The period following the Civil War was one of great social, political, and economic turbulence. In the South, Reconstruction elicited various upheavals before the planters regained control of the region; in the North, the modern labor movement was born, generating militant working class actions that resulted in significant strikes, including that of the “General Strike” of 1877; the populist movement, centered in the Midwest and South, produced a strenuous, if abortive, challenge to the growing economic and political rule of “the trusts.” In Europe, while the specifics of the various conflicts differed, given different institutional arrangements and class forces, one observes the same general social stress.
Essentially, there was great flux in the world, symptomatic of the transition to large-scale, non-competitive forms of industrial organization. With the growing concentration of workers that was an outgrowth of this transition, labor organizing and actions designed to address the perceived onerous conditions of work were on the rise, and small-scale producers—the populists—organized their ill-fated attempt to stem the tide of industrial advance. With such developments, the old order of a largely rural, petty producing economy (in the non-slave areas) declined and a still to be specified new order started to emerge. Such developments had their effect on the ideological posture of the leading intellectuals of the period.¹

In this paper the concerns are: the relationship among advances in science, in particular, the Darwinian theory of evolutionary change; religion, as representative of what was at this time one of the dominant—if not the dominant—form of ideological authority; the social distress as outlined above, and the development of John Bates Clark's theory of income distribution. It will be argued that Clark initially attempted to rationalize the economic order through a religious appeal: The economy was undergoing a constant progression under the direction of a deity in which “moral force” was the divine instrument through which the “Good Life,” one of harmony and plenty, would eventually evolve. The economic success of this ongoing process was measured by the amount of distributional justice generated in the economy. The current turmoil, then, was symptomatic of a mere transitional step in God's long-run plan for humanity. By the mid-1880s, this type of argument had little currency within the modern intellectual community and was increasingly less successful in supporting existing authority. Clark then began to shed his overtly religious line of argumentation (in his writings for the profession only), and to develop a theory of distribution based on an apparent scientific foundation—his marginal productivity theory of distribution. God seemingly disappears from the argument and the economic system produces the desirable result based on its own "natural" workings. In reality, Clark's new theory of distribution was not motivated by a scientific intent to uncover the underlying laws of social phenomena, but, rather, designed to replace his older, religion-based statement with one that displayed the scientific virtues of the modern age—and one that served the same function of rationalizing the existing economic order. Indeed, Clark equated the two views: The new law of distribution was the equivalent expression of the older divinely ordered moral force.

I. SCIENCE, RELIGION, AND SOCIETY

By the second half of the nineteenth century, advances in knowledge had laid the basis for what now passes for modern science (Bernal [1954] 1971, Vol. 2). While these advances were not limited to biology—surely discoveries in chemistry and physics were just as important—it was the development of the Darwinian evolutionary theory of life that produced the greatest social impact (Ellegard, 1958; Glick, 1972; Hull, 1973; Randall, 1977).

This view of life as an ongoing, non-teleological, holistic organism took both the scientific and lay communities by storm. Great debates were held; the popular press was filled with reporting on the various issues; the educated lay population actually read serious popularized scientific accounts: Haeckel's *Riddle of the Universe* (though of a vulgar Darwinian nature) went through 10 editions, was translated into 25 languages, and sold millions of copies (Gasmann, 1971, p. 14).²

One, I believe the most significant, effect of the Darwinian revolution was the undermining of established religion (Green, 1961, 1966). Prior to Darwin, religion and science could live a somewhat uneasy coexistence (Hovenkamp, 1978, pp. 10-18, passim). Pre-Darwinian science was of a mechanical nature, perhaps best illustrated by the Newtonian metaphor of the universe as a clock which when wound would work its inexorable way toward a deterministic conclusion: Given the underlying relations among gears, pulleys, belts, and so forth—the natural bodies of the universe—a change at any point in this interconnected system would set in motion a series of changes throughout the rest of the system that would produce definite and knowable consequences of certain magnitudes. In the sphere of geology (where Darwin certainly made an enormous impact), this outlook is exemplified by the cosmogenies of Thomas Burnet, James Hutton, and Charles Lyell, among other noted representative of this discipline (Gould, 1987). These intellectuals either tried to fit the geological record into the biblical account (the "catastrophists") or, in the case of Lyell, developed a "uniformitarian" position in which change proceeds smoothly in a mechanically linear fashion where qualitative disruptions are removed from consideration. Such views could readily be accommodated within a religious framework. After all, something had to wind the clock; God could have created the world in all of its many features in one fell swoop (with periodic tinkering or repair, to be sure) and this world would then exhibit the harmonious and mechanical relations of the "grand design." Indeed, many notable scientists took exactly this position; The noted Harvard geologist Louis Agassiz once argued that a species is an "idea in the mind of God" (in Hovenkamp, 1978, p. 49).³

What is observed by historians of ideas who work in this area is that, while there has certainly been contention between science and religion throughout capitalism's life-history, a relationship existed where the demands of scientific truth did not intrude upon the non- or anti-scientific world of religion (Crimmins, 1989).

With the advent of the Darwinian theory of evolution (or that of natural selection from which Darwin's theory follows), the scientific world was not
so accommodating. Now the mechanical, determinist view of the world was replaced with one of no necessary design, of constant motion within which all substance underwent change in quality as well as quantity. Permanence was a chimera; a divinely ordained universe, with a “first” or “final” cause, was an affront to scientific reality. And one could not fail to see the resemblance between the Darwinian picture of nature and Marx’s view of society. Change was ongoing, and this change resulted from underlying causes based on the fundamental relations of matter or society—or, dialectical materialism (Gasmann, 1971, pp. 106-125; Meek, 1953, pp. 193-212). Indeed, Marx, while critical of various aspects of Darwin’s work and noting various differences, stated that the Origin of the Species “...contains the basis in natural history for our [Marx and Engels] view” (quoted in Meek, 1953, p. 193).4

While it is true that religion has been periodically utilized to offer a challenge to prevailing authority and a hope for the future, nevertheless, religious structures and ideas have been, and continue to be (though with considerably less authority) one of the major forms of ideological control in society. Through the inculcation of the notion that the existing world was divinely structured, it promotes the view that: (1) The world is purposive and harmonious (the “first” or “final” cause argument); (2) that nothing can be done to seriously affect or alter prevailing arrangements; and (3) as these arrangements are God imposed, they should be respected as so organized. That is, religion promotes the idea of a “natural” order within which people should submit to established authority.

