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Socialism and American Liberalism:
Academic Social Thought in the 1880’s

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SOCIALISM AND AMERICAN LIBERALISM:
ACADEMIC SOCIAL THOUGHT IN THE 1880’s

THE GENERATION of social thinkers who entered the universities in the last decades of the nineteenth century played a significant role in the transformation of American liberalism from its classic, laissez-faire form to a statist, progressive doctrine. Like such popularly acclaimed contemporaries as Henry George, Edward Bellamy, and Henry Demarest Lloyd who worked as newspapermen and writers, many academics were early advocates of progressive reform. The Johns Hopkins trained political scientist Woodrow Wilson became the most influential progressive of this academic generation; the economists Richard T. Ely and Thorstein Veblen and the philosopher John Dewey had considerable public followings; and many other social science “experts” shaped specific reform strategies. Together they taught dozens of the publicists and reformers who generated the progressive political consciousness of the twentieth century.¹

In discussing the development of academic social thought and delineating the political context in which it occurred, historians

¹ See, e.g., Sidney Fine, Laissez Faire and the General Welfare State (Ann Arbor, 1956), chs. 7, 8, 11; Benjamin G. Rader, The Academic Mind and Reform: The Influence of Richard T. Ely in American Life (Lexington, 1966), pp. 20-37; Richard Hofstadter, Social Darwinism in American Thought, rev. ed. (Boston, 1955); Eric Goldman, Rendezvous with Destiny (New York, 1956), chs. 5-7. Except where the context clearly indicates a limitation to the Progressive period, I have used the term “progressive liberalism” to signify the positive, state liberalism of the twentieth century, in contrast to the classical liberalism of the nineteenth. American historians have named this twentieth-century liberalism according to the tendency they see at its root. Liberal historians have used the term “welfare state liberalism,” as in Fine, above; New Left historians, the term “corporate state liberalism,” as in James Weinstein, The Corporate Ideal in the Liberal State, 1900-1918 (Boston, 1968).
have generally paid little attention to socialism. While recognizing the influence of various strands of European thought and the broad influence of Christian humanism, historians have usually described the transformation of liberalism as occurring wholly within the liberal tradition itself. Socialism is taken to be chiefly a negative factor, a pole of political thought and action against which the liberals steered a middle course. Any influence conceded to socialism is ascribed solely to its negative critique of capitalism rather than to its own positive appeal. This has been the view not only of liberal historians anxious to maintain the purity of the line, but of disappointed left and new left historians as well.2

If we return, however, to the writings of this academic generation as they began to formulate their views in the late 1870s and 1880s, we find a more complex situation. While they most often steered their final course toward the center, these academics gave socialism a prominent place in their thinking as a genuine political alternative and as a positive source of thought and feeling. By examining the development of their thinking closely, it is possible not only to construct a more accurate account of their mentality, but also to grasp the complexity of liberal thought and some underlying premises of the Progressive movement.

Any attempt to assert the importance of socialism in America must face a number of traditional objections. Conspicuously, socialism did not develop a broad base of intellectual and political support as in Western Europe. Yet what appears a foregone conclusion to historians was not so to contemporaries. Both as intellectuals and as members of the vulnerable middle class, academic thinkers were acutely sensitive to the social and political unrest around them. Watching the recurrent unemployment, periodic outbursts of violence, and the waxing and waning of labor organizations and farmer protest, they were not at all certain of the direction that American society would take. European socialists themselves believed during these years that America, the land of the future, might be the spearhead of social revolution.3

Nor were these academics deterred by a faith in American exceptionalism. As we shall see, they were well acquainted with the importance of socialism in Europe, and their historical viewpoint led them to recognize the economic and social changes occurring in America as analogous to earlier developments in Europe. Whatever value they attached to the unique American experience, they all regarded the present historical challenge as one that linked America to Europe and opened the United States to the possibility of a similar socialistic development in the future.

