Justifying their approach, DiMaggio and Stenberg point out that "diversity, by definition, is a character of aggregates, not of single cases."<sup>21</sup> Measurements of conformity/diversity in theatre repertoires will also indicate the degree to which the field is open to new plays and is capable of providing opportunities for playwrights, and since the NEA was established to "give emphasis to American creativity," diversity is an important measure of the agency's success.<sup>22</sup> In addition, any examination of trends in theatre repertoires in relation to the number of theatres and productions, budget size, and NEA support, is a valuable analytical tool that provides a detailed map of an aspect of the field from which causes and effects can be inferred. Therefore, I have extended DiMaggio and Stenberg's data set with an additional fourteen seasons of theatre activity from 1982 to 1995 (1995 was the last year that TCG published *Theatre Profiles*). The resultant twenty-four years of

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20. DiMaggio, "Can Culture Survive," 83.

21. DiMaggio and Stenberg also argue that "diversity of repertory is important in its own right, as an index of the ability of playwrights to have their works produced." One of the six goals included in the NEA legislation is "to assist artists and enable them to achieve wider distribution of their works." DiMaggio and Stenberg, "Conformity and Diversity," 124, and NEA, *Planning Document*, 351.

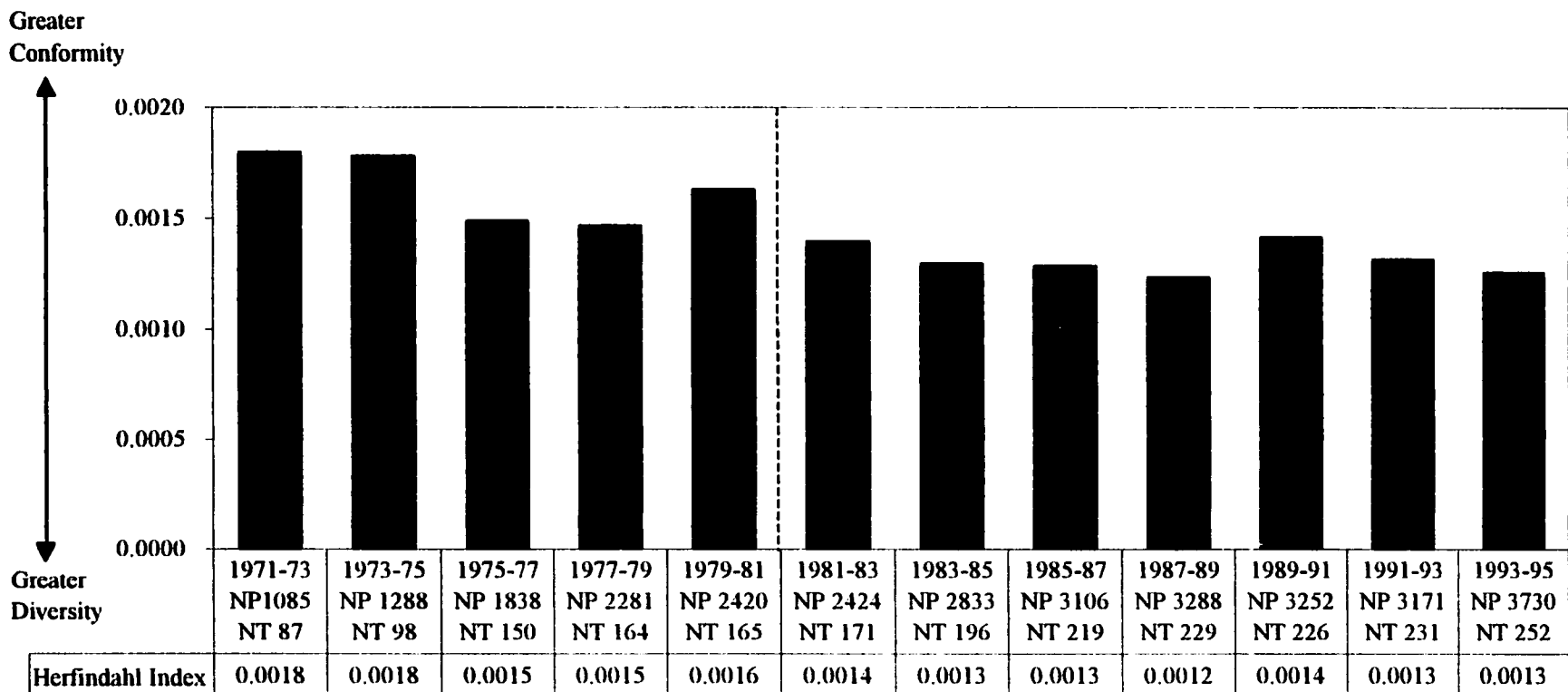
22. NEA, *Planning Document*, 348.

data represents the longest relationship between the government and the not-for-profit theatre in America that has significance because of its breadth. In addition, the data will also allow me to test DiMaggio and Stenberg's initial conclusions about the impact of federal arts support on theatre conformity/diversity during the ten year period that they surveyed, and it will either confirm their analysis or may suggest other consequences of the relationship that deserve consideration.

Charts 5.1 and 5.2 on the next two pages present the long-term trends in the Herfindahl Index (using the play as the unit of measure) and Conformity Index (using the theatre as the unit of measure) for TCG members from 1971 to 1995. In both charts, a higher number represents greater conformity, while a lower number represents greater diversity. Although there are slight divergences between the two indexes during isolated biannual periods (for example, in 1981-83 the Herfindahl Index declined while the Conformity Index did not change, and in 1987-89 the Herfindahl Index declined while the Conformity Index rose), the general trends that are illustrated in each chart are similar. According to the Herfindahl Index in Chart 5.1, fewer unique plays were produced in 1971-73 and 1973-75, 1979-81, and 1989-91, than during other biannual periods, and the Conformity Index in Chart 5.2 indicates that theatre repertoires were also less diverse during these same periods. These four periods of high conformity that are indicated in both charts were followed by three periods in which more unique plays were produced, and theatre repertoires also became more diverse in 1975-77, 1983-85 and 1985-87, and 1991-93 and 1993-95.

CHART 5.1

HERFINDAHL INDEX FOR BIANNUAL PERIODS FROM 1971 TO 1995

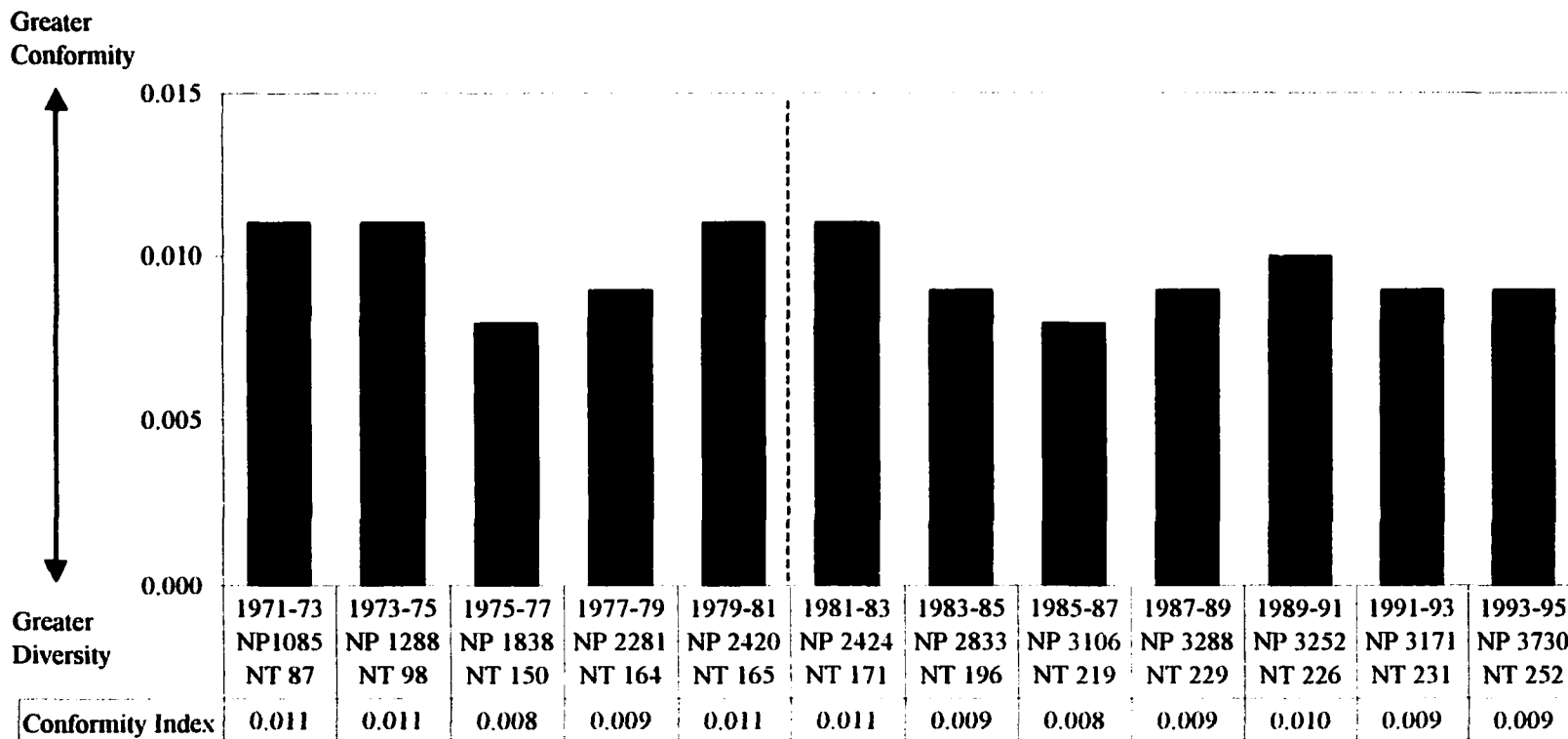


NP = number of productions; NT = number of theatres

Source: 1971-1981 from DiMaggio and Stenberg, "Conformity and Diversity," 126; 1981-1995, Theatre Communications Group, *Theatre Profiles*, 5-12, published biannually from 1982-1996.

**CHART 5.2**

**CONFORMITY INDEX FOR BIENNIAL PERIODS FROM 1971 TO 1995**



NP = number of productions; NT = number of theatres

Source : See Chart 5.1.

DiMaggio and Stenberg do not explain the distinctive values of their two indexes, and they dispense with the Herfindahl Index early in their study to concentrate on the Conformity Index after discovering that the two measurements "tell much the same story."<sup>23</sup> The similarities between the two indexes are a logical consequence of the methodological approach, since both indexes measure the same conditions of conformity/diversity from different perspectives. The Herfindahl Index represents an expanding or contracting canon of plays, while the Conformity Index represents a particular theatre's selections from the canon. Plays can only be measured by the Herfindahl Index when they are produced and are included as a factor in the Conformity Index.

The connection between the two indexes can be clarified by a hypothetical example. If one thousand unique plays were produced during a single biannual period and two thousand unique plays were produced in the next biannual period, the Conformity Index would decline in the second biannual period as a reflection of the increased level of diversity in theatre repertoires (i.e. less conformity results in more diversity). The increase in diversity of repertory would expand the canon, and this expansion would also be reflected by a lower Herfindahl Index in the second biannual period. Finally, because the Herfindahl Index does not truly measure a significant aspect of conformity/diversity or a distinct aspect of the field, DiMaggio and Stenberg may have included this theoretical model from industrial economics to formulate and legitimize their Conformity Index. Therefore, after briefly considering the significance of general trends in the Herfindahl Index, I will focus my analysis on the Conformity Index because it is a more comprehensive measure of the degree of field-wide diversity that is

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23. DiMaggio and Stenberg, "Conformity and Diversity," 125.

particularly relevant to my examination of the impact of NEA funding on theatre production.

One of the fundamental ideological justifications for federal arts support to the American not-for-profit theatre was to encourage the expansion of the canon, with an emphasis on artistic and cultural values, rather than commercial values. Advocates argued that the subsidized not-for-profit theatre could produce works of artistic and cultural merit, while the profit-motive was the primary criterion that was used by the Broadway establishment. Table 5.3 on the next page presents the four plays that were most often produced during each biannual period from 1982 to 1995 by TCG member theatres. Table 5.3 presents two significant features. First, *A Christmas Carol* appears as the most produced play in each biannual period and reflects its position as a staple of many not-for-profit theatres because of its ability to fill seats and generate a large amount of guaranteed earned income. Second, all of the plays, with the exception of *Keely and Du* in 1994/95, received numerous not-for-profit productions after they had become Broadway hits, and they consequently had name recognition and a patina of success that made them easier to sell to subscribers throughout the country.

While it is true that many of the plays in Table 5.3 were developed or staged in not-for-profit theatres before arriving on Broadway, the original productions were often supported by commercial producers and functioned as out-of-town, pre-Broadway tryouts. The role that the American not-for-profit theatre played in expanding the canon through this practice is unclear, because it is not certain whether Broadway producers would have found other methods to develop and test products before commercially exploiting them.