Now, while religion did lose a great deal of its force as a result of the attacks on the feudal order and its monolithic Church that were promoted by capitalist development (see Hill, 1966, pp. 162-186; 1980, especially Ch. 10), this institution in general, whether in Catholic or Protestant form, remained a significant element in the ongoing attempt to maintain the social order.5 Indeed, by the period in question, even the Catholic Church had ceased its attacks on capitalism (from the feudal point of view), and had accommodated itself to the dominant economic system, developing a position that spoke directly to the working class in promoting acceptance of capitalism and rejection of socialism and militant trade unionism (Leo XIII, Rerum Novarum [1891] 1963).

Further, religion was one part of the intellectual’s arsenal of ideas which promoted acceptance of the prevailing system. It was, at this time, quite common for leading academics to invoke a deity in the course of developing ideology comforting to the dominant members of society.6

With the advent of the Darwinian theory (along with other advances in the natural sciences), religion was no longer capable of serving the same role as in previous periods. No longer did overtly religious appeals have “weight” within the intellectual community—or, at least, in that section that considered itself progressive and modern. Basically, religious dogma was losing ground: The problem of intellectual authority developed during the 1860’s and 1870’s, as the harmony between science and religion declared by virtually all segments of Protestant Christianity proved increasingly difficult to maintain. By mid-century, the synthesis of physics and chemistry in the principle of the conservation of matter, new theories of thermodynamics, and advances in physiology and biology... all suggested that natural science had the power to provide a total worldview. At the same time, through technology, science was literally remaking the world... American society was reaching the point of integration... when people became aware that human events were caused not by personal intentions and actions close at hand, but by impersonal, distant, and less apparent causes, and hence turned for authority and practical power to the impersonal explanations of natural science (Ross, 1991, p. 54).

In the seventeenth century, it was the new science that needed justification against the reigning religious and moral tradition... But by 1860, the scientific faith had been reestablished, and no longer stood in need of philosophic support and defense. It was now, many came to feel, religious and moral values that needed defense against the “encroachments” of science (Randall, 1977, p. 4).

Or, succinctly, “Christianity is doomed to fail” (T. H. Huxley in Hayes, 1941, p. 124).

The main problem, from the standpoint of those intellectuals who represented prevailing authority, was this: Given the advances of science and the concomitant undermining of religion which was a most important prop in dominant ideology, how was it possible to maintain existing authority but not appear anti-scientific? How could one give the impression of accepting science while still holding on to the ideological framework that assisted in the maintenance of the existing social order? This is not to say that all intellectuals of the period who tried to find a middle ground were motivated by the attempt to maintain existing authority: Certainly one can be aloof from (or even ignorant of) such issues and develop honest expressions of ideas that still conform to the general thrust of the period. (See Turner, 1974 for examples of British intellectuals who, for the most part, seem to conform to this position.) Here, we are concerned only with American intellectuals who exemplify the issue from the point of view of dominant ideology.

This central problem was neatly summed up by Andrew Dickson White, author of the immensely influential A History of The Warfare of Science with Theology in Christendom (1896), and then President of Cornell University.7 White, who appeared to welcome the advances of science, actually promoted a plan to contain science by pretending to accede to its authority, but in reality mold its conclusions to accommodate religious thought.

Comparing the ideological problem with that of the Russian peasants attempting to control the flow of a river when the winter ice dam begins to break up, White suggests that the rising waters represent “the flood of increased knowledge and new thought,” that religion is the ice dam, and that his work is the peasants’ channel by which the new knowledge may be let in gradually.
and in a controlled manner. What White hopes to prevent is "... a sudden breaking away, distressing and calamitous, sweeping before it not only outworn creeds and noxious dogmas, but cherished principles and ideals, and even wrenching our most precious religious and moral foundations of the whole social and political fabric" (A. White, 1896, p. vi).

While various responses were open to the intellectuals of the period, I am concerned with one only: Here, the intellectual appears to adopt the scientific point of view, but develops an argument that maintains the older religious doctrine in modified form. The result is the creation of theory that is non-scientific in substance but has a scientific veneer and produces the same general outlook as that of religion:

The nineteenth century tried compromise.... Instead of accepting the inevitable, and seeking the Good Life in a naturalistic world.... the nineteenth century searched frantically for a new Cosmic Companion, for an up-to-date and "scientific" God.... Men so much wanted to believe in God, they grasped at any straw: God was the "Unknown," God was Evolution, God was Energy, God was the principle of "Concretion"—somewhere, in some scientific or pseudoscientific concept, lurked the Father of mankind, exercising his Divine Providence (Randall, 1977, p. 9).

This approach had any number of variations which can be illustrated by reference to specific notables of the period who adopted this line of argument.9

William James, arguing that the natural and the supernatural occupy two distinct realms of existence, and that scientific truth cannot impose itself on the world of religion, substituted a biologically determinist psychology that relied on unchanging instincts, habits, and emotions for the older religious "soul" theory (Wells [1954] 1971, pp. 63-76). Instinct replaces God but still fills the same role as final arbiter.

Some, like John William Draper, professor of chemistry and medicine, in his History of the Conflict of Religion and Science (1873), held that the conflict between science and religion was due to religion maintaining its power through the organized Church. In the quest for truth, then, "the conflict between science and religion implied the opposition of religion and faith" (in E. White, 1952, p. 2). The solution to this conflict was to demonstrate the irrationality of religious institutions while claiming that modern science demonstrated the truth of religious ideas—the existence of God, the soul, immortality, and the like. In Draper's view, God becomes a "rational, law-abiding, and single deity" (p. 19), one in seeming conformity to the modern scientific fashion.

Francis Johnson, an influential New England clergyman writing in the 1880s, represents that faction of church intellectuals who argued for the acceptance of evolution because this theory, rather than dispensing with the need for a deity, demonstrated exactly the opposite. "Fitting" the evolutionary approach to the familiar Judaic-Christian story, Johnson claimed that the basic causal factor in human evolution was that of the mind, and this mind was the handiwork of God, constantly striving to discover God's world that the deity had expressed through evolution (Noble, 1958, pp. 125-133).

This view is precisely the position set forth by the non-clerical academic intellectuals Edward Youmans and John Fiske. For Youmans, "Science is the revelation to reason of the policy by which God administers to the affairs of the world" (Youmans, 1867, p. 48). Fiske argued along the same line (see, Everett [1946] 1982, pp. 11-12).

