



Richard T. Ely: The Confederate Flag of the AEA?

Clifford F. Thies¹ and Ryan Daza²

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It's one thing for the American Economic Association to have the keynote address at its annual meeting entitled the Richard T. Ely Lecture. Ely was, after all, a founder of the organization, its first Secretary (1886-92), and its sixth President (1900-01); and, besides, nobody feels much compelled by reason of giving the lecture to associate himself with the man.

But it's another thing for the Association, in its recent *Economists' Calendar*, to give Ely a prominent place in the pantheon of economists therein assembled. Yet, there he is among the 18 on the cover; again on the first page, along with a selection of quotations; and, yet again on the page for the month of April, his birth month. As to the selection of quotations, it is highly selective, with no quotations touching on the following issues: race, eugenics, the rights of individuals versus the rights of the state, freedom of speech and of religion, equal rights, the rights of property, contract and free association, the use of public schools to indoctrinate the youth, labor colonies, nationalism, colonialism, militarism and war. Ignoring Ely's positions on these issues would be like claiming that the Confederate flag was not merely part of the heritage of a section of the country, but that it represents something good and wholesome—without apologizing for or even acknowledging what it actually represents.

A few individuals have helped to recover the untoward positions of the Progressives on race and eugenics (Bateman 1998, 2003, Cherry 1976, Leonard 2003, 2005a, 2005b, Luker 1991). As to why we have to recover this history, no doubt it is because the midcentury experience with the National Socialists of

1. Shenandoah University, Ashburn, Virginia, USA 20176.

2. Washington, DC, USA 20005.

Germany made us aware of how terrible were the mistakes of the Progressives. Embarrassment and the desire to let the dead rest in peace resulted in a whitewashing of history. For example, a prominent biography of Ely (Rader 1966; see also Gonce 1996, Lowe 1987, Samuels 2002) makes only a few obtuse references to Ely's positions on evolution, and does not at all mention his positions on race, eugenics, and so forth. The effect of the whitewashing was that, eventually, the problematic aspects of the Progressive movement came to be lost. Consequently, others might fail, where the Progressives failed, to temper their desire to do good with a due consideration for the possible evil that might result from the denigration of lesser people and from the aggrandizement of the state. The tensions between immigration and welfare statism, for example, are familiar enough.

What follows is a selection of quotations expressing the perspective and positions of one of the original leading lights of the AEA. The quotations span a wide variety of issues and the man's entire professional career. Perhaps some of these will appear in a future *Economists' Calendar*.

* * *

At bottom, it [supply-and-demand analysis] is only a truism proved by the experience of cooks. When fish is scarce it is dear. In sooth, a beautiful discovery! Nevertheless, there is nothing necessary in this. Suppose a religious law which forbids one to eat fish; it might be very scarce and at the same time cheap. (Ely 1884, 39)

A concrete example of the fruits of this new method [historicism] is found in the almost complete reversal of opinion concerning the policy advocated by those we call Mercantilists. (1884, 48)

In opposition to individualism, they [Mercantilists] emphasize...man was formed for society. They recognize a kind of divine right in the associations we call towns, cities, states, nations... (1884, 48)

Now, it may rationally be maintained that, if there is anything divine on earth it is the State, the product of the same God-given instincts which led to the establishment of the Church and the Family. It was once held that kings ruled by right divine, and in any widely accepted belief, though it be afterwards discredited, there is generally found a kernel of truth. In this case it was the divine right of the State. (1885, 73)

Economic freedom must be regarded as merely relative. It has been absolute only in that condition of anarchy in which savages have lived... (1889, *Introduction to Political Economy*, 71)

[O]bedience to law is, in civilized nations, unconscious. Law has to such an extent formed us that we, for the most part, spontaneously obey it. (1889, *Introduction*, 71)

There seems in the nature of things no more reason why the State should do one thing rather than another except that it is more useful. (1889, *Introduction*, 87)

An older conception, inherited from European despotisms, pronounces State action 'paternalism,' but ... [with] modern democracy, ... government is not something apart from us and outside of us, but we ourselves. (1889, *Introduction*, 89)

[T]here is no limit to the right of the State, the sovereign power, save its ability to do good. Duty, function, is co-extensive with power. The State is a moral person. (1889, *Introduction*, 92)

The idea of a stock exchange is sound, but it is inevitably so fruitful of mischief and all matter of iniquity that we can regard it only as a necessary evil... (1889, *Social Aspects*, 22)

Christianity is primarily concerned with this world. (1889, *Social Aspects*, 53)

A state church must...adopt in its attempt to influence rightly this inner individual life [spiritual life] the methods of persuasion and not coercion ... A state church must be regarded as occupying essentially the large and generous ground of the public schools ... It must serve the state ... [Because of the multitude of denominations] it is manifestly impossible to reestablish a state church among us, [the solution lay] in the conception of the state as the true church of the future. (1890; quoted in Handy (1990, 37))

The most general statement possible [concerning the causes of pauperism] is that the causes of poverty are heredity and environment, producing weak physical, mental, and moral constitutions. (1891, 402)

The remedy [to the contribution of environment to pauperism] is to break up these pauper and criminal bands, and at the earliest age to remove the children from their poisonous atmosphere. (1891, 406)

Germany has a large number of 'Laborers' Colonies' for the dependent classes, and these colonies have succeeded well, on the whole. It seems clear that there is a class which must be kept permanently isolated in asylums and subjected to kind but firm discipline. (1891, 407)

Th[ose who are] more hopelessly lost...should not be allowed to propagate their kind. (1891, 407)

Giving up one's individualism means a growth in individuality. (1894, Socialism, 351)

[W]e may contemplate a society with real, not merely nominal, freedom, to pursue the best; a society in which men shall work together for common purposes, and in which this wholesome co-operation shall take place largely through government... (1894, Socialism, 352)