**THE FOUR MOST PRODUCED PLAYS BY TCG MEMBER THEATRES FOR  
BIANNUAL PERIODS FROM 1982 TO 1995**

Year	Play	Number of Productions
1982/83	A Christmas Carol	46
	Talley's Folly	23
	The Gin Game	20
	Mass Appeal	16
1984/85	A Christmas Carol	44
	The Dining Room	21
	True West	18
	Master Harold and the Boys	16
1986/87	A Christmas Carol	47
	The Foreigner	29
	The Real Thing	18
	Orphans	17
1988/89	A Christmas Carol	53
	I'm Not Rappaport	22
	Steel Magnolias	20
	The Road to Mecca	15
1990/91	A Christmas Carol	56
	Fences	28
	Driving Miss Daisy	25
	The Boys Next Door	23
1992/93	A Christmas Carol	61
	Lend Me a Tenor	24
	Shirley Valentine	17
	Other People's Money	16
1994/95	A Christmas Carol	62
	Dancing at Lughnasa	37
	Keely and Du	24
	Oleanna	21

*Source*: Theatre Communications Group, *Theatre Profiles*, 5-12, published biannually from 1982-1999.

Since the aim of federal arts support was to encourage artistic excellence, an increase in the mere quantity of plays that may have been facilitated by the existence of the American not-for-profit theatre is not a valid measure of public policy achievement. In addition, while determinations of artistic and cultural merit are ultimately subjective, it is difficult to apply even the broadest definitions of these qualities to some of the plays that appear in Table 5.3. Finally, this examination of the core plays that act as proportionally significant components in the biannual Herfindahl Indexes suggests that the American not-for-profit theatre has become more nearly equivalent to the "out-of-town tryout," and functions as a component of the commercial stage, rather than a platform for artistic innovation or a vital alternative to Broadway.

Based on their analysis of the Conformity Index, DiMaggio and Stenberg noted that the dual aims of artistic innovation and democratic diversity that were also fundamental justifications for federal arts support resulted in an ambiguous and contradictory public policy. They hypothesized that "a sharp increase in the number of TCG theatres and in the number of plays that they produced between 1973-75 and 1975-77" may have accounted for the four year decline in conformity during the decade.<sup>24</sup> Their hypothesis is partially supported by the additional data, since increases in diversity in 1983-85 and 1985-87 were accompanied by an increase in the number of theatres and productions, as indicated by the data that appears in Charts 5.1 and 5.2 (page 163-164). In addition, the 1989-91 decrease in diversity is accompanied by a decrease in the number of theatres and productions. These two periods of increasing and decreasing diversity suggest that when there are more theatres producing more plays, diversity rises, and when there are fewer theatres producing fewer plays, conformity rises. If the Herfindahl and

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24. Ibid.

Conformity Indexes demonstrated a correlation with the magnitude of the canon and the dimensions of the field, it would support the argument that diversity is encouraged when NEA funding is awarded to support increased production and distribution. But, as Chart 5.2 (page 164) indicates, in 1979-81, 1981-83, and 1987-89 this pattern was reversed as diversity decreased (while the number of theatres and productions rose), and in 1991-93, although there were fewer theatres, repertoires were more diverse. Therefore, while conformity and diversity often appear to be affected by the aggregate size of both the canon and the field, DiMaggio and Stenberg were correct in considering the deeper conditions of age, growth, and institutionalization as more powerful influences.

Age and growth embody positive capitalist values that have been applied to and accepted by the American not-for-profit theatre, and they may have an impact on conformity/diversity only insofar as they are understood as indicators of developing institutionalization. DiMaggio and Stenberg discovered that when conformity decreased in 1973 through 1977, a larger number of "younger" theatres entered and subsequently exited from the TCG roster, but they also discovered that levels of conformity among youthful theatres increased, if they survived and "matured." Theatres naturally become "older" as they continue to produce, and a new theatrical enterprise may initially expand the canon or produce a more diverse repertory, but if the theatre survives it will be due, in part, to successful institutionalization. DiMaggio and Stenberg are correct when they argue that "turnover of key staff causes the theatre to drift from its initial artistic mission," but staff turnover is only possible because the institution continues to exist in the absence of its founding artist(s), and, like Frankenstein, is able to detach itself from the original aims and the will of its creator.<sup>25</sup>

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25. *Ibid.*, 118.

There are a number of mature, non-conformist theatres, such as Mabou Mines, Omaha Magic Theatre, San Francisco Mime Troupe, and the Ontological-Hysteric, that continue to reflect the artistic aims of their founding artists, and these theatres have regularly presented the most diverse repertoires in the population, despite their longevity. Therefore, age, in itself, does not appear to significantly affect the level of theatrical conformity/diversity.

The impact of growth on conformity/diversity should also be understood in relation to other conditions of institutionalization, although its influence is more likely to lead a theatre toward increasing conformity than the isolated institutional component of age. Jack Poggi observed that "the larger and more complex the operation, the more likely a theatre is to shift its major emphasis from putting on plays to insuring its growth and survival as an institution."<sup>26</sup> DiMaggio and Stenberg tested Poggi's reasoning and they discovered that conformity rose more significantly for those theatres that experienced modest budgetary growth without comparable increases in their earned income than it did for theatres that experienced drastic budgetary growth that was accompanied by increases in earned income.<sup>27</sup>

If these relationships among growth, earned income, and conformity are considered from another perspective, they suggest that growth is benign when it is achieved in conjunction with increases in earned income, while growth that is achieved without increases in earned income (i.e. as a direct result of contributed income or through deficit financing) results in a greater degree of conformity. DiMaggio and Stenberg's analysis demonstrates that growth is a neutral value that can exert either a

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26. Poggi, *Theatre in America*, 235.

27. DiMaggio and Stenberg, "Conformity and Diversity," 134.

positive or negative influence on conformity/diversity, and its influence will depend on how it interacts with other conditions of developing institutionalization. More importantly, the correlation between budget growth and increasing conformity contradicts the standard advocacy argument that federal arts support, and contributed income in general, provides an economic buffer from the commercial marketplace that is required for theatres to fulfill the dual aims of artistic and democratic diversity.

### *Coercive and Mimetic Isomorphism*

Institutional theory has been a fertile though specialized area of scholarship for social scientists who have examined the processes by which organizational structures can influence or determine social outcomes. Recently, the scope of institutionalism has expanded, and it has become a more central concern in the discourses of sociology, political science, and economics.

In their introduction to *The New Institutionalism in Organizational Analysis*, DiMaggio and co-editor Walter W. Powell trace the development of the field in this way:

[Institutionalism] is a reaction against the behavioral revolution . . . which interpreted collective political and economic behavior as the aggregate consequence of individual choice. Behavioralists viewed institutions as epiphenomenal, merely the sum of individual-level priorities. But their neglect of the social context and the durability of social institutions came at a high cost, especially in a world in which social, political, and economic institutions have become larger, considerably more complex and resourceful, and prima facie more important to collective life . . . The current effort . . . [is] an attempt to provide fresh answers to old questions about how social choices are shaped, mediated, and channeled by institutional arrangements.<sup>28</sup>

Insofar as the American not-for-profit theatre is concerned, the concept of artistic deficits that originated in the late seventies signifies the general awareness that art and

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28. Walter W. Powell and Paul J. DiMaggio, eds., *The New Institutionalism in Organizational Analysis* (Chicago: University of Chicago Press, 1991), 2-3.

institutionalization have points of tension, but there have been only limited attempts to describe where these points of tension originate or demonstrate the impact that they exert on theatrical production.

Institutionalization is a complex concept that refers to a variety of specific organizational conditions and abstract social values, and this complexity has resulted in ambiguity among scholars who specialize in the area.<sup>29</sup> The complexity and ambiguity of the concept may be one reason that the origins and impact of theatrical institutionalization have received limited attention, but the American not-for-profit theatre has also tended to neglect its institutional origins and has de-emphasized the negative impact that institutionalization exerts on artistic creation and theatrical production. As William Ivey, the current director of the NEA, has noted, "artists and arts professionals prefer to establish value using our own 'insider' sense of inherent good."<sup>30</sup> Theatrical institutional analysis requires that the qualities and values it refers to are specifically identified and evaluated on the basis of how they are implemented and balanced in relation to multiple artistic and practical concerns, which is quite different from the general concept of theatrical institutionalization that was formulated in concert with the evolution of the American not-for-profit theatre and federal arts support.

The American form of not-for-profit theatrical institutionalization combines elements of the state-subsidized European model with capitalist industry and was developed in the late fifties as a consequence of economic and ideological arguments that have been detailed in previous chapters. Briefly, according to advocates, artists needed

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29. *Ibid.*, 1.

30. Stephen Nunns, "The Populist Promise of Bill Ivey," *American Theatre*, July/August 1999, 21.

not-for-profit institutions and those institutions needed contributed income to reduce the economic pressures of the commercial marketplace and legitimize their role as facilitators of artistic excellence and cultural democracy. These institutions were also proposed as enlightened safe-havens that would provide the flexibility and freedom necessary to encourage artistic innovation and support cultural production. Before private and public sources of contributed income could be legally provided, not-for-profit status was required. Federal arts support was formulated as a partnership between private and public sources as a strategy to insulate the government from direct responsibility for the art that was produced by institutions that received federal aid, but it was also intended to reduce or reconcile the conflict between the qualities and values that define institutionalization with the qualities and values that define or encourage artistic creation and theatrical production. Theatrical institutionalization has therefore been accepted as a "necessary evil," and the American not-for-profit theatre has accepted a concept of institutionalization that has remained vague. It has been thought unworthy of deep analysis because it has been regarded merely as an organizational framework that has allowed theatres to receive contributed income and legitimize their role as producers and distributors of national culture.

Two representative statements about theatrical institutionalization provide illustrations of this tendency to either accept the phenomenon, rather than locate its origin, or to examine it in general, rather than in specific terms. Thus DiMaggio and Stenberg do consider four specific and positive organizational conditions to be indicators of theatrical institutionalization: "Placing community leaders on the theatre's board of trustees; building a permanent house for the theatre company; earning an increased proportion of the theatre's income through sale of services; and expanding the

subscription audience."<sup>31</sup> In contrast, Poggi notes the broad conditions of external pressure toward centralization, growth, and conformity to be negative influences of institutionalization, and he argues that "mammoth subsidy . . . tends to turn theatres into Institutions . . . more and more resembling each other."<sup>32</sup> But DiMaggio and Stenberg do not locate the origin of the positive values, or indicators, of institutionalization that they propose, while Poggi does not provide supporting evidence to demonstrate a relationship between subsidy and organizational conformity. Although both statements are relevant to this examination of the influence of federal arts support on theatrical conformity/diversity, they require a deeper analysis.

One of the central principles of institutional theory is "isomorphism." Social scientists understand isomorphism as "a constraining process that forces one unit in a population to resemble other units that face the same set of . . . conditions," and this concept offers a framework to begin to examine the origins and the impact of institutionalization in the not-for-profit theatre, particularly in relation to conformity/diversity. DiMaggio and Powell have defined three categories of isomorphism: coercive, mimetic, and normative. Coercive isomorphism occurs when "both formal and informal pressure [is] exerted on organizations by other organizations upon which they are dependent and by cultural expectations in the society within which organizations function." According to DiMaggio and Powell, mimetic isomorphism, or modeling, is the result of uncertainty and is often a consequence of ambiguous goals. Finally, normative isomorphism refers to developing professionalization within a field that seeks to "establish

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31. DiMaggio and Stenberg, "Conformity and Diversity," 119.

32. Poggi, *Theatre in America*, 234.

a cognitive base and legitimation for . . . occupational autonomy."<sup>33</sup> All three types of isomorphism can be observed in the development and operation of both the American not-for-profit theatre and the practice of federal arts support, but this chapter will focus on coercive and mimetic isomorphism, while normative isomorphism will be examined in Chapter Six.

Although the NEA prefers the term "organization" over "institution," the agency has practiced coercive isomorphism and has also encouraged mimetic isomorphism through a combination of ideological and economic pressures. Examples of coercive isomorphism can be observed in three NEA application requirements that have been accepted by the majority of private and public funders and have therefore dictated a standardized model for the American not-for-profit theatre that has tended to impose a fixed institutional conformity on flexible and multiple artistic missions.<sup>34</sup> First, all applicant theatres must be legally incorporated as tax-exempt organizations, but the Internal Revenue Service (IRS) will only provide the required Letter of Determination to a theatre's board of trustees, which establishes an institutional framework that theatres must confront from the outset of their activity. Second, the NEA only funds projected deficits. Applicants must show an income gap that insures the NEA that the theatre plans to spend more on a project than it expects to earn. The budgetary ramifications of the legitimation of deficits was examined in the previous chapter, but it has added significance in the context of developing institutionalization. Deficit funding encourages theatres to have lines-of-credit with local banks or business if they are making purchases

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33. Paul J. DiMaggio and Walter W. Powell, "The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields," in *The New Institutionalism*, 66-70.

34. See *NEA Application Guidelines*, 1980-81 and 1988-89 (Washington, D.C.: NEA).

on the basis of anticipated contributed income. Credit is usually a reflection of community ties, and it is often only accessible to theatres that have an identification with or ownership of a building or space. Therefore, deficits may impose additional legal and public standards that are conditions of leaseholding or ownership that may displace or compete with artistic aims and standards. Third, regardless of a theatre's mission, budget size, or the program category it is applying under, it must provide evidence of previous production activity, as well as a commitment to produce future seasons, and this evidence must be in the form of financial statements ("audited where possible").<sup>35</sup>

This third requirement of evidence of past activity and future planning imposes a four year time-frame on theatres (two years of past production activity, a current season, and a future season). History and planning are reasonable requisites for NEA funding, because investing federal funds in untested or short-lived enterprises would not effectively achieve the agency's goal of expanding and strengthening the nation's cultural infrastructure. In addition, planning is a practical routine that may be as beneficial for artists and theatres as it is for managers of commercial enterprises. But the NEA application and funding cycle require a theatre to plan in fiscal terms (estimate expenses and income) for the next season while it is in the midst of producing and executing its current season. This demand may inorganically accelerate the process of artistic development by forcing artists to convert their early conceptual work into concrete decisions about design fees, set and costume materials, and how many tickets they will be able to sell. Finally, these three NEA application requirements reflect reasonable legal and public standards of oversight for a federal agency to request, but they also privilege developing institutionalization and encourage structural conformity by imposing unified

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35. Ibid.

economic and corporate vocabularies and processes on varied artistic missions.

