

RESEARCH IN THE HISTORY OF ECONOMIC THOUGHT AND
METHODOLOGY VOLUME 20-C

Richard T. Ely's THE STORY OF ECONOMICS IN THE UNITED STATES

EDITED BY

WARREN J. SAMUELS

*Department of Economics, Michigan State University,
East Lansing, MI 48824, USA*

2002



JAI

An Imprint of Elsevier Science

Amsterdam - London - New York - Oxford - Paris - Shannon - Tokyo

CONTENTS

CHAPTER I. INTRODUCTORY

The nature of economics	21
Economic science in its earliest stages	22
Evolution of the complex modern economic relations	23
Contrast between economics and the natural sciences	26
Some reasons for the slow development of economic science in the United States down to 1885	27
"Confessions of an American economist"	32
Attacks on the "new economics" of 1885 [not in outline; in text]	33

CHAPTER II. EARLY AMERICAN ECONOMICS IN ITS EUROPEAN SETTING

The system of natural liberty	41
Benjamin Franklin and the system of natural liberty	47
Franklin and Adam Smith	48
Franklin and Malthus on population	49
Franklin and the French economists	57
The economic ideas of Thomas Paine	52
The economic ideas of Thomas Jefferson	54
Alexander Hamilton's repudiation of "natural liberty"	56
Benjamin Franklin and Alexander Hamilton on the Currency Question	57

CHAPTER III. AMERICAN PROTESTS AGAINST ENGLISH ECONOMICS

The work of Daniel Raymond	64
Raymond's attitude toward the functions of government	65
Raymond on banking and currency problems	66
Raymond on the Malthusian theory of population	69

Alexander Everett's criticism of the Malthusian state	70
Matthew Carey's position in the history of American Economic Thought	72

CHAPTER IV. THE EVOLUTION OF THE SCIENTIFIC POINT OF VIEW IN ECONOMICS

The theological state	78
The theologico-metaphysical stage	80
Modern scientific attitude	Si
The neo-theological stage	84
Positivism as a religion	87

CHAPTER V. THE DEVELOPMENT OF THE SCIENTIFIC POINT OF VIEW IN RELATION TO THE TARIFF

Conditions necessary for the development of science	91
Evolution of such conditions in the United States	93
The origins of the free trade theory	95
The free trade theory in early American history	96
Conditions leading to the modification of the theory	97
Matthew Carey and Daniel Raymond as protectionists	700
List's more scientific position on the tariff question	707
Condy Raguet as a free trader	70i
The academic economists' defense of free trade	704
New spirit introduced by the founders of the American Economic Association	706
The twentieth century economists' attitude towards the tariff	707
Events tending to reverse the English and American attitudes toward the tariff	70S

CHAPTER VI. HENRY C. CAREY. FIRST AMERICAN ECONOMIST

Carey's method as an economist	7/i
Carey as "first American economist"	114
Carey's life and writings	777
The economic background of Carey's system	77S
Contrast between his background and that of Ricardo	779

Carey's early use of the "look and see" method	720
Carey's early attack on the Ricardian system	720
Carey's "principles of social science"	72i
Carey's concept of land	723
Malthus and Carey	724
Carey as a protectionist	727
The "principle of association"	72S
Bastiat and Carey	72S
Critical analysis of Carey's method	130
The Influence of Henry C. Carey [not in outline; in text]	132
Horace Greeley and "the American school" [not in outline; in text]	133
Francis Bowen [not in outline; ¹ in text]	136

CHAPTER VII. THE ENGLISH CLASSICAL SCHOOL IN THE UNITED STATES

Life and work of John McVickar	745
McCulloch's principles of political economy as expounded by McVickar	146
Thomas Cooper's more qualified exposition of these principles	74S
Willard Phillips: his equivocal position	750
Henry Vethake's reductio ad absurdum of the English classical school	75i
Francis Wayland's modification of the English system of political economy	155
Amasa Walker's life and work	759
Amasa Walker on the laissez faire question	762
Walker's system of distribution	764
His modification of Ricardo's theory of value	765

CHAPTER VIII. "EPIGONES"

Francis Bowen as an "epigone"	769
Henry George's interpretation of the English classical school	777
The single tax considered	774
The practical aspects of the single tax	775
The effect of the single tax on farmers	775

The "die-hards" of the English classical school in the United States	•	>	776
The economic ideas of Simon Newcomb			77S

CHAPTER IX. ECONOMIC THOUGHT IN THE SOUTH

Reaction of the Southern economists to their economic background		7S5
Cardozo's "notes on political economy"		7S6
Academic economics in the south		7S7
Economic ideas of Thomas R. Dew		7SS
George Tucker's system of political economy		790

CHAPTER X. THE NEW LIFE IN AMERICAN ECONOMICS

The new spirit of humanitarianism in American economics	799
The founders of the American economic association protest against laissez-faire	200
Society for the study of national economy	207
American economic association	20S
Significance of the American economic association	270
The place of induction and deduction in economics	277
Professor Dunbar's attitude towards the "new economics"	27i
The influence of John Stuart Mill on the new economics	27S
The influence of the American economic Association	277

CHAPTER XL FRANCIS A. WALKER

Walker's early career	227
Walker's attack on the wages-fund doctrine	224
The "residual" theory of wages	22S
Summary Critique of International Bimetallism	229
Walker and the Massachusetts institute of technology	237
Walker's "political economy"	232
The Ricardian theory of rent as expounded by Walker	234

CHAPTER XII. TWO PHILOSOPHICAL ECONOMISTS: SIMON N. PATTEN AND JOHN BATES CLARK

Simon Patten's early background	240
The beginnings of his career as an economist	242
Patten's pleasure and pain economy	246
Patten's later ideas on rent [His theory of rent, in outline]	247
Patten's position on the protection question	248
His theory of taxation	250
The kaleidoscopic nature of his work	257
S. N. Patten and J. B. Clark contrasted	252
J. B. Clark's concept of "natural law"	253
The marginal-productivity theory of wages	255
J. B. Clark's concept of capital and interest	256
Appraisal of J. B. Clark's work	259
J. B. Clark's ideal for the future	260

APPENDIX I. ON "COLLATERAL THINGS, NOT BEING THE MAIN SUBJECT OF THE DISCOURSE"

Introductory	267
The contributions of some early American pamphleteers	268
Contributions of some American statesmen	269
Minor American economists of the nineteenth century. and one other	273
Public finance, money and banking	278
Critics of the existing economic social order	279

APPENDIX II. CONTEMPORARY AMERICAN ECONOMICS

Introductory	285
Recent American contributions to general economic theory	288
Mathematical economics	294
The study of the business cycle	296
Statistics and statistical studies	298
Public finance, money and banking	299
International trade	302

Problems in agricultural production and in marketing	303
Labor problems	304
Public utility economics and "economics of stewardship"	305
History of economic thought and general economic history	307
On the border line	308
Conclusion	370