The most basic objection to considering socialism as a serious influence on American intellectuals is the view that American political thought has been structurally limited to the liberal center of the political spectrum. While this argument rests on a number of basic features of American history, such as the absence of an aristocracy and the diversity of population and geography, it also rests on a fixed conception of American political thought. The portrait drawn of the liberal tradition in America by Louis Hartz has remained


influential. In this reified conception, American political culture is viewed as a composite of classic liberal principles: the Lockeian doctrine of natural rights, historical optimism, and self-interested individualism in economy and polity.4

Recent scholarship has disclosed, however, that these classic elements of American liberalism were not the exclusive, at times not even the principal, elements of the republican tradition which formed the basis of American political culture in the late eighteenth century. They existed in uneasy synthesis with markedly different elements: organic conceptions of Christian community and brotherhood, millennial Utopianism, Christian and classical conceptions of public duty, and distrust of modern economic progress with its threat of moral decay. The traditions of Protestant dissenting pietist, civic humanism, and moral philosophy that fostered these divergent elements in the eighteenth century remained powerful influences in America well into the nineteenth century.6

4. Louis Hartz, The Liberal Tradition in America (New York, 1955). A similar triad—the philosophy of natural rights, the belief in free enterprise, and the American Dream—are at the core of the American liberal ideology discussed by Yehoshua Arieli, Individualism and Nationalism in American Ideology (Cambridge, 1964). I use the term “political culture” to describe the full range of political ideology and behavior rooted in America. By liberalism I mean the political doctrine founded on the Enlightenment belief in the autonomy of the individual. According to this doctrine in its classic nineteenth-century form, government is to be based on consent and the political representation of individual interest, subjectively determined; the purpose of government is to allow individuals to pursue their wants and to protect individuals in the exercise of their rights; and economic enterprise is included within those rights so that government is biased toward laissez faire. The doctrine also assumes that a society which operates according to liberal principles can expect progress in enlightenment and in amelioration of the human condition. An excellent discussion of the root ideas of liberalism is Steven Lukes, Individualism (New York, 1973).


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If these religious and classical crosscurrents were often contained within the bounds of liberal politics, they retained the potential for escaping from these constraints, as indeed occurred with the communitarian and perfectionist impulses of the ante-bellum period. In the 1870's and 1880's, as the profound impact of industrial capitalism began to be felt, divergent political impulses again began to form outside the traditional liberal boundaries. Hartz asserted that there was no intellectual bridge by which American liberals, unlike their European counterparts, could cross over to socialism. In fact, intellectuals nurtured in evangelical piety, Whiggish moral politics, and the Christian ethicism of the American colleges were drawn to the organic and idealistic thrust of socialism.6

This natural bridge between liberalism and socialism appears more clearly if we take into account the roots of socialism in religious idealism and pre-industrial conceptions of community. Particularly in England, whose culture was closest to that of the United States and whose example American intellectuals followed closely, the dissenting Protestant tradition and ideals of an agrarian and village past formed the chief soil of socialist faith. In both countries the ideal of a cooperative commonwealth for a time embodied this Christian millennial feeling and pre-industrial hope of individual and communal self-sufficiency through cooperative industry.7

6. A brilliant reinterpretation of American political history which takes account of the divergent implications of the religious and philosophical components of American political culture is Robert Kelley, “Ideology and Political Culture from Jefferson to Nixon,” American Historical Review, 82 (June 1977), 531–562. While Kelley focuses on the modes of republican ideology and behavior which remained within the frame of two-party politics, his interpretation and his categories also lend themselves to analysis of those which do not. The evangelical and Whiggish strain of political culture I discuss in this essay was a radical mutant of the organicist and centrist New England republican radicalism traced from Federalism, through Whiggery, to Republican nationalism. Cf. Hartz, Liberal Tradition in America, pp. 203–207, 233–235.