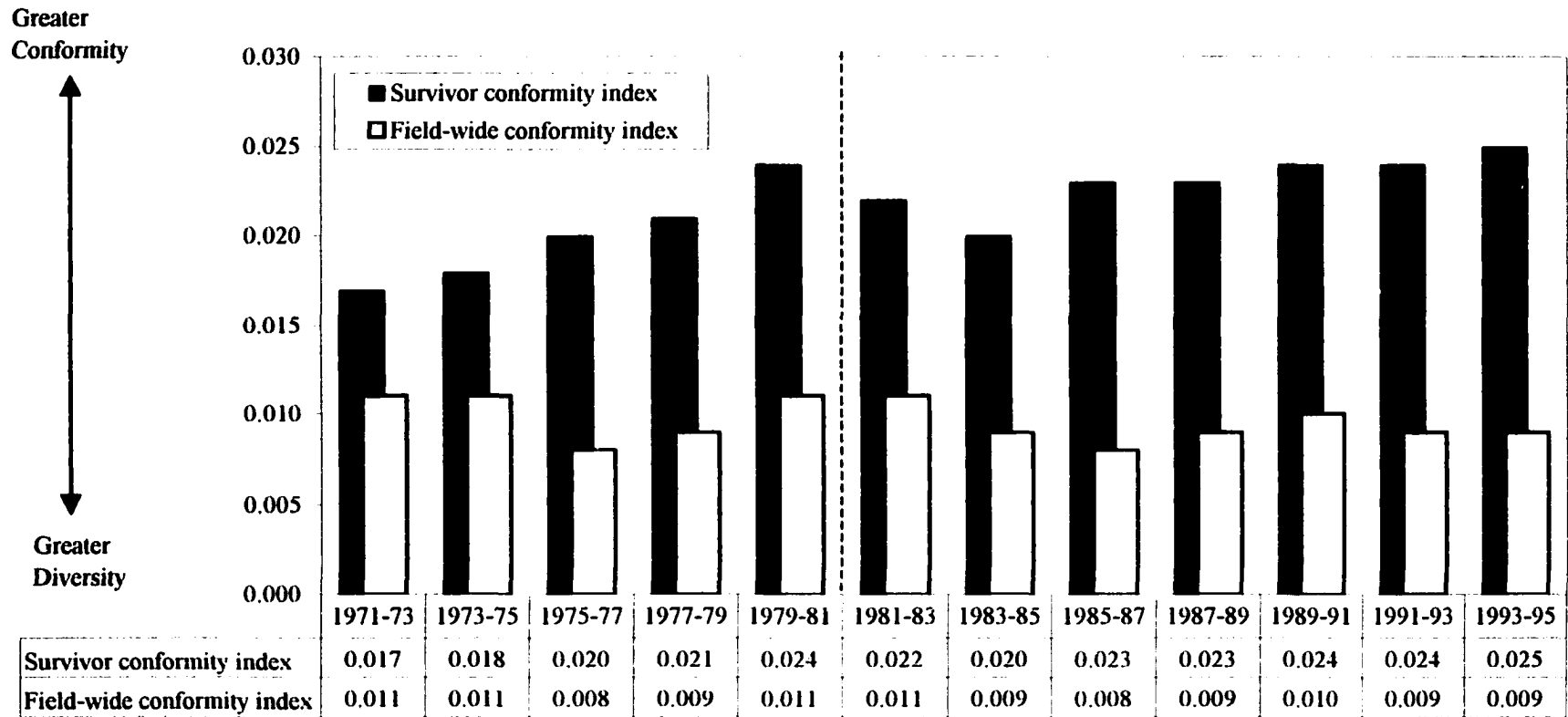
Although DiMaggio and Stenberg did not specifically consider the origins of theatrical institutionalization or the relationship between structural conformity and levels of conformity/diversity in theatre repertoires, these origins and relationships are implied in their analysis, since they discovered that conformity was higher for theatres that survived the decade, and that theatres with budgets over \$1 million tended to be more conformist than theatres with budgets under \$1 million. On the next page, Chart 5.4 illustrates that from 1971 to 1995, fifty-four theatres that survived the twenty-four year period produced repertoires that were more conformist than the field. In addition, when field-wide conformity declined in 1975-77, 1983-85, 1985-87, and 1991-93, survivor conformity increased in three out of these four biannual periods (although survivor conformity declined in 1981-83, while field-wide conformity did not). Finally, because the fifty-four theatres that survived the twenty-four year period had budgets over \$1 million, and because their budgets increased at a 7% average annual rate of growth, while field-wide budgets increased only at an annual rate of 4%, it appears that the two institutional components of survival (age) and budget growth are inter-related, and that they may insulate theatres from the conditions that encouraged the field-wide increases in diversity during isolated biannual periods.<sup>36</sup> This is a disturbing trend if diversity of repertory is a positive artistic and public value, since institutional advancement, or survival, and budget growth have both been encouraged by the NEA.

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36. Annual budget growth for the fifty-four theatres that survived from 1971 through 1995 were calculated by combining data published in the Ford Foundation's *Finances of the Performing Arts*, vol. 1, Theatre Communications Group, *Theatre Profiles*, 5-12, *Fiscal Survey*, 1974-1978, and "Theatre Facts," 1979 through 1995, in *American Theatre*.

CHART 5.4

BIANNUAL CONFORMITY INDEX FOR FIFTY-FOUR THEATRES THAT SURVIVED FROM 1971 TO 1995



Source: 1971-1981, DiMaggio and Stenberg, "Conformity and Diversity," 131; 1981-1995, *Theatre Profiles*, 5-12.

NEA application guidelines for 1980-81 present a list of "Project Examples" for both "Large Professional Theatre Companies" and "Small Professional Theatre Companies." Sample projects include "staff development -- engaging additional theatre artists on a full-time basis; audience development -- increase earned income; development of new funding sources -- increase contributed income; and community service -- reach larger and more diversified audiences."<sup>37</sup> These sample projects are representative of and consistent with the NEA's long-term goal to encourage budget growth and institutional advancement as the means for not-for-profit theatres to achieve fiscal stability, survive, and fulfill the *Rockefeller Report* vision of cultural democracy that requires "creating cultural institutions that will serve huge numbers of people."<sup>38</sup> But, budget growth and institutional advancement may also result in fiscal instability when the contributed income that subsidizes expanded programming or encourages increased expenses diminishes or disappears. In addition, when contributed income is used to fuel institutional advancement and budget growth, the practice may displace deliberately focused and limited artistic missions with broad public standards. Finally, the NEA has encouraged mimetic isomorphism through its sample projects that imply similar and tangible goals for both large and small theatres. Regardless of their size or mission, theatres are likely to develop projects that are compatible with these federal models which have been identified as worthy of support, rather than face the range of uncertainties that are related to the process of artistic creation and theatrical production.

In sum, the NEA has encouraged institutional advancement and budget growth, and the agency has promoted coercive and mimetic isomorphism through its application

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37. NEA, *Application Guidelines*, 1980-81, 4-5.

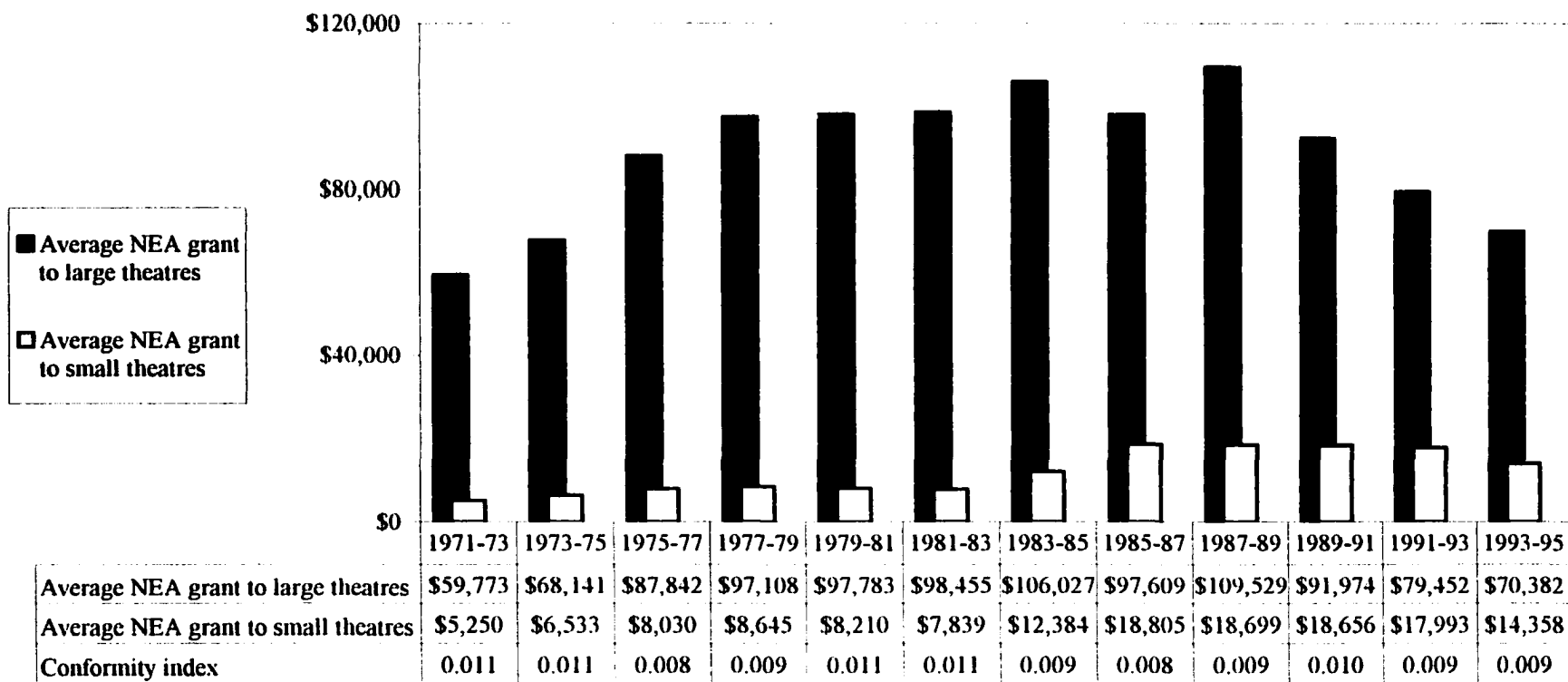
38. *Rockefeller Report*, 6.

requirements and funding cycles. These conditions of federal arts support reflect established public and legal standards that both the NEA and not-for-profit theatres require to legitimize their missions. In addition, an examination of the relationship between NEA funding patterns during periods of high conformity and high diversity reveal that the agency has also created an economic environment of coercive and mimetic isomorphism that has influenced levels of conformity/diversity in theatre repertoires.

The average size of NEA support to theatres with budgets over one million dollars and support to theatres with budgets under one million dollars is presented on the next page in Chart 5.5. The discrepancy is startling. This pattern of NEA support has disproportionately privileged large, institutionalized theatres and encouraged budget growth by sending the message that theatres will be rewarded with or entitled to greater amounts of federal support as they grow. It could be argued that the statistical discrepancy between NEA support to large theatres in relation to small theatres is merely a logical result of differences in budget sizes, and further, that the size of NEA support does not affect conformity/diversity. In fact, there does not appear to be a direct relationship between the different levels of NEA funding to large and small theatres and changes in field-wide conformity/diversity. For example, the high conformity index of 0.011 in 1971 through 1975 reflects the lowest average grants to both large and small theatres, as well as the narrowest differences between levels of support to large and small theatres, during the twenty-four year period. In addition, when conformity decreased in 1975-77, it was paralleled by an equitable increase in NEA support to both large and small theatres, while the 1991-93 decrease in conformity occurred during a period when the NEA reduced its support to large theatres at a more significant rate (14%) than the reductions in support to small theatres (3%).