Perhaps the most notable representative figure in this regard was Herbert Spencer. Through his Social Statics (1850), Principles of Psychology (1855), and First Principles (1862), Spencer influenced much of the history and sociology of the period under examination, and became one of the household-names of European and United States intelligensia. Exerting enormous influence on Fiske (of the Manifest Destiny of the Anglo-Saxon race [sic] theory of evolutionary progress) and William Graham Sumner (the founder of American sociology and originator of a non-theological teleological theory of "natural" human evolution), Spencer developed a seeming theory of evolution that while appearing non-theological, indeed even anti-religious, was most comforting to the status quo ante, and was (and continues to be) seized upon as a principal form of ideological support for prevailing authority. Essentially:

... Spencerian doctrine, built around the current interest in evolution, postulated the other liberal thesis that evolution or progress was the product of extrahuman sources. Specifically, Spencer declared that evolution was the result of certain inexorable physical laws, and the individual, to find happiness, must conform to these laws by adjusting to their present expression in the immediate environment. Beyond the fact that it violated the value of individualism, reform was clearly impossible, because man had no power to adjust his social environment, which reflected the material process of inexorable evolution (Noble, 1958, p. 61).

In Spencer's view, what existed was both natural and right. The class society of his period was the product of natural forces. Those at the top of the heap were simply demonstrating the "survival of the fittest" principle; those at the bottom were actually deserving of their position in society. Or, as Spencer's American disciple Sumner bluntly put it: "A drunkard in the gutter is just where he ought to be, according to the fitness and tendency of things" (Sumner, [1883] 1952, p. 114).

To sum up this rather extended introduction to the issue at hand, an examination of United States social and intellectual history in the post-Civil War period shows great discord in the then-extant social relationships. Militant working class movements, the populist upsurge, Reconstruction, the transition from a competitive framework to one of an oligopolistic character all produced a disquieting effect on the leading intellectuals of the era. Further, the older,
comfortable ideologies—in particular, religion—were no longer tenable as a
defense of established authority. Intellectuals scrambled to develop theories
that appeared to be in keeping with the new scientific age. In reality, what
was produced was the old doctrine in modern guise—the substitution of
"natural law" argumentation that demonstrated the same essential truths of
the older divine law inherited from the past: a purposive, harmonious world
in which everything and everyone has a proper place, and which, as it is
ordained by nature, cannot be seriously challenged. Nature replaces God or
serves alongside God as the arbiter of human fortunes.

With this, we now turn to an examination of the evolution of J. B. Clark's
theory of distribution. It will be shown that Clark was a product of his times.
In his early writings, he incorporated an overtly religious argument in his
analysis of the economic issues of the period, an argument that, while
recognizing the changes then underway and often calling for reform of the
institutions of the day, in the final analysis places God in the position of final
and supreme regulator working through His instrument of "moral force." By
the 1890s, we no longer see a deity in his academic writings. Now, a "natural
law" argument replaces the non-scientific religious-based theorizing of his
earlier period. However, it will be demonstrated that the religious defense
remains in Clark's mature period, and Clark himself sees the marginal
productivity theory of distribution as correspondent with (not a negation of)
divine law in upholding established authority. That is, Clark's writings evidence
the same general thrust as that of Draper, James, Sumner et al.

II. CLARK OF THE "CHRISTIAN SOCIALIST"
PERIOD (1877-1886)

That Clark was personally religious is without argument. He was raised in a
devout and active Christian household, decided in his senior year at Amherst
to enter the ministry, and throughout his professional career continued to
practice religion and publish in religious or quasi-religious periodicals.
Although Clark's personal beliefs are not irrelevant to the issue at hand, I
contend that they are of secondary importance. The issue is not Clark's religious
belief, but whether the ideological framework within which he based his theory
of distribution was influenced by this belief.

The starting point for the examination of the social (rather than the personal)
base for Clark's position is the outlook of Julius Seelye, president and professor
of mental and moral philosophy at Amherst College, and Clark's instructor
in economics there. It was at Seelye's urging that Clark abandoned his plans
for a ministerial career and undertook the process of becoming an academic
economist, and it was while a student under Seelye that Clark's ideas began
to take shape (A. Clark, 1938, p. 8).

Seelye was representative of that wing of Christian intellectuals that sought
to hold onto a religious defense of the established order by appearing to
accommodate the new science. For Seelye, the Christian faith was to be
accepted and followed because it was rational. Science dealt in generalizations
concerning universal laws. These laws were established by God and humans
had no power to break or amend them. The task of scientists in both the natural
and social realms was to discover these immutable laws of activity that would
then demonstrate the divine and rational wisdom which lay behind them

For his course on political economy, Seelye chose Amasa Walker's, The
Science of Wealth, a work permeated by theological rationalizations, defense
of capitalism, and the search for universals. The ideological thrust of Walker's
tract can be seen in the following extract:

That Political Economy is a science having nothing to do with morals or religion, nor in
any way pertaining to human welfare... is a common opinion; but it may be fearlessly
asserted, that no other science is so intimately connected with the destiny of the human
race, in its highest and most enduring interests. Such has been the testimony of those in
the clerical profession who have given special attention to its teachings.

Walker then elicits testimony from various clergymen/economists such as
Chalmers and Whately as to the value of (sound) economics for religion,
and continues:

Agreeing fully with the opinions expressed by these eminent men, I have felt desirous,
throughout the following work, to show how perfectly the laws of wealth accord with all
those moral and social laws which appertain to the higher nature and aspirations of man

And:

Akin to it is the general belief that hatred and retaliation are the normal relations of capital
and labor, and that mutual distrust and hurtfulness are inevitable in all the developments
of industry. Such a belief blasphestes against the harmonies of Providence,—is sightless
before the glorious order of man and nature (Walker, 1969, p. 22).

Such was Clark's introduction to economics.
Clark's early training was not unique. It was true that, unlike the pre-Civil
War programs in this discipline, economics could no longer be viewed as simply
a "divinely ordained extension of Christian moral philosophy" (Barber, 1988,
p. 7), but it was nevertheless the case that the major institutions within which
economists were trained were cognizant of the necessity to maintain some
semblance of religious indoctrination in their training of social science students.
This instruction was seen as one aspect of a much larger program in which
"faculty, administrators, trustees, and donors cooperated to establish social science...as part of a wider effort to nurture socially responsible ideas..." (Church, 1974, p. 574). Such ideas were those catering to the values of the "comfortable" classes (from which most faculty members were drawn in any case) in their attempt to withstand the challenges of the socialists and populists to property rights and relations. In addition, it was recognized that new conceptions were required to address the problems associated with the deterioration of "traditional" values, including those associated with religion (Church, pp. 571-577; Haskell, 1977). 11

Upon his return from graduate training in Germany, Clark undertook his first academic position at Carleton and began his prolific outpouring of periodical literature. It has been argued that Clark developed his positions in response to Marxism (J. M. Clark, 1952). This is a partial truth. In reality, over the course of his development we can observe that Clark is reacting to all the major social changes around him. There are articles dealing with populism and Henry George ("The Ethics of Land Tenure," 1890c; "The Moral Basis of Property in Land," 1890d); labor unions and working class activity ("The Moral Outcome of Labor Troubles", 1886a; "The Labor Problem...", 1887a; "How to Prevent Strikes," 1889a); the change from a competitive to a non-competitive economic order ("Business Ethics...", 1879a); and, most importantly, socialism ("How to Deal with Communism," 1878; "The Nature and Progress of True Socialism", 1879b). It is under the rubric of the last item that I wish to detail the relationship between Clark's religious position, his defense of capitalism and established authority, and the unfolding arguments concerning distribution.