[T]he fullest unfolding of our national faculties requires the exclusion of discordant elements—like, for example, the Chinese. (1894, "Thoughts on Immigration, No. I")

Too many diverse elements, especially when the variation in important characteristics is great, render difficult the growth of a powerful nationality. (1894, "Thoughts on Immigration, No. I")

[W]e must notice the deterioration in the character of our immigration and ponder well the effects which a large admixture of baser foreign elements is likely to have upon American nationality. Going back to our early immigration we find men of intellect and conscientious conviction... As late as 1848 Germans of a fine class came to this country... (1894, "Thoughts on Immigration, No. II")

Transportation has become so cheap that even an industrially inferior class is able to secure means to come to our shores. (1894, "Thoughts on Immigration, No. II")

As far as my general social philosophy is concerned,... I am...in the strict sense of the term an aristocrat...; but when I use the word 'aristocrat,' I have in mind of course not a legal aristocracy, but a natural aristocracy... (1894, "Fundamental Beliefs,"183)

God works through the State in carrying out his purposes more universally than through any other institution. (1896, 162-63)

Christ and his apostles always recognized the authority of the state as divine in character even under the most trying and perplexing circumstances. (1896, 165)

The Protestant Reformation meant the exaltation of the state. (1896, 168)

The distinction of ecclesiastical and profane laws can find no place among Christians. (1896, 169)

The main purpose of the State is the religious purpose. Religious laws are the only laws which ought to be enacted. (1896, 173)

When men try to prevent the advance of the temperance movement and other great moral enterprises, they are very fond of rattling off that sentence [you cannot make men moral by act of Parliament]. (1896, 179)

The state, which stands for organized society, is the organ of liberty. (1897, 672)

[T]he state, like the church, has divine rights. (1898, 780)

[T]here are classes in every modern community composed of those who are virtually children, and who require paternal and fostering care, the aim of which should be the highest development of which they are capable. We may instance the negroes, who are for the most part grownup children, and should be treated as such. (1898, 781)

The great word is no longer natural selection, but social selection. (1901, 62)

[W]e should undertake this [to fit the individual for complicated modern society] with as great care as a powerful military nation like Germany devotes to the preparation of each individual soldier for warfare. (1901, 62)

The problem of liberty includes the problem of suitable control over the relations which exist among men. (1902, 68)

The problem is to keep the most unfit from reproduction, and to encourage the reproduction of those who are really the superior members of society. (1903, 139)

The sad fact, however, is not that of competition [that feeble persons compete for employment and, so, drive down wages], but the existence of these feeble persons. (1903, 163)

Philanthropy and science keep alive men who would otherwise perish. These men reproduce their kind, and the result is an enfeebled progeny. Reproduction goes on, and as heredity determines chiefly the characteristics of those who live, we have a feebler parentage leading to a feebler race of men. (1903, 165)

[I]f this [preventive medicine] is leading to an increasing number of an increasingly feeble population, should it not be checked? (1903, 166)

[W]hat shall we say about the efforts in India to accumulate a famine fund, and extend and improve the means of communication so as to be able to fight famine successfully there as it has been fought successfully in Europe and America? Why not let the famine continue for the sake of race improvement? (1903, 166-167)

Let us next take up the degenerate classes, and ask whether any effort is being made to prevent their reproduction. (1903, 173)

It is, perhaps, not quite true that, apart from the really unfit in the community, we desire a free intermingling of all the rest of the population. (1903, 180-81)

We have already shown that the essential purpose of all private property is the general welfare. (1914, 477)

The only right point of view is the social, and from this point of view expropriation is so far from appearing as an abnormality, a contradiction to the idea of property, that we must regard it as something absolutely required by the idea of property. (1914, 496)

It has also to be recognized that there is, as been wisely said, 'no greater inequality than the equal treatment of unequals.' (1915, 211)

We can not solve our problems of conservation any more than we can other social problems unless we get a new idea of organized political society. (1917, 68)

As a part of the preparation of our human material we shall give increasing attention to eugenics... [I]here are certain human beings who are absolutely unfit and who should be prevented from a continuation of their kind. (1918, 115)

[I]n the university we have found in department after department a readiness to sign loyalty statements which have 'teeth'... (1918, 143)

Furthermore, as a condition of liberty, with our increasingly complex and close interrelations more and more regulation by society is required in order to give each one [each person] a proper sphere of action. (1922, 660)

We must give to the most hopeless classes left behind in our social progress custodial care with the highest possible development and with segregation of sexes and confinement to prevent reproduction. (1922, 662)

May I dare assert that something could be said for military training as affording a discipline of life? Possibly there may be other objections to military training; but, as I have observed it, and particularly in Germany, it does afford this. (1929, 101)

[O]wnership of corporate property in itself cannot be relied upon to secure the management of property which is to be the interest of the property owners and presumably to the interest of the general public. (Bohn and Ely 1935, 136)

Property is a bundle of rights and not a single right. (Bohn and Ely 1935, 136-37)

We, who had tasted the new and living economics which was taught in the German universities, were depressed with the sterility of the old economics which was being taught in the American colleges. (Ely 1938, 132)

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About the Authors



Clifford Thies is the Eldon R. Lindsay Chair of Free Enterprise and Professor of Economics and Finance at Shenandoah University. He is a contributor to six books and author or coauthor of more than six dozen articles in scholarly journals including, with Gary M. Pecquet of Central Michigan University, a recent piece in *The Independent Review*, "The Shaping of a Future President's Economic Thought: Richard T. Ely and Woodrow Wilson at 'The Hopkins'" ([link](#)).



Ryan Daza received his master's degree in economics at George Mason University, Fairfax, Virginia. His email is michaeldaza@mac.com.

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