CHART 5.5

**AVERAGE NEA GRANT AWARDED TO THEATRES WITH BUDGETS OVER \$1 MILLION AND THEATRES WITH BUDGETS UNDER \$1 MILLION, AND CONFORMITY INDEX FOR BIENNIAL PERIODS FROM 1971 TO 1995**



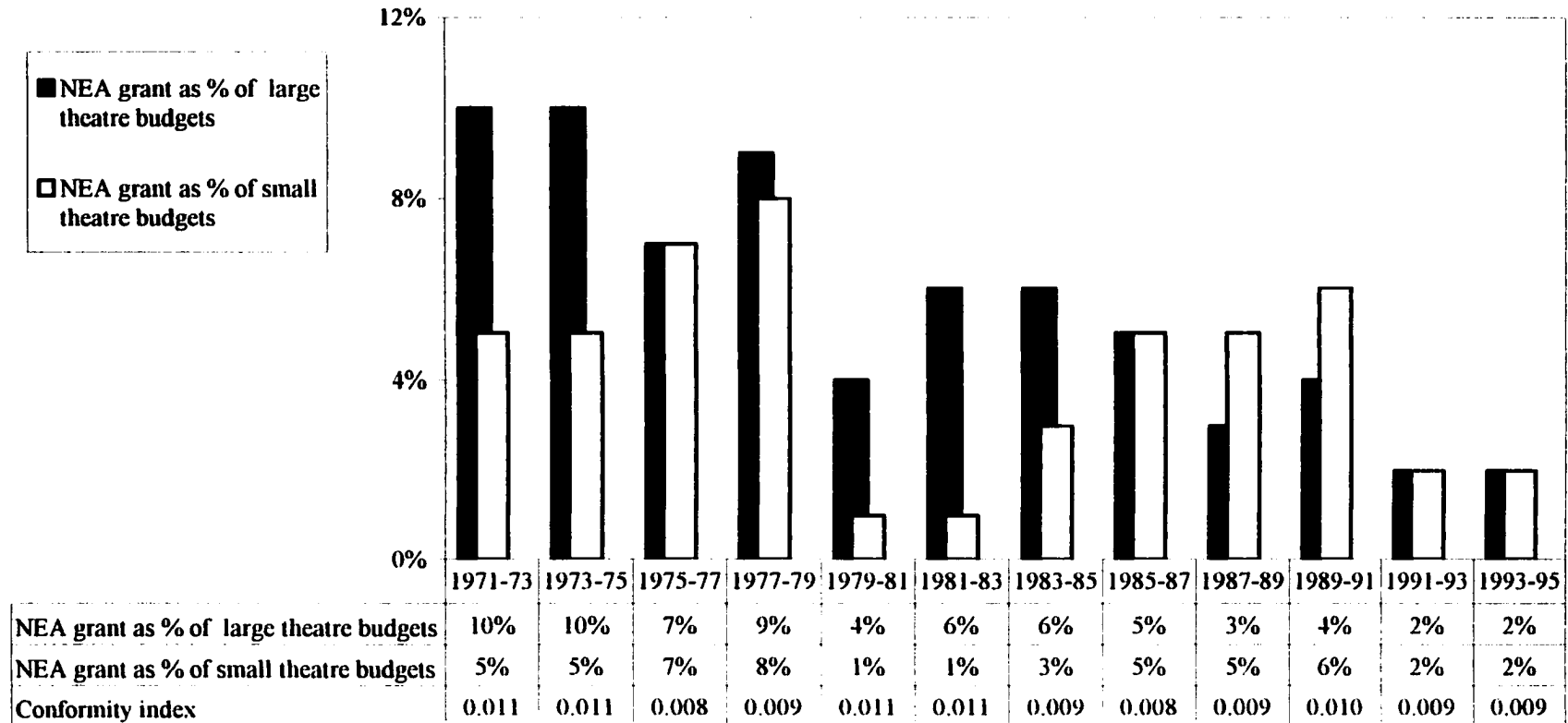
Source: NEA, *Annual Reports*, 1971-1995; TCG, *Theatre Facts*, 1976-1995; *Theatre Profiles 5-12*; TCG *Salary Survey*, 1989-1995, and Chart 5.2. Constant dollars for this data are presented in the Appendix (Table A.2 and Chart A.3).

However, since NEA support represents only one component of a theatre's overall budget, its impact on theatrical production and on levels of conformity/diversity will be determined by its proportion to a theatre's total financial operations. The previous chapter presented evidence which demonstrated that there was a correlation between the average size of NEA grants and the degree of impact they exerted on theatre budgets and income gaps. On the next page, Chart 5.6 examines the influence of NEA funding patterns on levels of conformity/diversity in relation to a theatre's total financial operations. This chart illustrates the relationships between the average size of NEA support as a percentage of a theatre's total budget for large and small theatres, and indicates a correlation between conformity/diversity and changes in NEA support as a percentage of the total budget of large and small theatres. The periods of high conformity in 1971-73 and 1973-75, and 1979-81 and 1981-83 reflect high percentage levels or increases in support to larger theatres, and low percentage levels or decreases in support to smaller theatres. Inversely, periods of low or declining conformity (greater diversity) in 1975-77, 1983-85, and 1985-87, are paralleled by increases in NEA support as a percentage of the budgets of smaller theatres, and less support to larger theatres.

Without question, NEA guidelines, funding cycles, and patterns of support have exerted both ideological and economic pressures that have established an environment in which coercive and mimetic isomorphism has been practiced and encouraged. The components of survival and budget growth have been endorsed by the NEA and accepted by the not-for-profit theatre as inter-related indicators and positive values of institutionalization. But the resultant structural conformity appears to encourage conformity in repertory, particularly when NEA support represents a proportionally greater share of the budgets of large theatres.

**CHART 5.6**

**AVERAGE NEA GRANT AS PERCENTAGE OF TOTAL BUDGET FOR THEATRES WITH BUDGETS OVER \$1 MILLION AND THEATRES WITH BUDGETS UNDER \$1 MILLION, AND CONFORMITY INDEX FOR BIENNIAL PERIODS FROM 1971 TO 1995**



Source : See Chart 5.5.

This interpretation of the Herfindahl and Conformity Indexes contradicts two of the fundamental ideological justifications for federal arts support, since the artistic and cultural characteristics of the canon have not been significantly improved, and the process toward developing theatrical institutionalization that has been stimulated by the NEA appears to have resulted in periods when measures of artistic innovation and democratic diversity have decreased. In addition, Chart 5.6 on the previous page demonstrates that as the amount of NEA support as a percentage of total budgets for both large and small theatres decreased, diversity actually increased. To be sure, the percentage reductions in NEA support as a percentage of total budgets that are presented in Chart 5.6 also signify changing economic conditions that affect the dynamics of not-for-profit theatre budgets. First, when total legislative appropriations to the NEA have been reduced, the average size of each grant has become smaller; second, theatres have either reduced their expenses, increased their earned income, or increased the amount of contributed support they receive from other sources (state, city, individuals, corporations, and foundations) to compensate for reductions in federal support.

In the previous chapter, Table 4.2 (page 143) presented evidence that demonstrated how long-term reductions in NEA appropriations have resulted in a trend in which the average size of NEA grants has declined. Table 4.2 also demonstrated that theatre expenses and earned income have tended to increase over time. Changes in contributed income from states and cities have also roughly paralleled changes in federal support. This connection between all three forms of public support is a consequence of the NEA's authorizing legislation that mandates the agency to disperse a portion of its appropriation to state arts agencies, and this practice has been reproduced on the local level and mandates state arts agencies to regrant a portion of their funds to county or

municipal arts agencies. Levels of state and city arts funding are also affected by the same general conditions that influence levels of federal funding, since all public funding is primarily determined by the size of the annual tax-base. Levels of private support (individuals, corporations, and foundations) have gradually increased and have partially compensated for reductions in public support, but in most biannual periods these increases have been slight, although the aggregate of increases in individual, corporate, and foundation support have come close to equaling the percentage decreases in public support.<sup>39</sup> Finally, while declines in federal arts support have been partially compensated for by contributed income from a combination of private sources, levels of contributed income have remained relatively flat, and theatres have increased their earned income to keep pace with rising expense levels.<sup>40</sup>

According to the standard and inter-related economic and ideological arguments that have been advanced to justify federal arts support, reductions in contributed income will result in a greater dependence on earned income, and theatres will thus be pressured to produce commercial works, yet the general trends that have been considered in this chapter contradict this view. In addition, the two conditions of increasing field-wide diversity in theatre repertoires from 1971 to 1995 in conjunction with a pattern in which private sources of contributed income have replaced federal support is particularly significant, since it suggests that patterns of federal arts support often encourage increased conformity, while private support does not appear to exert the same influence. Although the causes for these apparent differences are not within the scope of this

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39. See Theatre Communications Group, *Fiscal Survey, 1974-1978* and "Theatre Facts," 1979-1996, in *American Theatre*.

40. *Ibid.*

dissertation, they are certainly reflections of the distinction between the broad, national aims that inform federal arts support and the more localized aims of private support.

Ultimately, the NEA may exert a positive or negative influence on levels of conformity/diversity in theatre repertoires, and it may also be capable of either encouraging or hindering artistic innovation, but the direction of its impact will be primarily determined by the degree that its funding criteria are informed by a unified and focused public arts policy. Recently, the Pew Charitable Trusts announced its commitment to "shape a national cultural policy." According to the initiative's director, Stephen K. Urice, "I wouldn't say that more money is the solution; smarter money may be the answer instead."<sup>41</sup> The Pew has recognized what Netzer, Lipman, DiMaggio, Stenberg, Poggi, and others have noted -- that the multiple and contradictory aims of artistic innovation, democratic diversity, and theatrical institutionalization present challenges for the American not-for-profit theatre.

In my concluding chapter I will examine similarities in the FTP and NEA experiences to identify the destructive relational dynamics that operated in both cases. I will also review the development and impact of the flawed economic and ideological principles embedded in the idea and practice of federal arts support that have animated the pattern of alternating attraction and repulsion. Finally, I will propose three strategies to circumvent, retard, or end the pattern and escape its negative consequences.

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41. Judith H. Dobrzynski, "Heavyweight Foundation Throws Itself Behind Idea of Cultural Policy," *New York Times*, 2 August 1999, 1, 3 (E).

## CHAPTER 6

### BREAKING THE PATTERN

I have located the primary points of tension between the distinct projects of American government and not-for-profit theatre within the flawed economic and ideological principles of federal arts support, and I have demonstrated how these tensions were reflected in a pattern of attraction and repulsion that arose from incompatible missions, standards, and structures during the FTP years. I have also examined the development of advocacy strategies to reconcile these tensions during the late fifties and early sixties through a consideration of the shifting environmental factors and distinct motivations and actions of individuals who influenced reformations in the idea and practice of federal arts support. Finally, I have interpreted the NEA's design as an unsuccessful attempt to reconcile these underlying tensions and have demonstrated that increases in budget deficits and artistic and structural conformity may have been stimulated by the approaches to federal arts funding that the agency has practiced.

Recent changes in the mission, standards, and structure of the NEA reflect continued attempts to devise new strategies to reconcile the contradictory projects of government and the arts. According to its 1999 mission statement, the NEA affirms its dedication to "strengthen[ing] . . . the organizational and financial capabilities of America's arts organizations . . . [and] foster[ing] opportunities for the creation and presentation of artistically excellent work." The NEA understands its role as "invest[ing] in America's living cultural heritage, serv[ing] the public good by nurturing the expression

of human creativity, support[ing] the cultivation of community spirit, and foster[ing] the recognition and appreciation of the excellence and diversity of our nation's artistic accomplishments."<sup>1</sup> This statement echoes the fundamental principles of the NEA's authorizing legislation more overtly than in the past and signals a significant redirection that openly privileges the social utility of the arts. Institutionalization, achieved through "strengthen[ing] organizational capabilities," is legitimized as the means to fiscal health, artistic products have been transformed from commodities of national culture into tokens of civic boosterism or forms of social therapy, and the role of the individual artist has been reduced or entirely eliminated.

The NEA's new mission statement frames the practice of federal arts support in relation to current public standards of community, access, and diversity. These inter-related, democratic standards complement the major structural changes that were implemented at the agency during Jane Alexander's leadership from 1993 to 1997. The NEA's previous discipline-specific structure that reflected a sensitivity to and interest in distinctions between different mediums of art (Theatre, Visual Arts, Dance, Music) was redesigned to reflect broad institutional and public outcomes (Creation and Presentation, Heritage and Preservation, Education and Access, and Planning and Stabilization).<sup>2</sup>

The overt public aim of social utility that has become the dominant theme of the current practice of federal arts support illustrates the observation that Steven Dubin makes in his analysis of public art, *Arresting Images: Impolitic Art and Uncivil Actions*, that

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1. "NEA Grants to Organizations Guidelines: Agency Mission/Goals" <<http://arts.endow.gov/guide/Orgs00/Mission.html>> (14 Dec 1999).

2. See Michael Brenson, "Washington's Stake in the Arts," *New York Times*, 12 April 1998, 1, 28 (2), and Rick Lyman, "Politics is a Tough Act Says Ex-N.E.A. Chief," *New York Times*, 12 April 1998, 1, 29 (2).

"the NEA has always been . . . in search of an identity." Dubin believes that "the central, persistent point of friction has been the struggle for influence between those holding elitist and those holding populist views of the arts . . . and the fortunes of advocates of each position have ebbed and flowed at various times." Dubin's observation is partially accurate insofar as it recognizes the existence of a pattern of attraction and repulsion surrounding the practice of federal arts support, but he incorrectly understands the point of friction as a tug-of-war between elitists and populists, rather than a reflection of basic differences between American government and the arts that are aggravated whenever the two projects have entered into an active and formal relationship. Dubin considers the conflict to revolve around the delivery system of federal arts support, in which elitists and populists have distinct views of who and/or what should be funded, at what level, and to accomplish what outcome(s), whereas my analysis suggests that the conflict is located in a more fundamental dispute about whether the government and the arts should associate. In addition, Dubin's interpretation relies on a superficial and oppositional positioning of elite and populist attitudes about federal arts support, where elite is equated with merit value and excellence, and populist is equated with public value and democratization.<sup>2</sup>

Advocates and adversaries have always blended both positions in their arguments. For example, the *Rockefeller Report* proposed that the elite value of artistic excellence would ultimately lead to the populist aim of cultural democracy, while the Heritage Foundation's *Mandate for Leadership* attacked the NEA because its practice of federal arts support encouraged low-brow, populist entertainment. Advocates defended the NEA against the attack because they believed that an imperfect NEA was better than no NEA.