7. Two recent accounts of English socialism stress its religious and pre-industrial roots: Stanley Pierson, Marxism and the Origins of British Socialism (Ithaca,
Although American historians have sometimes called this ideal "backward-looking," it contained elements of both individualism and socialism, and for a time held open the possibility of historical movement in either direction.8

To recover the sense of fluidity and alternative possibilities in American political thought, one must revert from the traditional liberal watershed of the 1890's to the situation in the 1880's. It was in this decade that the rapidly growing Knights of Labor, with their goal of industrial cooperation, and articulate socialist sympathies among some intellectuals and labor unions appeared on the American scene. At the same time, modern socialism first took strong root in Western Europe. The "socialist revival" in England of the 1880's saw the formation of the Marxist Social Democratic Federation and the gradualist Fabian Society. During this period socialism was not exclusively identified with the theories of Karl Marx, as it came to be during the twentieth century.

Indeed the nature of both socialism and liberalism was in doubt.9

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The term socialism continued to be used through the eighties as it had been by the first utopian socialists early in the nineteenth century, as the principle of association or cooperation in economic and political life. Framed as the opposite of competition or individualism, socialism could include the voluntary efforts of workingmen to combine into cooperative industries as well as the efforts of the state to control economic activity on behalf of all classes. The term was used to denote both the final, utopian form of a wholly cooperative society as well as those tendencies toward a socialist society already at work, such as the growing interdependence in economic life and the growing exercise of state control in economic activity. A more restricted use of the term had grown up on the Continent, however, and was making its way into common usage in England and America in the 1880's. By this stricter definition, socialism denoted only collectivist state action to control the economy, and increasingly, not merely state action but state ownership or control of the means of production.

With such mixed usage, the boundaries between liberalism and socialism were not easy to define. By the 1880's England's "advanced" liberals, the heirs of the radical and utilitarian traditions of Bentham and John Stuart Mill, were following the example of Mill into approval of substantial collectivist legislation. Some liberals, including Arnold Toynbee, who supported labor unions and municipal construction of workers' housing, called their program a form of moderate socialism. The new socialists who appeared in England in the early 1880's expected the "advanced" liberals to cross over to socialism on the basis of their support for collective state action, and indeed, a substantial number did.

The English Fabians are an especially important reference point for American social thinkers in this period. The path the Fabians took to socialism was shaped in part by their knowledge of Marx and Continental socialism, but in much larger part by native cultural traditions. The moving force of their social idealism was religious, born of their heritage of liberal and evangelical dissenting Protestantism. Their practical and gradualist conception of state action
had grown from their education in utilitarian liberalism and the English Comtean movement. While moved by egalitarian idealism, they operated as an intellectual elite, whose purpose was to build socialism by the force of clear thinking, critical analysis, and pragmatic plans of action. In all this, they markedly resembled the American academic social thinkers of the same period, who also drew largely on evangelical backgrounds and reformist strains of liberalism and combined their social idealism with ambitions for intellectual scope and practical power. By 1886 or 1887, the Fabians had formed that combination of native elements into a commitment to a gradualist form of socialism, which looked forward to the increasing control by the state of the chief means of production. During these same years, American academics felt a strong sympathy toward socialism but formulated instead progressive liberal substitutes.

In this comparative light, it will be revealing in inquiring why the Americans came out on the liberal side of the bridge, while their English cousins came out on the socialist side. In some respects, it may have made very little difference. It is possible to stress the closeness of Fabianism to liberalism, and to lament its failure to provide a genuinely critical vantage point from which to view twentieth-century industrial society. From the point of view of the American left, however, the consequences of the failure of these American thinkers to cross over into some form of socialism loom larger. At any rate, the Fabians in England made socialism intellectually respectable and provided intellectuals with a political vocabulary with which the issues of economic and social equality could be addressed. Succeeding generations of left-liberals in America found themselves bedeviled by the absence of those modest but fundamental accomplishments.