Clark's early period of "Christian Socialism" (Dorfman, 1949, p. 189) and its relationship to the issues specified above can be documented in a series of articles published in The New Englander (the forerunner of The Yale Review). Nine of these articles, in (sometimes drastically) modified form are reprinted as part of his 1886b The Philosophy of Wealth. (See the Appendix for a listing of The New Englander articles of this period and their relationship to the chapters comprising The Philosophy of Wealth.)

It should be noted that this journal was both one of the premier intellectual magazines of the post-Civil War period and a periodical largely given over to religious writers commenting on the state of society. Between 1877 and 1890, Clark wrote twelve articles and five book reviews for The New Englander as well as contributing several less important pieces to overtly religious magazines such as the Christian Union. Clark continued writing in such outlets well into his mature period, contributing articles and notes to The Christian Observer, Congregationalist and Christian World, and The Christian Endeavor, among others. (For an almost complete listing of Clark's writings, see the bibliography in Hollander, 1927.)

In summary form, The New Englander articles set forth the following argument: The world of the 1870s and 80s is no longer competitive in the Smithian sense. Although at one time competition carried a great moral force that allowed a just distribution of income to be produced, that is no longer the case. Given the increasingly non-competitive order of society, various problems, in particular the "labor problem," have been generated, and new theories, new codes of conduct are necessary to both understand and direct the transition to the new order. This transitional period, if not properly understood and directed, could well lead to communism (or "political socialism"—Marxism). If this result is to be prevented, a "true" socialism based on religious morality and under God's direction must be effected to usher in a new, harmonious order.

Clark's first concern in these writings was to develop a theoretical argument in accord with the fact that the older, "crude" or "brute" competition was fast disappearing and was rapidly being replaced by a "modern" form based on large-scale, collectivized means of production along with an organized labor force.

In the older, Smithian form of capitalism, as long as there was rough equality between capitalists and workers, competition itself provided a just distribution that was morally defensible (Clark, [1886b] 1967, pp. 160-161):

As it (competition) gradually came into existence it demonstrated its capacity for dividing products with a certain approach to justice. It commended itself to men's sense of right, and was established... on a moral basis (Clark, [1886a], p. 533).

With the organization of capital and the gradual elimination of the older, competitive forms, however, injustice became the rule given the inequality that resulted from an organized capitalist class facing an unorganized working class. With the more recent emergence of labor unions, however, capital and labor were now facing each other on a more equal footing (p. 534). The problem now becomes this: The old law of distribution, based upon competition and supply and demand, produced a just distribution of income. Given the disappearance of competition and its replacement by "co-operative", "non-competitive economics" (Clark, [1886b] 1967, Chs. 10,11), it is necessary to uncover a new law of distribution that will exhibit "moral force" as its overriding characteristic (Clark, [1886b] 1967, pp. 132-133).

In his "Christian Socialist" period, Clark had no theory of distribution as such. His argument could be reduced to the following: Under small-scale capitalist production, particularly where "free" land is available to workers (Clark, [1886b] 1967, p. 171), there is rough equality between the contending classes. The laws of supply and demand produce equal exchange (Clark, [1886b] 1967, Ch. 1), which results in a just distribution of income. Justice, then, is equated with competition. With the decline of competition, injustice
becomes the norm as capitalists become better organized, hence stronger, than workers. With organization of workers, less inequality is produced and we now have the renewed possibility of a just distribution. To be morally sound, however, distribution can no longer be based on competitive supply and demand but must be founded on the new facts of industrial organization, and the new theory of distribution must reflect this change. For Clark, this new development initially meant distribution based on arbitration:

... that which favorably affects the terms of distribution is not merely the consolidation of labor, but that movement followed by the moral development for which it opens the way. The solidarity of labor calls imperatively for arbitration, in the adjustment of its claims, and accustomed the public mind to accept a standard of wages determined by justice rather than by force (Clark, [1886b] 1967, p. 171, see also Chapter 10 of The Philosophy of Wealth).

It is noteworthy that, at this stage of his development, Clark argues that until arbitration determines wage payments, coercion is the rule under the new, non-competitive forms of organization.

In this period, Clark often appears to take on an anti-capitalist stance, one sympathetic to the working class and socialism:

We do not enslave men now-a-days. The emancipation proclamation ended all that, did it not? We offer a man a pittance, and tell him to take it and work for us from morning till night or starve; but we do not coerce him. It is at his option to choose whether he will work or not; he is free, you observe! We do not eat men—precisely. We consume the product of their labor, and they may have virtually worked body and soul into it; but we do it by such indirect and refined methods that it does not generally occur to us that we are cannibals. We kill men, it is true; but not with cudgels in open fight. We do it slowly, and frequently take the precaution to kill the soul first; and we do it in an orderly and systematic manner. Indeed we have any number of books and learned professors to tell us precisely in accordance with what laws we may kill them, and indeed must kill them, if we will not break with the system of which we are a part (Clark, 1878, p. 540).

Elsewhere, Clark compares the selling of labor under capitalism to the captain of a boat charging a drowning man for his rescue (Clark, 1879a, p. 165).

As I have argued elsewhere (Henry, 1982), this view is misleading. Clark was always pro-capitalist and anti-socialist in any meaningful sense of these words. Essentially, what Clark exhibited during this early period was a populist outlook, a point of view that often appears anti-capitalist but is simply a response from a small producer's perspective during the transition from small-scale to large-scale production.

Clark distinguished “political socialism” (or Marxism) from “true” or “Christian” socialism. The former he consistently attacked, though recognizing that this ideology and political movement had great appeal given the changes in the economic organization of society (Clark, 1878, pp. 533-534). For Clark, political socialism, regardless of its causes or concerns, was a “wild, lawless protest against some real and some imaginary grievances” (Clark, 1878, p. 535).