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2. Steven C. Dubin, *Arresting Images: Impolitic Art and Uncivil Actions* (New York: Routledge, 1992), 279-280.

Netzer, DiMaggio, Stenberg, and other advocates argued that the agency could be shaped to be culturally and politically effective.<sup>3</sup> These arguments did not persuade Congress, and the NEA's appropriations were leveled or reduced throughout the eighties.

By the end of the decade, Senators Jesse Helms, Alfonse D'Amato, Reverends Donald Wildmon, Pat Robertson, and other zealous adversaries focused attention on the "indecenty", "obscenity," and elitism of specific artistic products and individual artists. Robert Mapplethorpe's homoerotic photography, Andres Serrano's *Piss Christ*, performance pieces by Tim Miller and Holly Hughes that voiced gay and lesbian perspectives, and a simulation of a gynecological exam by ex-porno star Annie Sprinkle were attacked with oratorical fervor. These attacks were broadcast by the national media because their shrill hostility played well as headlines and sound-bites. In addition, the artists and art works that were singled out as evidence of the "sort of culture" that the NEA had encouraged tended to examine and often celebrate cultural taboos that generated both outrage and titillation. Equally zealous advocates began to denounce the conservative right with charges of censorship, a disregard for First Amendment rights, and a warning that the "culture wars" were a threat to American democracy.<sup>4</sup> These warnings did not persuade Congress, and the NEA's appropriations continued to be leveled or reduced throughout the nineties, even as the agency attempted to construct a new identity by transforming its mission, standards, and structure to emphasize the social utility of

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3. John Corby, "Prominent Arts Figures Warn Congress on Cuts," *New York Times*, 26 March 1981, 15 (C); Irvin Molotsky, "Pleas Made to Congress for Funds for the Arts," *New York Times*, 21 May 1982, 33; "Art Task Force Backs Continued U.S. Support," *New York Times*, 16 August 1981, 11 (C).

4. For a thorough chronicle of these events, see *Culture Wars: Documents from the Recent Controversies in the Arts*, ed. Richard Bolton (New York: New Press, 1992), and Steven Dubin, *Arresting Images*.

federal arts support.

The point of friction in both the idea and experience of federal arts support does not originate in a political dispute between elitists and populists as Dubin asserts, but rather, appears to operate as a condition of the relational dynamics between American government and the arts. The pattern of alternating attraction and repulsion was experienced in the thirties during the rise and fall of the FTP, was reanimated after almost twenty years of dormancy in the late fifties and early sixties during America's culture boom, and has continued to inform the history of the NEA. The NEA was designed so that it could be distinguished from the FTP and other WPA arts projects as a strategy to avoid the divisive and negative environment that surrounded the practice, as well as the memory, of that first experiment in federal arts support. Yet the NEA's legislatively mandated prime directives, such as public/private partnerships, peer panels, block grants to states, and institutional endorsement and regulation, have not insulated the agency from many of the same tensions between government and the arts that the FTP encountered.

Politicians have tended to be attracted to the arts when they are integrated into a broader political purpose. The FTP and NEA incorporated a range of specific, individual motivations and actions that were responses to particular environmental conditions. In the economically and socially turbulent thirties, the New Deal work relief programs of Harry Hopkins and President Roosevelt provided jobs for unemployed citizens and preserved domestic order, while August Heckscher, W. McNeil Lowry, John D. Rockefeller 3rd, and President Johnson attempted to perpetuate the national culture boom and frame the arts as emblems of American democracy during Vietnam and the Cold War. When environmental conditions have changed, and the value of the arts

becomes unclear or vanishes, the government has tended to become indifferent or antagonistic toward the idea and experience of federal arts support. Politicians who were once willing to contemplate the positive values of a direct relationship with the arts are swayed by vocal adversaries. Zealots such as Martin Dies and Jesse Helms have demonized the agency of federal arts support (FTP, NEA) by presenting evidence to demonstrate that it operated contrary to the principles of American government and the aims of democracy, and they have promoted measures to censure or eliminate the offending agencies.

Artists have tended to be attracted to government as an angel of financial redemption and a source of ideological legitimation. In the thirties and sixties, government and the arts shared a brief mutual attraction that was facilitated by specific environmental conditions and particular individuals. Concerns about the negative consequences of government influence were soothed by rhetoric, legislative mandates, and organizational arrangements that attempted to insure artistic freedom. In the thirties, and again in the eighties, artists became frustrated by the level of bureaucracy that federal funding imposed. In addition, the cycle of legislative appropriation and reauthorization hearings has added to the friction and antagonism between government and the arts. These political processes provide adversaries with periodic opportunities to question the idea and experience of federal arts support, and advocates must constantly (re)justify the policy to a shifting cast of characters and in the context of new environmental conditions. Finally, artists have found it necessary to petition the government for expanded levels of support to cover increased expenses for facility maintenance, higher wages, and expanded production activity that is fueled by patterns of federal arts support. But, because artists have tended to be unorganized outsiders, they

have had little political power either to counter the attacks of zealous adversaries or persuade the government to increase its financial support. The two brief periods of mutual attraction in the thirties and the sixties have been followed by longer periods of mutual antagonism in which frustrated and powerless artists have confronted a bureaucratic, indifferent government, and each has imagined the other as malevolent.

### *The Consequences of Need and Merit*

The relational dynamics between government and arts reflect their distinct missions, standards, and structures, and are a condition of the flawed, though central, economic and ideological principles that have served as the basis for federal arts support since the thirties. These principles originated in the need/merit argument of advocates and are now embedded in the discourse of federal arts support. I have illustrated how the concepts of need and merit were influenced by variable environmental conditions, as well as the motivations and actions of individuals. While the concepts of need and merit have been fluid and have referred to a variety of economic, political, social, and ideological conditions and outcomes, they have followed a two-phase developmental cycle that parallels the pattern of alternating attraction and repulsion. This developmental cycle can be observed in the histories of both the FTP and NEA, and it may therefore indicate a significant pocket of tension that contributes to the pattern of attraction and repulsion in the idea and practice of federal arts support.

The FTP was established during an economic crisis while the NEA was established during a period of national prosperity, yet both agencies were formulated as economic buffers to protect artists and non-commercial theatres from market pressures (need) and thus allow them to create and produce works of artistic merit. In this first

phase of the cycle, during which the agencies of federal arts support are initiated, "need" refers to the material circumstances of the individual artist who is recognized as the source of creation, while "merit" refers to the intangible qualities of the artistic product. Need and merit are both addressed by providing federal support to improve the material conditions of artists and institutions as a means to insure or encourage non-commercial artistic creation. Most importantly, federal arts support legitimizes the merit value of artistic creation by converting artistic products into public goods that signify national culture. During this first phase of the developmental cycle, the financial needs of the arts are emphasized, while the concept of merit serves as a bridge that connects the arts to public outcomes. Through federal arts support, artistic creation and cultural production are formulated as inter-related acts that require special skills and conditions to be accomplished and judged, and their merits are associated with a variety of public benefits and a range of socially useful outcomes as a strategy to democratize the elite pursuit of intangible artistic excellence.

In the second phase of the development cycle, when the agencies of federal arts support are operational, the concepts of need and merit are reformulated and reordered in regular attempts to reconcile the fundamental tensions between government and the arts. Need now refers to both the economics of the institutions of cultural production and their importance as alternatives to commercial production, while the merit of federal arts support tends to be understood and evaluated in relation to its public benefits and social outcomes. The elite process of artistic creation and the role of the individual artist are subordinated, while the democratized cultural product and the not-for-profit institution become primary.

I have examined the pattern of alternating attraction and repulsion between

government and the arts as a reflection of the contradictory missions, standards, and structures of the two endeavors that were responsible for the rise and fall of the FTP, and I have also considered the impact of these contradictory aims on the origins and operations of the NEA. A brief analysis of changes in the concepts of need and merit indicates how the two phase developmental cycle parallels the pattern of attraction and repulsion that destabilized the FTP and continues to exert the same destabilizing influence on the NEA.

Harry Hopkins established the WPA arts projects during the Depression in response to the economic need of individual artists. He believed that artists were entitled to the same government remedies to receive a wage while they pursued their careers as other unemployed citizens during a period of economic crisis. Hopkins recognized that artists had special skills and required particular circumstances to practice their work, and the FTP was established to address the financial need of individual artists as a distinct category of work relief within a massive government initiative. The elite merit of artistic creation was linked to public outcomes through the economic and social benefits of work relief and was further democratized by the agency's secondary mission "[to] establish . . . theatres so vital to community life that they will continue to function after the program is completed."<sup>5</sup> Hallie Flanagan accepted union membership because it was administratively useful, but "professionalism" also represented a familiar and socially legitimate benchmark for the intangible and elite standards of artistic excellence that she pursued. The FTP was established during a brief period of mutual attraction between government and the arts that corresponds to the first phase of the developmental cycle, when the economic need of individual artists was linked with positive public and social

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5. *Instructions, Federal Theatre Project.*

merits, such as professional employment and conservation of the theatre industry.

The second phase of the developmental cycle occurred shortly after the FTP was established. Tensions between government and the theatre first surfaced in 1936, when the Living Newspaper production of Elmer Rice's *Ethiopia* was canceled. Rice's individual artistic creation had become a cultural product, and his personal, anti-fascist message was determined to be too extreme for a federally funded theatre to endorse. Politicians continued to question the public benefits and social outcomes of the FTP, and in 1938 the Dies Committee denounced the management, workers, and productions of the FTP as un-American. By 1939, antagonistic zealots attacked the FTP as the highest per capita project of all the government's New Deal work relief initiatives, and they also criticized the inequitable and undemocratic distribution of federal arts support, since almost half of the FTP's total appropriation went to subsidize New York City projects. Finally, adversaries argued that "communists have a right to present their plays to the people, but they have not a right to present their plays at the expense of the United States."<sup>6</sup> Congress liquidated the FTP after a period of mutual antagonism that reflected oppositional positions about the need for and merits of a federally funded national theatre, and I have presented evidence to illustrate how this first experience of federal arts support did not improve the material conditions of individual artists. I have also proposed that the FTP may have disrupted the organic development of the Little Theatre movement by providing unions with the access to impose their costly contracts and establish competing "professionalized" and government endorsed theatres.

The two phase developmental cycle of need and merit can also be observed in the

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6. Congress, Senate, 76th Cong., 1st sess., *Congressional Record* 84, pt. 8 (30 June 1939): 8398.

history of the NEA, although its multiple referents are more difficult to separate and trace because they have evolved as a bundle of interconnected themes. Although there are many similarities between the FTP and NEA, there are also three significant differences that have contributed to variations in the evolution and impact of the need/merit developmental cycle. First, different environmental factors influenced the authorization of the FTP and NEA. In the thirties, the Depression dominated the environment, while post-war prosperity and the culture and baby booms created an environment of optimism in the sixties. The Depression intensified the potency of the threat of communist infiltration, while the Cold War and Vietnam seemed more distant to the majority of the nation that experienced them on their living room televisions. Second, while the FTP primarily reflected the motivations and actions of only Harry Hopkins and Hallie Flanagan, the NEA reflected a wider range of individual motivations and actions. Third, in the thirties, the concepts of need and merit from a larger governmental context were being applied to the idea and practice of federal arts support for the first time during a brief four year period, and they were therefore relatively unsophisticated and did not have the opportunity to mature. The NEA was designed to reduce or eliminate the conflicts that had been encountered during the FTP years, and the concepts of need and merit were advanced as sophisticated compounds of art, economics, politics, and ideology.

Apart from these differences, the NEA still reflects the broad outlines of a two phase developmental cycle in the concepts of need and merit. The first phase occurred in the late fifties, when W. McNeil Lowry launched the Ford Foundation's program of support for not-for-profit theatres. This support was intended as an economic buffer that would enable a small but geographically diverse group of institutional theatres to "set

national artistic standards" by improving the material conditions of artistic creation and production.<sup>7</sup> Lowry accepted August Heckscher's position that artistic creation required "the maintenance of excellence and the concentration of an intense and undefiled artistic life."<sup>8</sup> In addition, the work of Baumol and Bowen and the *Rockefeller Report* both included a central concern with the low standard-of-living among artists, which qualified them as a disadvantaged segment of the population during a period of national prosperity. The *Rockefeller Report* also successfully linked the economic needs of individual artists and the material circumstances of artistic creation to the public merit of cultural democracy when it proposed that institutions "have a special custodianship of high quality."<sup>9</sup> Finally, the NEA addressed the economic need of artists and the cultural value of artistic creation within the broad and popular political and social merits of Kennedy's New Frontier and Johnson's Great Society.

Recent changes in the NEA's mission, standards, and structure are consistent with the second phase of the need/merit developmental cycle, when the practice of federal arts support is understood and evaluated in relation to institutions rather than individual artists, and cultural production rather than artistic creation. The NEA has always been an agency in search of an identity, as Dubin accurately notes. This identity crisis reflects the influence of the sophisticated compounds of need and merit that were designed by the framers of the NEA as a strategy to insulate the agency, the government, and the arts from the same tensions that they encountered in the thirties. These compound concepts of need and merit blended strands of fifties and sixties advocacy to simultaneously

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7. Magat, *Ford Foundation*, 130.

8. Heckscher, *National Goals*, 134.

9. *Rockefeller Report*, 207.

promote artistic, as well as public concerns, and they have enabled the agency to escape the fatal impact of the conversion from the first to the second phase of the developmental cycle that was experienced by the FTP.