* * *

Among the academic generation that forged progressive liberalism, the first group to respond to socialism were the young economists trained in the German historical school and influenced primarily by the socialistic idealism of the 1880’s, chiefly John Bates Clark, Henry Carter Adams, and Richard T. Ely. Many other academic thinkers were influenced by socialism in the eighties, and continued the dialogue with socialism into the Progressive period: John R. Commons, Thorstein Veblen, E. R. A. Seligman, E. A. Ross, George Herbert Mead, and John Dewey, to name only a few. But the historical economists we will discuss here were the first to explore fully the implications of socialism; in coming to grips with the idealistic forms of socialism characteristic of the eighties, they set the stage for their colleagues’ responses in the following decades.

The historical economists also form a natural starting point for progressive social thought. Economics was among the first social sciences to take root in the new American universities in the eighties, and the young historical economists were among the first of the German-trained, professionally-oriented social scientists to appear on the American scene. Clark, Adams, and Ely took a leading role in founding the American Economic Association in 1885, and their association served not only as a spearhead in the attack on laissez-faire liberalism, but as the professional locus for emerging sociologists and political scientists, who did not organize independently until the turn of the century. To the extent that progressive liberalism was formed by academic social thought, it must be understood as a product of the professionalization of these scholars. The young historical economists were the first group to undergo this experience, and their encounter with socialism served an exemplary function for the academic social thinkers who followed.10

A remarkably similar set of influences and circumstances brought

1870's and 1880's the "social question," the composite problem of poverty, class conflict, labor organization, and industrial violence. All of them derived from Anglo-Saxon, originally New England families, and from highly religious, evangelical homes. Adams' father had been one of the leaders of the "Iowa Band" of anti-slavery evangelical Congregational ministers sent out by the American Home Mission Society to save the free West. The perfectionism of Ely's Presbyterian father had been expressed in abolitionist and sabbatarian principles and in a profound distrust of luxury and wealth. The evangelical faith had kept alive in their homes a kind of social gospel: the expectation that Christian brotherhood would govern one's actions in the public as well as the private world and the hope for a Kingdom of God on earth at the end of history. The moralistic, social orientation of this faith was expressed in the Whig, anti-slavery, and Republican politics of these families. The accompanying independence of mind led their sons toward skepticism of Christian doctrine and accentuation of moral feeling. Adams' and Ely's developed consciences did not allow them to attest to conversion even for their parents' sake. Instead they offered their secular vocations as witness to their Christian values.

Their secular vocations also expressed the commitment to success communicated to these serious young men by their parents. Their parents' ambition for their education and careers inevitably carried with it social ambition as well. Raised in modest, often rural, circumstances, the sons steered toward the influence and respectability of professional status. Their success would always be gauged in worldly as well as ethical terms. When later informed of his son's socialistic sympathies, Adams' father seemed most concerned that they doomed him to failure. Ely, whose mother yearned for the signs of social respectability that his austere father spurned, had early learned to gloss over the potential conflict between the worldly and moral components of his professional goals. While the social ambition of these young scholars would eventually prove a decisive factor in their retreat from socialism, initially it helped to drive them toward the frontiers of knowledge and to stimulate them to remake the world in keeping with their own moral vision.11

As the heirs of families that boasted generations of ministers, these young men were inducted into the academic culture of the nineteenth-century college—Clark at Amherst, Adams at Grinnell, and Ely at Columbia. Here, the ethical injunctions and ambitions of their evangelical upbringing were reinforced by the religious orientation of their teachers and by the precepts of moral philosophy. College moral philosophy kept alive the early republican belief in the need to overcome self-regarding motives in the public sphere and an emphasis upon the special role of a natural aristocracy in providing leadership for the public good.