While it is difficult to find in Clark a concrete statement of what means by true socialism, we can uncover something of his meaning through somewhat casual statements scattered throughout his writings. The best statement of his position that I've found is the following:

... a practical movement, tending not to abolish the right of property, but to vest the ownership of it in social organization, rather than in individuals. The object of the movement is to secure a distribution of wealth founded on justice, instead of one determined by the actual results of the struggle of competition (Clark, 1879b, p. 567).

By vesting the ownership of property in social organization, Clark does not mean nationalization of socialization proper, but the establishment of small holdings for workers, cooperative societies and the like (Clark, 1878, p. 541). For Clark, private property is a necessary and sacrosanct institution (Clark, 1877, pp. 170, 174). (For a more definitive statement, see Clark 1890c, 1890d.)

Further, and more importantly, this “true” socialism is God's handiwork, and it is God who is directing society toward this end:

Unknown to social theorists, the way for true socialism has been preparing for a hundred years, and a consideration of these preliminary steps helps to give the true conception of it, as a general development, directed by the Providence which presides over all history. Here is the dividing line between the false political socialism and the true; the one sees an ideal, and would force humanity to it through blood and fire; the other sees the ideal, and reverently studies and follows the course by which Providence is leading us toward it (Clark, 1879b, pp. 572, 577).

Indeed, for Clark, the social turmoil wrought by the transition from competitive to oligopolistic capitalism during the period is itself the product of divine guidance:

... there is a new economic system ... and ... it stands in a special relation to Christian ethics.... The surface phenomena are misleading, and seem to be the superficial view, to mean rather the unchaining of demons rather than the ushering in of God's kingdom in the industrial world (Clark, 1887b, pp. 50, 53).

The problem for Clark at this stage of his intellectual development is to find a mechanism to replace that of competition in guiding the economic system toward a just distribution of income. For Clark, this is "moral force," the instrument through which God directs society and which he equated with Christianity:

The final abolition of slavery is traceable to the same influence which abolished cannibalism in primitive times, and is another instance of moral force overcoming an
apparent economic necessity, and changing an established mode of industry.... The difference between present and former modes of competition may be credited to this moral force.... The sense of right is a silent and slow-acting force, but, when aroused, it is irresistible. It makes a way where it cannot find one. It overcame obstacles in removing cannibalism and slavery, and it will overcome obstacles in removing the abuses of the present.... We need to recognize the moral force by which these earlier evils (slavery and cannibalism) have been removed, and to know that that force is still equally powerful (Clark, 1878, pp. 538, 39, 41,42).

For Clark, “true” socialism is God’s kingdom on earth, the result of a long evolutionary process guided by the deity and eventually implemented as part of God’s plan, but coming in God’s time not man’s (as per Marx) (Everett [1946] 1982, p. 50). Essentially, Clark’s original argument can be seen as one possible version of the Newtonian clock in which a pre-determined path of development is established by “the winder” who then serves as periodic “tinkerer” in guiding society to a particular end.

At this time, Clark is not overtly anti-labor or anti-union. Labor is perfectly justified in organizing against organized capital. The basic issue is under what guidance labor will organize. For Clark, the great fear (and reality) was that labor would organize under the direction of socialists or anarchists (1878). To counter this leadership, it was necessary to bring the Church into a leadership position. (Clark, [1886b] 1967, Ch. 12). The problem, as Clark saw it, was that the organization of the Church had allied itself with wealth and had thus alienated itself from the working class. To remedy this situation, it was necessary for the Church—the organization—to return to its origins, its roots, its faith, and come to the assistance of the poor. That is, the problem was not that of religion, but of the organizational structure within which religion was housed. The structure required fundamental modification; the ideology remained a “moral force.”

In the early, “Christian Socialist,” period of his development, then, Clark represented the type of intellectual who, while arguing that the then-present form of capitalism was unjust and in need of significant reform, nevertheless defended the economic system in general. The form of defense, however, was that of a non-scientific appeal to a divinely ordered “progress” which, if allowed to reach fruition, would gradually produce a just, harmonious outcome: The current situation was one of temporary discord.

At this stage, Clark was content to set forth his over-arching theory largely on religious grounds. “Moral force,” or a Providence-directed evolution, would provide the long-run solution. No appeal to scientific argument is made. In his mature period, the religious defense of prevailing authority is dropped from his argument (in his professional writings), and “science” replaces God.

III. THE TRANSITION TO THE PRODUCTIVITY THEORY OF DISTRIBUTION

By the late 1880s, Clark had begun moving to a modified position on the distribution question. Up to 1887 (according to the official published record), Clark had argued that the then-extant distribution of income was unjust: With the disappearance of a competitive wage determined under conditions of equal exchange, wage-earners received less than they deserved, and arbitration had yet to establish a new standard by which wages should be determined. Now we see the beginning of a change in his outlook:

Our predecessors divided the proceeds of industry by a free struggle of man with man; we divided them between classes rather than between individuals, and then by an appeal to some tribunal of equity. Economic science must take account of these changes.... We must master a new wage law.... if we are able to predict at all confidently what the future has in store for the workingman. The mere discarding of the old law of wages frees us from an ugly cloud of scientific pessimism, and lets in upon the scene before us a flood of light (Clark, 1887a, p. 2).

It is important to note that at this stage of development Clark has no new theory of distribution, but calls for the creation of a theory which shows that the current distribution is just and equitable. The economic system will produce justice, though Clark has no theoretical basis from which to make such a claim: The theory to be produced is to support this claim. Further:

We are drifting toward industrial war for lack of mental analysis. Classes in society are at variance over a ratio of division, and have no clear conception of the thing to be divided (Clark, 1887c, p. 35).

Note again the change in Clark’s position from that of his earlier “Socialist” period. Previously, the basis of “industrial war” was the transition from a small-scale capitalist economy to one of large-scale plant and the attendant harsh conditions of work and unjust distribution of income. Now, the basis of conflict is one of “false consciousness.” This, then, represents a fundamental shift in Clark’s position. If the current distributional process is more or less just, then society must be so organized as to produce said justice: The basic economic structure is fundamentally sound (unlike his earlier position), but incorrect perceptions abound, which now become the root cause of conflict.

Indeed, in his 1888 “Capital and its Earnings,” wherein he lays the foundation for the capital theory found in Distribution, Clark highlights the significance of the relationship between faulty ideas and the conflicts of the period:
This practice (of confusing concepts of capital) has given a decided impulse to agrarianism and state socialism. Economic theory is a main-spring of political action, and a faulty theory widely taught is sure to produce fruit in bad action (Clark, 1888, p. 92).