These initial compounds of need and merit accomplished a primary aim of advocacy, since they have facilitated the maintenance of a program of federal arts support. The NEA's longevity suggests that the functional value of these compounds of need and merit has been to equip the agency with flexibility to adjust to shifting environmental conditions. However, my analyses of the impact of NEA funding patterns and processes on not-for-profit theatre deficits and artistic and structural conformity demonstrate that the agency has always tended to encourage institutionalization at the expense of the individual artist and has promoted cultural production over artistic innovation.<sup>10</sup> In addition, the conflicts between the contradictory missions, standards, and structures of American democracy and artistic creation/production have continued to erupt in regular controversies that have resulted in agency retrenchments, mission shifts, and reduced appropriations. Therefore, while the NEA's understanding and application of need and merit were initially formulated to balance artistic and public aims, the agency has been paralyzed in the second phase of the developmental cycle and has been allowed to survive because it has submitted itself to the government's aims.

### *Moderate and Radical Strategies*

I have designed three strategies to address the principle points of tension between government and the arts that will reduce or suspend the pattern of alternating attraction

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10. See David Throsby, "Economic Circumstances of the Performing Artist: Baumol and Bowen Thirty Years On," *Journal of Cultural Economics* 20 (1996), 225-239.

and repulsion between their distinct projects. These strategies reorient the relational dynamics that have evolved in the practice of federal arts support and reformulate the concepts of need and merit in order to initiate a third phase in their developmental cycle.

The most practical and least radical strategy is to simply do nothing. Although this first course of [non]action does not vigorously reorient the existing relational dynamics or immediately reformulate current concepts of need and merit that appear to exert a destabilizing influence on the practice of federal arts support, unpredictable environmental factors or unknown individuals may emerge. Because the NEA's compound of need/merit is responsive to changing environmental conditions, the agency can be shaped to reflect shifting political imperatives. For example, the nation overcame its long-standing principle of separation between the government and the arts during the Depression because Harry Hopkins framed the idea of federal arts support as an economic and social policy. After the difficulties that were experienced during the FTP years, it seemed unlikely that the government would initiate another arts program. Yet during a sustained period of economic prosperity that ignited the culture boom in the late fifties, the government was persuaded to establish the NEA. The ideas and actions of individuals such as W. McNeil Lowry, August Heckscher, John D. Rockefeller 3rd. and President Johnson effectively reframed the idea of federal arts support to address fundamental national concerns such as balancing technological advancement with humanist values, and promoting the principles of American democracy internationally and domestically. Finally, the FTP and NEA owe their existence to the active participation of powerful presidents. Presidents Roosevelt and Johnson were and are acknowledged masters of the legislative process. A future president may see political gain in once again reframing the idea of federal arts support and may initiate a national debate to develop a

clear and unified public arts policy.

In the absence of new political imperatives and a unified public arts policy, this first strategy of [non]action perpetuates the status quo and might unfold in one of two ways. The NEA will either be eliminated as a consequence of the destructive relational dynamics between government and the arts, or the agency will continue to operate with level or reduced appropriations. In the first scenario, there is no longer an agency of federal arts support. Whatever degree of influence the NEA may have exerted on the not-for-profit theatre disappears. If the second scenario unfolds, it is likely to result in a continuing reduction in the degree of influence that federal arts support exerts. My analysis of the relationship among NEA funding patterns, deficits, and artistic conformity during periods of stagnant or decreasing appropriations supports Dick Netzer's view that "public subsidy . . . is capable of having an impact that is close to invisible."<sup>11</sup> If the NEA survives with level or reduced appropriations, the influence it exerts over not-for-profit artistic creation and production will be inconsequential because the agency's limited resources will be absorbed by the major cultural institutions that it has tended to privilege throughout its history. Therefore, while this first strategy is practical and non-invasive, its ends are uncertain.

I began this dissertation with the identification of flaws that were common to existing scholarship, and I considered the bias of advocate/scholars who favored the idea of federal arts support and merely proposed adjustments in its delivery system when they confronted evidence of its negative impact. Recent changes in the NEA's mission, standards, and structure confirm my original position that tinkering with the delivery system of federal arts support tends to neglect the fundamental tensions between the

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11. Netzer, *The Subsidized Muse*, 153-154.

contradictory aims of government and the arts. However, because the NEA exists, it is sensible to make additional attempts to repair it before proposing more radical approaches. If adjustments in the delivery system can be designed to circumvent the destructive influence of the relational dynamics between government and the arts, and move the need/merit cycle to a third phase, the NEA may exert a positive influence on some of the challenges that are encountered in artistic creation/production. This second strategy of adjusting the delivery system of federal arts support also exploits the NEA's flexible design and is therefore a practical and moderate course of action.

The NEA was initially structured to distance the government from the art it funded, but this attempt was unsuccessful, and the agency has been indicted by adversaries on the same grounds that the FTP was indicted. In his introduction to *The Culture Wars: Documents from the Recent Controversies in the Arts*, Richard Bolton notes that during the hostilities "many [artists] behaved as if content didn't matter."<sup>12</sup> This response to attacks from the conservative right was both cunning and self-destructive because the conflicts that led to the elimination of the FTP and have haunted the NEA tend to begin with a critique of content as a means to indict the idea and practice of federal arts support. Advocates lost the content debate in the thirties and this experience may have encouraged them to shift the issue to the more emotional and demonizing ideas of censorship and constitutional abuse. However, content does matter.<sup>13</sup> It has traditionally been used by adversaries to provide evidence of a misuse of public funds. More significantly, when advocates rejected the importance of content as one of the

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12. Bolton, *Culture Wars*, 23.

13. Edward Rothstein, "Where a Democracy and Its Money Have No Place," *New York Times*, 26 October 1997, 1, 39 (2).

defining characteristics of artistic creation that should be a primary consideration of federal arts support, they acquiesced to a further "breakdown in the language and ethics of the arts" that Mark Harris anticipated in 1964.<sup>14</sup>

Kevin Mulcahy observed that "it was probably inevitable that once tax revenues came to be spent on the arts . . . citizens and their elected representatives assumed the role of art critics."<sup>15</sup> Mulcahy's characterization of the role that is assumed by "citizens and their elected representatives" is inaccurate. Politicians do not assume the role of "art critic" but rather, they become unwilling "arts audiences" who are exposed to works that they would probably not have been drawn to outside of their public office. In addition, when the process of artistic creation is converted into cultural production as a means to advance the social merits of federal arts support, politicians must place these unfamiliar or personally disagreeable works in the context of the broad imperatives of a national culture that they have been empowered to encourage and maintain.

Judith Huggins Balfe's view of the relational dynamics that occur in all forms of patronage are particularly significant in the practice of federal arts support. According to Balfe, "patrons discover that the reward structure toward which their original patronage had been directed becomes changed through their own activities."<sup>16</sup> This dynamic and its consequences can be observed in the relationship between government and the arts that was experienced during the FTP and NEA, as both agencies of federal arts support legitimized the products of artistic creation as commodities of American democracy and

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14. Harris, "Government as Patron," 139.

15. Mulcahy, "NEA as Public Patron," 329.

16. Judith Huggins Balfe, "Arts Patronage: Perennial Problems, Current Complications," in *Paying the Piper: Causes and Consequences of Art Patronage*, ed. Balfe (Urbana, IL: University of Illinois Press, 1993), 306.

national culture.

Four examples from the FTP and NEA controversies illustrate the pattern of attraction and repulsion in the relational dynamics between government and the arts, and they also demonstrate the negative impact of the two phase developmental cycle of need and merit that occurs when the government patron either inadvertently or intentionally transforms the individual and intangible merit values of artistic creation into public goods of national culture. In 1938, Congressman Martin Dies argued that FTP productions such as *One-Third of a Nation*, *Power*, and *Revolt of the Beavers* "portray the interests of one class to the disadvantage of another class," and he interpreted the content of these productions as evidence of the agency's inequitable use of federal funds.<sup>17</sup> Dies' political position may seem simplistic and reprehensible to advocates, but it is a sophisticated indictment grounded in the discourse of American democracy compared with the following statement from Senator Holt that is more representative of the level of congressional critical analysis that was applied to FTP productions:

Here are plays sponsored by the United States government, paid for by the United States government . . . here is a particularly suggestive one -- *Elizabeth Sleeps Out*. Here is another -- *Just a Love Nest*. *Just a Love Nest?* Senators, I do not know whether any of you have trouble or not with your wives. I am a single man. I do not have any such trouble. But if you have trouble with your wife the WPA in this theatre project takes care of it. Here is what you can see at the expense of the federal government -- *School for Wives* . . . I do not know whether any Senators have any trouble with old King Alcohol, but the [FTP] has plays concerning King Alcohol, if Senators want to see them and are interested in them -- *Ten Nights in a Barroom* . . . I say that the Federal Theatre Project must be cleaned up because the selection of plays has been ridiculous so far as certain titles are concerned.<sup>18</sup>

Holt successfully employed a popular adversarial strategy that combined humor with

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17. *Hearings on Un-American Activities*, 2873.

18. *Congressional Record*, 8401-8402.

moral indignation to trivialize the arts and denounce the practice of federal arts support.

In 1985, longtime advocate Senator Claiborne Pell questioned the style of NEA funded work during a reauthorization hearing with the agency's chair, Frank Hodson:

Senator Pell: I would be interested, too, in your view as to why more public money has usually gone for abstract, avant garde art, which is not really understood by the majority of the general public?

Mr. Hodson: In the 1970s, I do not think there was any question that the abstract aspects of art were most heavily represented . . . There has been a change in the last several years more toward representational kinds of art.

Senator Pell: So roughly, the percentage would be --

Mr. Hodson: Over half is now representational . . .

Senator Pell: Right. Well, that is a very real step in the correct direction, particularly in view of the fact that -- I do not recall a poll ever taken -- 90 percent of our people prefer representational art.<sup>19</sup>

Finally, in 1989, Senator Alfonse D'Amato characterized Andres Serrano's NEA funded *Piss Christ* as a "dirty picture," and argued that "if people want to be perverse . . . so be it, but not with . . . the taxpayers' dollars, and certainly not under the mantle of this great Nation."<sup>20</sup>

These incidents illustrate the destructive relational dynamics at play in the practice of federal arts support in the thirties, the seventies, and the eighties. They are representative of the second phase of the need/merit developmental cycle, when the indifferent government inspects the public outcomes of its agency, politicians become unwilling arts audiences exposed to unfamiliar or difficult artistic products, and artists

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19. Quoted in Kevin V. Mulcahy, "The Politics of Cultural Oversight: The Reauthorization Process and the National Endowment for the Arts," in *Congress and the Arts: A Precarious Alliance?*, ed. Margaret Jane Wyszomirski (New York: ACA Books, 1988), 75-76.

20. Congress, Senate, 101st Cong., 1st sess., *Congressional Record* 135, pt. 64 (18 May 1989): S5594.

defend both the merit value and public good of their activity. The tensions between government and the arts that are encountered as a consequence of content animate the destructive characteristics of the relational dynamics embedded in past and current practices of federal arts support, and these tensions are exacerbated by competing definitions of need and merit. Therefore, this second strategy attempts to circumvent the destructive characteristics of the relational dynamics between government and the arts with a literal definition of economic need and a narrow, publicly acknowledged definition of merit.

This second strategy proposes a slightly radical adjustment in the delivery system of federal arts support, but previous changes in the NEA's mission, standards, and structure indicate that the agency is flexible enough to assimilate it. If the concept of economic need were defined solely in relation to the cost of space (rent and utilities) for artistic production, federal arts support could be delivered as an end-of-the-year reimbursement to cover a portion of the occupancy costs for not-for-profit institutions. This dedication to institutional, rather than individual economic need, is consistent with the publicly recognized merits of encouraging cultural production, and it also acknowledges the domination of bricks and mortars as a fundamental requirement for the development and maintenance of national institutions.

Federal arts support that provides partial relief from the significant economic pressures of occupancy costs would equally facilitate the cultural production of major institutions and the artistic innovation of smaller endeavors. According to TCG, theatres reported 1998 average occupancy costs of \$374,727, or 11.1% of their total expenses, and occupancy costs represented the largest or second largest expense category for all

theatres, regardless of their budget size (behind marketing, and excluding personnel).<sup>21</sup> In addition, all not-for-profit arts activity incurs occupancy costs. While the amount of these costs may vary from medium to medium across the spectrum of not-for-profit arts activity, the performing arts exhibit a consistent relationship between occupancy costs and total operating expenses. In 1974, the Ford Foundation analyzed the budgets of 166 not-for-profit performing arts institutions from 1965 to 1971 and discovered that the average occupancy costs for theatres, dance companies, symphonies, and operas, represented similar percentages of their total, non-personnel operating expenses.<sup>22</sup>

If the NEA were to devise a standard percentage formula for the level of end-of-the-year reimbursement for occupancy costs, this second strategy of adjusting the delivery system of federal arts support might circumvent its destructive relational dynamics through a reformulation of the concepts of need and merit. The end-of-the-year occupancy reimbursement approach has three significant benefits. First, and most importantly, it abolishes the cycle of panel reviews of project-based grant applications that has served as the basis for NEA funding and has contributed to the conflicts that are encountered in the relational dynamics between government and the arts over issues of power and content. If federal arts support was provided as a reimbursement for detailed and universally familiar occupancy costs, it could be detached from its direct relationship with the intangible and elite characteristics of artistic creation/production that have allowed adversaries to link public money to controversial outcomes.

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21. Theatre Communications Group, "Theatre Facts 1998," *American Theatre*, April 1993, 8.