By 1889, we have the first recognizable statement of the forthcoming productivity-based theory of income distribution:

Sound reasoning would seem to give us at once this formula: General wages tend to equal the actual product created by the last labor that is added to the social working force (Clark, 1889b, p. 49).

In this same article, Clark tells us that to satisfy the requirements for a truly "scientific" theory of wages (or distribution in general), it is necessary to uncover a principle that is based "on native impulses in men and in society" and that is universal in application (Clark, 1889b, pp. 39-40). This, of course, takes us back to the admonitions of Clark's professor, J. H. Seelye, who instructed his students to search for natural, universal principles that regulated society, and which are above and independent of social forms themselves. Here, then, we find the first public indication that Clark has seemingly adopted the up-to-date scientific approach, and has apparently abandoned his previous religious line of argument. He now advances argumentation in which the laws of distribution are determined by non-social, non-providential forces.

In 1890, Clark produced the first treatment of distribution based specifically on the marginal productivity concept. "The Law of Wages and Interest" is indeed a hallmark study in the history of economic theory. (Contrary to the usual view, it was in this article and not in the 1891 "Distribution as Determined by a Law of Rent" that Clark first laid out more or less completely his theory of distribution, which was to be developed in finished form in his The Distribution of Wealth (1899) 1965.) The thrust of the argument is directed toward settling the following issue:

So great are the issues that depend on a solution of the wage problem, and so baffling has the problem proved, that the presenting of anything that claims to actually solve it involves no little boldness. Is present society rooted in inequity and does it give to a few men the earnings of many? Is robbery in which three quarters of the human family are victims perpetuated and legalized by the "capitalistic" system? These things we shall know if we can find the forces that govern the rate of pay for labor. We shall do more, for we shall discover in which direction the system is tending, and whether its very progress is baneful. We shall know whether the system that perfects society as a whole is merciless to the workers who chiefly compose it. This is little less than knowing whether in the long run human life is worth living. Yet we need, for the moment, to forget this issue in order to settle it; we must aim to study the Wage-and-Interest Law in as unbiased a way as if no practical contest were to be decided by it (Clark, 1890b, p. 43).

By now Clark has fully renounced his previous position on the relationship between then-modern capitalism and equity or justice; he is fully cognizant of the relationship between theories of distribution and political understanding and activity. Yet, once the new theory (which, of course, will eliminate the older—read Marxian—theory from contention) is written, the issue will be settled. Practice is to follow theory, and Clark's purpose is to provide a pacific theory, one that argues:

To every man his product, his whole product and nothing but his product, is not merely the standard of wages; it is the standard that society tends to realize in fact, and that it would realize and forever retain if there were nothing to vitiate the action of a true competitive law (p. 44).

From this point, Clark goes on to develop the theory of distribution that is found in its fullest form in The Distribution of Wealth. And, in the course of this development, he leaves little doubt that the marginal productivity theory of distribution is politically significant. In his 1894 Presidential address to the American Economic Association, published as "The Modern Appeal to Legal Forces in Economic Life," Clark informs his audience that there were two movements of discontent in the capitalist world, anarchism and socialism, of which the latter had the strongest theoretical foundation (that is, Marxism). The new theory of distribution, however, serves as a scientific repellent to such movements and their attendant theories, and it guides the modern economy into the proper channels of reform:

The study that assures us of this [payment to factors based on the marginal product] incidentally shows how the work [of reform] is to be done. It reveals a line of public policy that is safe and efficient, and that offers an outlet for the reformatory energy that, with a zeal that is not according to knowledge, is now trying to undermine society (Clark, 1894b, p. 483).

The new theory is a guide to action: it constrains the possibilities of reform into "safe" channels, undermining the zealous but ignorant reformers (socialists and anarchists) who are undermining capitalism. What are the limits to reform? For Clark, the question is whether said reform would violate the law of distribution, that is, whether such programs would redistribute income away from capitalists toward workers (pp. 483-484) and thus upset the "natural" distribution that results from the universal laws of economics. To that end, for example, unions that attempt to raise wages above the "going" or "normal" rate (determined by competitive enterprises) are injurious to worker and capitalist alike, and states should maintain right to work laws (the open shop) (p. 494, See, Clark, 1902 for an extended treatment of this whole issue). Essentially, reform is to be limited to those actions designed to make the natural
law of distribution work more efficaciously—the mitigation of monopoly power, and so forth—but should not seek to override this law.

Clark’s new position is amply demonstrated in an article written for The Christian Register (Clark, 1891b), obviously a religious periodical and one indicative of Clark’s continuing efforts to convince such readers of the need to adopt modern, “scientific” arguments in defense of established authority. Here, he asserts that Darwinian theory has conquered the field of social investigation; that it is time to understand wage (income) determination as one aspect of natural law; that said natural law specifies income shares as the measure of contribution to output; and that trade unions of the large, federated type, and, in particular, socialism, upset natural law and must, therefore, be resisted. 14

We observe that, by this time, Clark has considerably modified his position on worker organizations. In his “Socialist” period, large federated unions were a necessary countervailing power to the organizations of businessmen—the non-competitive structures that were developing in the period: As late as 1886, the Knights of Labor, for instance, were viewed sympathetically (Clark [1886] 1967, pp. 136-137). Now, such large-scale unions violate the law of distribution and injure the very workers they are supposed to advantage. Further, we find Clark abandoning his previous position on oligopolistic structures. Now, competition is the norm and results in justice; non-competitive structures are an aberration that can be controlled through proper governmental regulations (Clark, 1901b). 15 Indeed, as early as 1890, we find Clark modifying his previous position and arguing that, now, trusts are doing a beneficent work in that they are better organizations for coordinating economic activity than the previous competitive structure (Clark, 1890a, p. 223).

The whole thrust of Clark’s line of development can be demonstrated by reference to the opening sections of The Distribution of Wealth:

It is the purpose of this work to show that the distribution of the income of society is controlled by a natural law, and that this law, if it worked without friction, would give to every agent of production the amount of wealth which that agent creates. However wages may be adjusted by bargains freely made between individual men, the rates of pay that result from such transactions tend, it is here claimed, to equal that part of the product of industry which is traceable to the labor itself; and however interest may be adjusted by similarly free bargaining, it naturally tends to equal the fractional product that is separately traceable to capital. At the point in the economic system where titles to property originate… the social procedure is true to the principle on which the right of property exists. So far as it is not obstructed, it assigns to every one what he had specifically produced (Clark, [1899] 1965, p. v).

The indictment that hangs over society is that of “exploiting labor.” “Workmen” it is said, “are regularly robbed of what they produce. This is done within the forms of law, and by the natural working of competition.” If this charge were proved, every right-minded man should become a socialist; and his zeal in transforming the industrial system would then measure and express his sense of justice. If we are to test the charge, however, we must enter the realm of production. We must resolve the product of social industry into its component elements, in order to see whether the natural effect of competition is or is not to give to each producer the amount of wealth that he specifically brings into existence (p. 4).

Clark now has found his substitute for religion in supporting existing arrangements. A universal law of distribution exists that reaches fruition where “titles to property originate”: By this Clark means capitalism (pp. 36-51). 16 Capitalism, then, is the natural, and final, product of a long evolutionary line of development. The universal law has always existed, but it’s been concealed under pre-capitalist economic arrangements:

... so that, e.g., a gang of Aleutian Islanders slushing about in the wreck and surf with rakes and magical incantations for the capture of shell-fish are held, in point of taxonomic reality, to be engaged on a feat of hedonistic equilibration in rent, wages and interest. And that is all there is to it (Veblen [1908] 1961, p. 193).

With turn-of-the-century capitalism, however, the law can be seen in its full development, as non-capitalist social relations no longer serve to conceal it. At this point, I want to deal with the underlying rationale for the development of Clark’s productivity theory. The first issue is rationale of productivity theories in general.

Von Thünen is usually given credit for the invention of the marginal productivity theory of distribution (Spiegel, 1971, pp. 510-512), but productivity theories of a general nature pre date the argument contained in the volumes comprising The Isolated State (1826-1863). In the period between Smith and Ricardo, Say and Maitland (Lauderdale) both put forward crude productivity theories that argued, succinctly, that because “factors of production” were paid incomes, they had to be contributing to the generation of income as the payment itself was proof of said contribution (Maitland [1804] 1966, pp. 132-145; Say, [1804] 1827, pp. 269-270). In the period after Ricardo, such theoretical generalizations became something of a standard line of argument (see Henry 1990, Ch. 5).

The second issue regarding the development of productivity theories of distribution deals specifically with the topic at hand—the impact of scientific developments in the second half of the nineteenth century on ideological defenses of established authority. As Mirowski (1989) has demonstrated to a fare-thee-well, the neoclassicists of the period took a misspecified and somewhat outmoded physics as their methodological base. Since physics is scientific, this foundation provided the apparently scientific rather than religious defense of capitalism that became necessary following Darwin.

And, if the new economics was to be based on a mechanical physics metaphor, it could stand on a seemingly scientific foundation but not accede
to the Darwinian demand for an evolutionary approach, which, of course, would call into question the standard position on capitalism as a "natural," "eternal," equitable economic system. Indeed, this is precisely one of the main complaints that Veblen had with neoclassicism ([1898] 1961).17

Last, it is fairly obvious that Clark abandoned his "socialist" (read critical, reformist) outlook as a reaction to actual developments within the United States labor movement. Until the mid-1880s, several fairly prominent academic social scientists (Adams and Ely among them) carried on a mild flirtation with socialism. With the formation of the Knights of Labor, then viewed as a dangerous, revolutionary organization, and the Haymarket affair of 1886, such a flirtation was no longer "respectable" within the institutional structure then-extant. In particular, academics were subjected to close scrutiny, a recantation of previously held views was demanded, and dismissals occurred in the case of recalcitrants. Clark, as a most respectable economist, quickly and vociferously abandoned all of his seemingly socialist posturing, separated himself from those who were suspect (Ely, for example), and framed his new position which demonstrated his loyalty to prevailing authority (Furner, 1975; Ross, 1977-1978, pp. 52-79).

And, while it is surely too tidy an accident that 1887 marks the dividing line between the "old" and the "new" Clark, it is not an accident that Clark did abandon his "socialist" dalliance and establish a new theoretical posture.

IV. CONCLUSION

In the early stages of his development, Clark had rejected the natural law argumentation of Smith, Ricardo, etc., which was based on a competitive framework (Clark, [1866b] 1967, ch. 3), and argued that a God-driven process was at work that would eventually produce justice under a capitalist form of economic organization, even though then-current arrangements generated injustice. By 1890, Clark had substituted a "natural law" argument for one based on divine law. This is not to say that he completely abandoned his religious rationalizations. Indeed, he continued to publish in overtly religious periodicals. But he now introduced his "scientific" defense of capitalism along with the religious rationalization (see Clark, 1909a, 1909b, 1909c): All his non-church sponsored publications were now based on his "scientific" line of argumentation.

However, it has been demonstrated that Clark's own natural law theory of distribution was developed with a particular end in mind—that of demonstrating that the existing system was itself just (barring "aberrations" such as monopoly). However, this theory did not evolve as the result of an objective investigation into the actual workings of the economy, but was an attempt to rationalize income shares against the charges of socialists, anarchists, and populists: The desired conclusion determined the necessary theory.

Moreover, it is readily seen that the new argument contains that same unifying theme as the now discredited religious defense: A set of laws exists which are just, exist, upon which humans have no control, and they produce equitable, harmonious results. For this reason, established (capitalist) society is just and its authority should not, must not, be challenged. In a large sense, then, there is a continuity between the young Clark and the mature Clark. The same general theme runs through both periods of his development, but the underlying rationalization changes from one dominated by a religious construction to one in which natural law emerges as primary.

The blending of the divine and natural law foundations of Clark's distribution theory can readily be observed in Social Justice Without Socialism (1914), Clark's last major work, and that which combines all the major themes argued over the course of his professional career in one argument:

(There is a law that)...tends in the direction of a fair division of products between employer and employee, and if it could work entirely without hindrances, would actually give to every laborer substantially what he produces. In the midst of all prevalent abuses this basic law asserts itself like a law of gravitation, and so long as monopoly is excluded and competition is free...its actions cannot be stopped, while that of the forces that disturb it can be so. In this is the most inspiring fact for the social reformer. If there are "inspirational points" on the mountain-tops of science...this is one of them, and it is reached whenever a man discovers that in a highly imperfect society, the fundamental law makes for justice, that it is impossible to prevent it from working and that it is entirely possible to remove the hindrances that it encounters.... Nature is behind the reformer.... To get a glimpse of what it can do and what man can help it do is to get a vision of the kingdoms of the earth, and the glory of them—a glory that may come from a moral redemption of the economic system.... A new Jerusalem may actually arise out of the fierce contentions of the modern market. The wrath of men may praise God and his Kingdom may come, not in spite of, but by means of the contests of the economic sphere (Clark, 1914, pp. 34-36, 47).