22. Occupancy costs, or "total non-salary facility costs" for the 166 performing arts institutions that the Ford Foundation analyzed represented 16.2% in 1966, 15.1% in 1967, 16.1% in 1968, 16.4% in 1969, 16.9% in 1970, and 17.7% in 1971. See Ford Foundation, *Finances of the Performing Arts*, vol. 1, Appendix C, 8.

It is likely that adversaries will continue to indict the idea of federal arts support with examples of how specific NEA grants have financed works whose content is inappropriate and/or whose style is undemocratic, but these attacks will become more difficult to attach to the NEA because public money would represent a direct reimbursement for a portion of the occupancy costs related to the exhibition of national culture, rather than a project grant or general operating support for artistic creation/production. This separation between federal arts support and artistic creation/production has begun to occur already, as NEA appropriations have diminished over the years. The recent Brooklyn Museum/*Sensation* and Manhattan Theatre Club/*Corpus Christi* controversies indicate that as the NEA has contributed less public money to the not-for-profit arts, adversaries have tended to strike at the choices of specific not-for-profit institutions, rather than the idea or practice of federal arts support.<sup>23</sup> In addition, while individual institutions can potentially benefit from these controversies, as a result of increased media exposure and curiosity, history has demonstrated that political or public scrutiny exerts a negative, often fatal impact on the agency of federal arts support.

The second benefit of this approach is that it will replace the inorganic and imprecise custom of projecting the amount of federal arts support which currently informs the application and award process with a standardized formula of end-of-the-year reimbursements that may reduce or eliminate some of its negative consequences. Rent

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23. See Patrick Pachero, "Furor Over New Play, Its Cancellation," *Los Angeles Times*, 28 May 1998, 47; Neil MacFarquhar, "*Corpus Christi* Has a Preview, and Protesters," *New York Times*, 23 September 1998 3 (B); David Barstow, "Giuliani is Ordered to Halt Attacks Against Museum," *New York Times*, 2 November 1999, <<http://www.nytimes.com/library/arts/110299brooklyn-museum.html>>; Dan Barry and Carol Vogel, "Giuliani Vows to Cut Subsidy Over Art He Calls Offensive," *New York Times*, 23 September 1999, <<http://www.nytimes.com/library/arts/092399brooklyn-museum-fund.html>>.

and utility costs are predictable and fixed, while production costs reflect abstract and evolving artistic choices. The occupancy reimbursement approach allows not-for-profit managers to develop budgets for future activity with an accurate sense of the amount of their federal arts support, rather than uncertain projections. Although other forms of contributed income would continue to be projected, the NEA occupancy reimbursement provides a tangible starting point for the budget process. In addition, managers will no longer be able to inflate their budgets and establish false or unrealistic expectations for federal support because the level of their reimbursement will be determined by a standard percentage formula and will require them to submit copies of paid invoices.

The third benefit of the end-of-the-year occupancy reimbursement approach is that it could be adjusted to respond to new political imperatives. For example, if major institutions continue to be privileged by the NEA, the percentage of reimbursement for occupancy costs for not-for-profit institutions with budgets over one million dollars could be higher than for those with smaller budgets. Alternately, if environmental factors change and federal arts support is redirected to encourage new ventures and promote artistic innovation, the reimbursement percentage for not-for-profit activity which operates on a smaller budget could be higher than the rate for major institutions.

Converting the NEA's delivery system from a project-based application process that relies on qualitative panel judgements to a standardized formula for end-of-the-year reimbursements of occupancy costs reduces or eliminates many of the recurring points of tension that have been experienced in the destructive relational dynamics between government and the arts, where competing definitions of need and merit are contested in debates about content and style. The inclusion of "lay" NEA panel members, in addition to larger block grants to state arts agencies and application categories that refer to

institutional and public outcomes, indicate that the agency is redirecting itself toward the overt aims of representational democracy. Therefore, while this strategy of readjusting the delivery system of federal arts support may be practical and may have many benefits, it is ultimately unsatisfying because it originates in the same impulses toward institutional survival that the NEA has encouraged among not-for-profit theatres. Jack Poggi predicted that federal arts support might transform "theatres into Institutions [that would be] more likely . . . to shift [their] major emphasis from putting on plays to insuring [their] growth and survival."<sup>24</sup> Recent changes in the NEA's mission, standards, and structure are valid survival strategies, but these reformulations have also extended the distance between federal arts support and its impact on the fundamental conditions of individual artistic creation and theatrical production.

The least practical and most radical strategy to escape the negative impact of the pattern of alternating attraction and repulsion is for the government and the arts to end their relationship. My first proposal for [non]action may also lead to a termination in the practice of federal arts support, but this outcome is likely to parallel the demise of the FTP, in which the government sued for divorce. If the NEA is eliminated by the government in a similar manner, it does not preclude the possibility of a future reconciliation and a reanimation of the pattern of alternating attraction and repulsion.

My third strategy proposes that the arts reject government patronage and abandon the NEA. Although there have been occasional instances in which individuals have declined NEA awards, this has never been a popular strategy for two reasons. First, as Joseph Papp noted when he declined \$50,000 from the NEA to support the New York Shakespeare Festival's *Latin Festival* in 1990, "it is difficult to stand on principle when the

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24. Poggi, *American Theatre*, 235.

need is so great."<sup>25</sup> Not-for-profit arts organizations are not in the habit of turning down the money that facilitates their artistic aims, and they have been able to separate those elements of the underlying principles and implied associations of patronage that are inconsistent with its material rewards and the status that it confers. Second, and more significantly, artists and arts professionals tend to be guilty of the same bias that has influenced scholar/advocates. The position that a flawed NEA is better than no NEA is an expression of this advocacy bias, and it also reflects an allegiance to the history and ideals of federal arts support that are perpetuated as conditions of both mimetic and normative isomorphism.

Because artistic creation and production operate in an extremely uncertain environment, where each production originates in abstract and intangible impulses and its consumers are most often imagined and transient (subscribers may be known, but individual ticket-buyers can only be projected), artists and arts professionals are cautious about rearranging the economic and ideological landscape. Instead, they practice mimetic isomorphism, or modeling, through the preservation of existing individual and institutional attitudes, behaviors, and relationships. Normative isomorphism reinforces these mimetic tendencies. According to DiMaggio and Powell, "universities and professional training institutions . . . [and] professional and trade associations . . . create a pool of almost interchangeable individuals who occupy similar positions across a range of organizations and possess a similarity of orientation."<sup>26</sup> Longtime not-for-profit theatre consultant Nello McDaniel accurately described the effect of these two isomorphic

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25. Joseph Papp, letter to John Frohnmayer, 9 April 1990, quoted in Bolton, *Culture Wars*, 172.

26. DiMaggio and Powell, "The Iron Cage," 71.

pressures and anticipated the difficulties that would be encountered in overcoming them:

There is an understandable reluctance on the part of arts professionals to alter their behavior and ways of thinking and working. It's difficult to let go of the 'knowns,' the safe and secure, even if the knowns don't work as they should or as they used to. Even in the face of overwhelming evidence to the contrary, many continue to believe that the old knowns will save them; they refuse to recognize the flaws and move on to a new or different set of unknowns -- and make them known. To understand and embrace a new order, we have to let go of the old, or at least put the old in proper perspective.<sup>27</sup>

Just as scholar/advocates, artists, and arts professionals have been able to overlook the negative consequences of federal arts support as a means to conserve the material and status value that they endow it with, McDaniel suggests that we disregard the conventional ideas about federal arts support and devise fresh approaches to the challenges of artistic creation/production.

NEA funding has become an annual entitlement for many theatres. If it were withdrawn, the level of economic uncertainty would increase, although the psychological impact of this withdrawal would be greater than its material consequences since the combination of reduced NEA appropriations and increasing theatre budgets have resulted in a trend in which the size of the average NEA grant has decreased. In addition, the status value of government support has been tarnished by recent arts and political controversies that have reanimated the national debate about intersections between public and private realms. The ideological aspects of this debate have led to a re-evaluation of the principles of the welfare state, in which the government is considered a benevolent force with responsibility for insuring equitable access and the quality of public goods. Current experiments in privatizing education and health services appear to demonstrate that market forces, such as competition and economic efficiency, may be equally capable

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27. Nello McDaniel, "Recognizing the Challenges," *Work Papers 1: Rethinking and Restructuring the Arts Organization* (New York: FEDAPT, 1990), 11.

of or superior to government managed programs in insuring access and quality.<sup>28</sup>

This third strategy of rejecting federal arts support and abandoning the NEA is radical for two primary reasons. First, it is untested, but its novelty is certain to reframe the discourse of public arts policy in unexpected directions that will provide fresh opportunities to establish a "new order" that McDaniel believes is necessary. Second, it is quite different from previous defensive strategies that advocates have regularly mounted in response to adversarial assaults on the idea and practice of federal arts support. While the NEA's survival may be partly attributable to these defensive strategies, this approach was ineffective in protecting the FTP from zealous adversaries and may be a portentous sign that the NEA will ultimately reach a similar end.

Although the consequences of this radical course of action can only be speculative, since there are no historical examples of what happens when the not-for-profit arts uniformly refuse government patronage from an existing agency of federal arts support, it is likely that Congress would eliminate the NEA. This would be a positive outcome, since I have demonstrated that both the FTP and NEA have exerted a negligible or negative impact on the not-for-profit theatre. In the absence of federal arts support, the not-for-profit theatre will become slightly more dependent on earned income, or it will develop new sources of contributed support.

One of the underlying principles of federal arts support has been that earned income promotes commercial aims and pressures artists and theatres to create and

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28. See John Larrabee, "The Business of School Reform." *USA Today*, 7 June 1995, 3 (A); James C. Geoly, "Charity Replaces Bureaucracy," *Wall Street Journal*, 26 September 1996, 12 (A); "Boston University and City to Join Hospitals," *New York Times*, 30 June 1996, 18; Diane R. Stepp, "Cobb Parents back Edison," *Atlanta Constitution*, 26 January 1999, 5 (C), Tamar Lewin, "Edison Schools say Students Gain," *New York Times*, 7 April 1999, 9 (B).

produce popular entertainment, while contributed support serves as an economic buffer that promotes artistic innovation and aesthetic values. This principle is disputed by the evidence that I have presented, which indicates that the FTP did not encourage artistic innovation to a significant degree, but rather, duplicated experiments in dramaturgy and stagecraft that were being produced in the commercial theatre. In addition, I have demonstrated that the NEA encouraged structural and artistic conformity through coercive isomorphism at the expense of innovation.

Apart from the evidence I have presented, there are two additional conceptual flaws in the formulation of this principle. First, commercial aims and aesthetic quality are not as polarized as this principle suggests. Commercial and popular entertainment often pursues and achieves a high level of aesthetic quality, while not-for-profit theatre may be aesthetically shallow and unsatisfying, regardless of its innovativeness. As I have suggested, earned or contributed income will equally facilitate individual aims, and the source of the income does not operate as a functional distinction in the process of artistic creation or theatrical production. Aesthetic quality has intangible origins that are located in the aims, experiences, ideas, and imagination of individuals, and it is not determined by the source of income. In addition, money is not a prerequisite for aesthetic quality. If it were, every multi-million dollar Broadway production would be of the highest quality and most not-for-profit productions would not be able to afford the luxury. Finally, federal arts support is ultimately incapable of encouraging artistic innovation or facilitating aesthetic values.

The second flaw in this underlying principle of federal arts support is that it suggests that popular entertainment is always exploited for commercial gain, while not-for-profit production is the domain of artistic innovation. This is also an artificial

formulation that segregates the population into distinct groups that are attracted to and engage in either popular entertainment or artistic innovation, to the exclusion of the other. While there are individuals who may express a strong personal preference for popular entertainment or artistic innovation, the existence or withdrawal of federal arts support has a negligible impact on these personal preferences, and whether the practice survives or disappears, there will continue to be individuals who will engage in conventional or innovative processes and forms. Except for those individuals with a strong preference for one type of activity, the majority of artists and the public are less discriminating, and they are attracted to the theatre as one among many pursuits. The theatre occupies a relatively small position within the broader entertainment industry.<sup>29</sup> Theatre certainly has characteristics that distinguish it from television, film, and other forms of live or recorded entertainment, but the broader industry often shares performers, designers, writers, technicians, and audiences amongst its various mediums. Therefore, the distinctions between high and low, commercial and not-for-profit, and popular and elite that operated as oppositional values in the idea and practice of federal arts support and the development of the not-for-profit theatre are now functionally irrelevant, since these borders are regularly and willingly crossed by both artists and the public.

While the strategy of rejecting federal arts support may be impractical because of the ideological potency of its flawed principles and the domination of mimetic and normative isomorphism, it also has two practical features. First, artists have demonstrated their inability to effectively organize themselves, and perhaps more

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29. See "Summary" in *Age and Arts Participation With a Focus on the Baby Boom Cohort*, National Endowment for the Arts Research Division Report #34, ed. Erin V. Lehman (Santa Ana, CA: Seven Locks Press, 1996), 117-118.

importantly, their publics. When politicians have questioned the validity and efficacy of the FTP and NEA, they have also noted a lack of unified, grassroots public protest. The proactive rejection of federal arts support is therefore more practical than a defensive strategy, since it can be accomplished solely by those few artists and institutions that receive NEA grants. The second practical feature of rejecting federal arts support is that it returns the American theatre to its usual circumstances. Apart from the FTP years and the last thirty-five years in which the NEA has operated, the American theatre has expanded and consolidated in the absence of an agency of federal arts support. During the thirties, not-for-profit community theatres were established, and the socially conscious Group Theatre exploited the commercial value of its merit goods on Broadway. In the post-war period, amateur groups continued to be organized and a new generation of artists first revolted against, then revitalized Broadway. In both periods, the expansion and consolidation of the American theatre was influenced by broad environmental factors and the motivations and actions of individuals, rather than the practice of federal arts support, which I have demonstrated to be intrusive and destabilizing.

The elimination of the NEA would not signify an end to federal arts support, but would abolish an agency that has been incapable of reconciling the fundamental contradictions between the merit values of artistic creation/production with the social utility of public goods. In 1963, August Heckscher observed that "the federal government touches the arts at many points."<sup>30</sup> Apart from existing indirect forms of federal arts support that provide material benefits to artists and not-for-profit theatres, such as tax laws and postal regulations, there is a range of other available sources of direct federal support that are determined by their overt aims of social utility and are therefore less

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30. Heckscher, *Arts and National Government*, 12.

likely to exert a significantly negative influence on not-for-profit theatres that chose to pursue them.<sup>31</sup> For example, Vice President (and presidential candidate) Al Gore recently announced the administration's \$185 million commitment to its "21st Century Community Learning Centers" initiative, which includes "enrichment [activities] including chorus, band, drama, and the arts."<sup>32</sup> The universe of not-for-profit theatre includes individuals and institutions who are motivated to serve the public good, and non-NEA programs of federal arts support will endure, and perhaps multiply, to facilitate their missions of social utility. The elimination of the NEA may ultimately lead to increased federal arts support and transform its practice so that it is more effective at promoting and accomplishing the shifting political and public aims of democratic government.

Finally, since the American theatre continues to expand and consolidate as part of broader developments that inform the entire entertainment industry, the artificial and oppositional distinctions between not-for-profit high art and commercially produced popular entertainment have begun to be rejected in favor of a holistic view. Film producers such as Steven Spielberg and Scott Rudin have made large contributions to the not-for-profit theatre because they recognize it as a source of material and personnel.<sup>33</sup> Broadway producers and not-for-profit theatres regularly enter into relationships because

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31. For an analysis of these indirect forms of federal arts support see Alan L. Feld, Michael O'Hare, and J. Mark Davidson Schuster, *Patrons Despite Themselves: Taxpayers and Arts Policy* (New York: New York University Press, 1983), and J. Mark Schuster, "The Other Side of the Subsidized Muse: Indirect Aid Revisited," *Journal of Cultural Economics* 23 (1999), 51-70.

32. Howard Spector, <hspector@artsua.org>, "After School Opportunities for Arts Agencies and Organizations as Part of 21st Century Community Learning Centers," 14 January 2000.

33. See Jeff Kaye, "Amblin, Turner Reach Deal for TV Movies," *Los Angeles Times*, 14 December 1989, 5 (D); Bob Strauss, "Scott Rudin: Portrait of a Producer," *Boston Globe*, 12 December 1993, 27 (B).

they recognize that they can advance their own particular aims through the association. The commercial theatre, which tends to be devoted to production, benefits from its association with not-for-profit theatres because it is able to test and improve its products at a lower cost. Not-for-profit theatres, which tend to be devoted to creation, benefit from the potential for a percentage of the profits from commercial productions, and they can achieve a national reputation which may provide them access to expanded audiences and increased levels of foundation and private support. Therefore, although the NEA does not represent overt government regulation of the not-for-profit theatre, eliminating the isomorphic pressures that it exerts may lead to positive outcomes that are similar to those that have been experienced or anticipated in the cable and banking industries as a consequence of government deregulation.<sup>34</sup> If the NEA were eliminated, the not-for-profit theatre might be compelled to strengthen its alliance with the commercial theatre, film, and television, and devise innovative strategies that are more effective means to address the economic conditions of individual artists and to expand audiences.

The pattern of alternating attraction and repulsion that has been experienced in the idea and practice of federal arts support is a reflection of the distinct missions, standards, and structures of government and the not-for-profit theatre. My analysis of the FTP and NEA illustrates Theodor Adorno's view of the intrinsic paradox of cultural production, in which the merit value of artistic creation that "exists for its own sake" is recognized as having a "possibility of effect" and is thus made "useful."<sup>35</sup> This paradox has resulted in a practice of federal arts support that has exerted a negative impact on

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34. See "Ending Cable Rate Controls will Boost Competition," *USA Today*, 25 March 1999, 14 (A), and Michael Schroeder, "Senate Passes Financial Overhaul Bill," *Wall Street Journal*, 7 May 1999, 4 (A).

35. Theodor W. Adorno, *The Culture Industry* (London: Routledge, 1991), 94, 99.

the not-for-profit theatre as a consequence of its destructive relational dynamics and flawed underlying principles, which can be reformulated but will remain as a condition of the incongruity between the public aims of government and the individual aims of artistic creation and theatrical production. Therefore, I favor this third strategy in which the not-for-profit theatre and other arts determine their own future, as uncertain as it may be, end the clumsy dance of federal arts support, and forsake the NEA. Nello McDaniel has recognized the challenge of the unknown, but it is one of the defining characteristics of artistic creation and theatrical production. I believe that only by embracing the unknown can not-for-profit theatres begin to develop their own creative responses to both fundamental challenges and new opportunities that exist or will emerge as a consequence of their individual aims and/or shifting environmental factors, and thus insure the authenticity of their distinctive language and ethic.

## **APPENDIX**

TABLE A.1

**AVERAGE NEA THEATRE GRANT, AVERAGE THEATRE EXPENSE,  
AVERAGE EARNED INCOME, AND AVERAGE INCOME GAP  
FROM 1966 TO 1996 IN 1996 CONSTANT DOLLARS**

Fiscal Year	Average NEA grant	Average theatre expense	Average earned income	Average income gap
1966	\$1,071,513	\$2,173,548	\$1,593,095	\$580,462
1967	\$308,536	\$2,053,058	\$1,469,116	\$583,942
1968	\$199,306	\$2,600,827	\$1,797,548	\$803,278
1969	\$122,094	\$2,805,118	\$1,880,384	\$924,729
1970	\$115,496	\$2,862,242	\$1,773,649	\$1,088,588
1971	\$147,122	\$2,818,431	\$1,757,587	\$1,060,918
1972	\$129,753	\$2,727,442	\$1,804,675	\$922,766
1973	\$117,862	\$3,060,295	\$1,997,158	\$1,063,136
1974	\$111,112	\$2,946,398	\$1,854,594	\$1,091,804
1975	\$128,137	\$2,563,563	\$1,631,388	\$932,175
1976	\$159,820	\$1,411,005	\$876,811	\$534,190
1977	\$120,789	\$1,365,045	\$832,316	\$532,728
1978	\$112,251	\$1,335,014	\$826,980	\$508,034
1979	\$89,765	\$1,434,350	\$874,042	\$560,304
1980	\$86,047	\$1,471,298	\$872,121	\$599,175
1981	\$58,685	\$1,587,476	\$963,534	\$623,942
1982	\$50,820	\$1,173,275	\$1,183,184	\$724,560
1983	\$40,545	\$1,574,888	\$976,540	\$573,052
1984	\$58,672	\$1,511,963	\$957,761	\$578,731
1985	\$77,435	\$1,608,099	\$981,825	\$657,129
1986	\$83,295	\$1,875,736	\$1,145,525	\$730,211
1987	\$93,553	\$2,003,836	\$1,213,448	\$790,386
1988	\$69,056	\$1,949,544	\$1,172,176	\$777,367
1989	\$62,210	\$2,300,588	\$1,479,569	\$821,017
1990	\$53,203	\$1,987,132	\$1,222,255	\$764,854
1991	\$64,523	\$2,107,915	\$1,268,255	\$839,659
1992	\$46,722	\$2,245,994	\$1,366,649	\$879,367
1993	\$41,399	\$2,163,496	\$1,286,593	\$856,448
1994	\$36,135	\$2,109,708	\$1,271,516	\$838,190
1995	\$29,971	\$2,131,556	\$1,347,334	\$784,220
1996	\$20,959	\$1,927,637	\$1,201,962	\$725,675

Source: See Table 4.2.

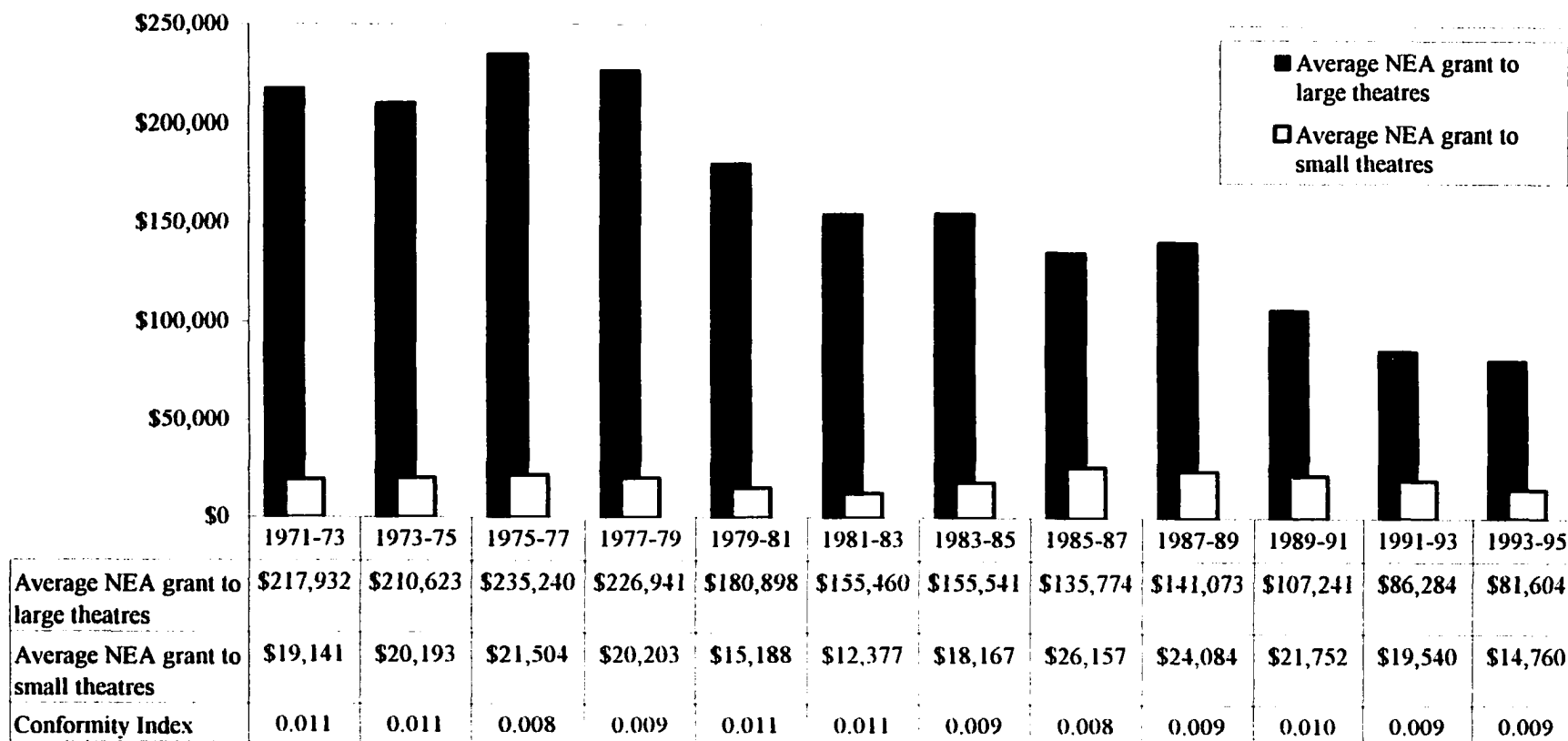
**AVERAGE NEA GRANT AWARDED TO THEATRES WITH BUDGETS OVER  
\$1 MILLION AND THEATRES WITH BUDGETS UNDER \$1 MILLION,  
AND CONFORMITY INDEX FOR BIANNUAL PERIODS FROM  
1971 TO 1995 IN 1995 CONSTANT DOLLARS**

Biannual Period	Average NEA grant to large theatres	Average NEA grant to small theatres	Conformity Index
1971-73	\$217,932	\$19,141	0.011
1973-75	\$210,623	\$20,193	0.011
1975-77	\$235,240	\$21,504	0.008
1977-79	\$226,941	\$20,203	0.009
1979-81	\$180,898	\$15,188	0.011
1981-83	\$155,460	\$12,377	0.011
1983-85	\$155,541	\$18,167	0.009
1985-87	\$135,774	\$26,157	0.008
1987-89	\$141,073	\$24,084	0.009
1989-91	\$107,241	\$21,752	0.010
1991-93	\$86,284	\$19,540	0.009
1993-95	\$81,604	\$14,760	0.009

*Source:* See Chart 5.5 and Table A.1.

CHART A.3

**AVERAGE NEA GRANT AWARDED TO THEATRES WITH BUDGETS OVER \$1 MILLION AND THEATRES WITH BUDGETS UNDER \$1 MILLION, AND CONFORMITY INDEX FOR BIENNIAL PERIODS FROM 1971 TO 1995 IN 1995 CONSTANT DOLLARS**



Source: See Chart 5.6 and Table A.2. After adjusting for constant dollars, the trends that appear above reproduce the same general patterns that are examined in Chapter Five.

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