Clark, then, does not abandon his previous position concerning the relationship between capitalism, distribution, and justice. Now, however, the moral foundation for equity is not that of a God moving the economic system ever closer to "The Good Life," but the economic system itself, guided by the marginal productivity theory of distribution.

APPENDIX

The New Englander Articles and The Philosophy of Wealth: An Abbreviated Concordance

In the text, Clark's articles in The New Engander and The Philosophy of Wealth are cited. Where the point can be made by reference to Philosophy,
that is the source cited as this publication is readily available. Sometimes, though, modifications made by Clark in revising the articles for this work significantly altered the tone, if not the substance, of the argument, making it less clear or overt. In such cases, I have cited the original article. Further, not all of the early New Englander pieces made their way into Philosophy: Obviously, these had to be cited independently.

Below is a listing of every article Clark wrote for The New Englander between 1877 and 1886. Given a publication date of 1886 for Philosophy, this represents the period from which chapters for that work could have been drawn. Following the title and date of the article, the relevant chapter number, title, and page numbers in Philosophy are given (when applicable). Where the article is not included in the later book, it is so specified. Finally, chapters in Philosophy that were written specifically for that work and are independent of The New Englander articles are specified.

1878 “How to Deal with Communism.” 37(4): 533-542. (Not included).
“The Law of Supply and Demand.” Chapter 6, pp. 91-106.

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NOTES

1. For a general account of the relationship between political, economic, and social upheaval and ideological developments in the United States at this time, see Commerger, 1952.
2. And, lest one think that this reading was confined to the wealthy, or at least comfortable, section of the population, William Haywood, noted U. S. labor organizer, describes circulating libraries of miners in the West that included Darwin (Haywood, 1929, p. 23).
3. It is telling that many academicians of the period held joint appointments in their respective fields of natural science and theology. Indeed, prior to the Darwinian onslaught, the general view expressed was that “a good natural theologian is also a competent scientist” (Hovenkamp, 1978, p. 47).
4. For discussions of the relationship between Darwin’s views and other economic (and social science) theories, in particular those of the classical mode, see Schweber, 1980, 1985; and Young, 1985.
5. When the youthful Haeckel first ventured to state the logical, scientific ramifications of Darwin’s theory for religion at a conference in Stuttgart in 1863, he was cautioned by the more veteran biologist Rudolph Virchow not to push past a non-defined frontier that would intrude on the domains of both state and religion (Farrington, 1965, pp. 14-18).
6. Prior to the middle of the nineteenth century virtually all economics and politics had been taught by the professors of Mental and Moral philosophy. The philosophy of these classrooms usually consisted of an elaborate apologistic for Christianity and the inculation of Christian moral ideas. Secular social theory presented a direct challenge to both the authority and function of the church and its instruction” (Everett, [1946] 1982, p. 24).
7. White was not the only major college president of the period who actively participated in the contest. James McCosh of Princeton was a leading proponent of the accommodation of science to faith. (Noble, 1956, p. 85)
8. For general descriptions and analyses of these developments, see Ellegard, 1958; Glick, 1972; Hull, 1973; Noble, 1958; Randall, 1977, Ch. 3; Ross, 1991; Wells, [1954] 1971; E. White 1952.
9. For a most trenchant, succinct account of Spencer’s doctrine as teleological, see Randall 1977, pp. 42-49.
10. It must be noted that Walker’s text was not unusual for the period. Many of the most commonly used works in economics contained much the same, overly religious, position. Texts by Perry and Bowen (to cite only two) are examples of such works. To quote Bowen: “But society is a complex and delicate machine, the real Author and Governor of which is divine. Men are often his agents…. Man cannot interfere with His work without marring it…. Laissez faire… means, of course, that God regulates them (prices, etc.) by his general laws….” (Bowen [1870] 1969, p. 18).
11. While the institutional control of the training of economists and other academics is beyond the scope of this paper, it is imperative that one is constantly reminded of such control, and that the institutionalism of the profession was developed within the constraints established by individuals and bodies who were mindful of the scientific threat to religion and property.
The collection of articles in Barber (1988) should be read by all economists as a reminder of the social and political milieu from which modern economics sprang. Also, Bowles and Gintis (1976) and Furner (1975) are other important works in this regard.

12. Sec, Jalladeau, and Tanaka, 1990, for the position that Clark did hold a socialist position and underwent a fundamental transformation to one of an anti-socialist or proto-capitalist perspective.


14. This is a most remarkable article. Here, Clark commits three fundamental errors in arguing his case. He first equates the static marginal productivity principle with the evolutionary laws of Darwin. He then illustrates the marginal productivity principle without regard to property relations (the defense of which is the whole point of the exercise). And, finally, he concludes that the greatest improvement in workers’ standard of living will come with workers owning capital: “The most favorable outlook, then, is that of a personal union of capital with labor, which means the ownership of capital, not the management of it, by the laboring class.” (Clark, 1891b, p. 793). In other words, Clark ends with a communist solution to the wage question, a strange result indeed, and the only time we see such an argument in his mature period.

15. Interestingly, Clark developed a rather ingenious argument demonstrating that monopolies really had no monopoly power. In “Disarming the Trusts” (1900), “Monopolies and the Law” (1901b), and “The Real Dangers of the Trusts” (1904), he posited that while monopolies did have the power to raise prices arbitrarily and thus violate the natural law of distribution, they had little real power in this direction. If they were to raise prices above some limit, the monopoly profits generated would stimulate entry which would force prices down. Hence, monopolists have learned, through trial and error, to price their commodities more-or-less like a competitive firm in order to protect their monopoly position.

It is also notable that Clark was one of the team of academics that, under the guidance of the National Civic Foundation, assisted in laying out the structure that would eventually become the Federal Trade Commission. It has been argued that this commission with its attendant powers was created by “the trusts” to assist them in regulating the economy and preserving monopoly privilege. See, G. W. Domhoff (1970, pp. 201-206).

16. As Clark is clearly expressing a point of view in which income is a reward for a contribution to output, he cannot but have in mind capitalist economic relationships. Surely property existed prior to capitalism, but such ownership could not be directly related to income shares. While slavery, for instance, was a property-holding organization, Clark never would have argued that the income of slaves was directly related to their productivity. Nor would private property in the form of non-productive assets—houses, women, and so forth—be of significance for Clark’s position.

17. Of course, Veblen also criticized classical political economy on the same issue. For Veblen, the whole of neoclassicism was wrong while only certain aspects of classical theory were.

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