In this milieu, classical political economy became associated with the harmonious laws of Nature and God. Classical economics rested on a theory of human nature positing self-interest as the dominant motive of economic man, with the transmutation of individual interests into the general interest by an "invisible hand" at work in

In the late 1860's and 1870's when the German version of the “social question” first came to the fore, the historical doctrines of the German economists had taken on radical overtones. The inability of English laissez-faire economics to deal with the massive poverty of the laboring class was a major catalyst for their program. All of them regarded socialism as the characteristic product of modern industrial society and the central problem of contemporary economic statecraft. Though their views on political reform varied from right to left of center, they were sympathetic to the claims of socialism and its call for state action, and some voluntarily assumed the name first thrust upon them in scorn, of Kathedersozialisten or “socialists of the chair.” Their peculiarly German and conservative socialism was motivated by concern for the organic unity of society, incorporated their socialist values into a defense of the German Imperial state, and contemplated the reduction of class differences rather than their elimination. In 1872, they founded the Verein für Sozialpolitik to promote scientific and ethical social change and to discuss and urge upon the state such reforms as factory laws and workmen’s insurance.

Ely and Clark left no notes or letters from their student days in Germany, but Adams’ papers show him to have been reading at length on socialism, and he confessed to his diary, “I am a socialist, to tell the truth.” All three had knowledge of English journals and literature while abroad and in America and would thus have known the sources of the socialist revival in England. By the time they returned to this country, all of them were convinced that the social

12. The distinctive influence of an academic education has been noted by James McLauchlan on the mugwumps of the post-Civil War period, “American Colleges and the Transmission of Culture: The Case of the Mugwumps,” in The Hofstadter Aegis: A Memorial, ed. Stanley Elkins and Eric McKitrick (New York, 1974), pp. 183-206. See also Meyer, The Instructed Conscience, pp. 102-103, 120, 143; Howe, The Unitarian Conscience, chs. 5, 8. Clark studied with Julius H. Seelye at Amherst, using Amassa Walker’s text on political economy, and thus was explicitly taught to understand the laws of political economy as divine laws of nature. Ely studied with Charles M. Nairne at Columbia, and Adams with George F. Magoun at Grinnell, both of whom taught chiefly mental philosophy and delegated the task of teaching political economy. Their teaching was squarely within the tradition of Americanized Scottish common sense, however, and would have, indirectly, if not explicitly, led their students to identify the natural laws of political economy with divine law. All three mentors were, in addition, explicitly millenialist. See Julius H. Seelye, Christian Missions (New York, 1873), pp. 94ff, 199, 204-207; Everett, Religion in Economics, pp. 29-33; Catalogue ... Columbia College ... 1875-1876, p. 29; Charles M. Nairne, Paley’s Evidences of Christianity (New York, 1872), pp. 11-17; Nairne, Two Lectures on the Annual Psychological Course (New York, 1866), pp. 23-24, 48ff; Catalogue of Iowa College, 1873-1874, pp. 24, 28; George F. Magoun, Asa Turner (Boston, 1889).

13. Adams had studied with Francis A. Walker, the leading American revisionist economist, who had begun to modify the commitment of classical theory to laissez faire in ways similar to contemporary English revisionists and consonant with German historical economics. Clark and Ely studied under the older histor-
problem was making its appearance in America, that the central reform task of American society was to reverse the growing inequality of wealth, and that the doctrine of socialism formed the central issue facing both economics and politics in America. “We are in the midst of a great social problem,” Adams warned his father as he set sail for America. “To stand still is impossible and there is but one path... To go on is to extend our theoretical equality to actual equality.” The subject of socialism and its related issues was the first topic addressed by these young economists in professional publications and it continued to form the main axis of their social thought for years thereafter.

Persuasive as these intellectual influences were, it was not merely an intellectual path that led these young Americans from evangelical moralism to socialist criticism of industrial society. A key factor in their commitment to this course was their personal experience of urban and industrial poverty. All of them were shocked to discover the poverty in American and European cities. Clark was the only one of the three to have personal knowledge of industry in America, as his father had been manager of the Corliss Engine Works in Providence, Rhode Island. It is not clear whether he first became aware of industrial poverty as a boy in Providence or during his period of study in Germany. But by 1877, when the

15. Henry Carter Adams, “1878-1879, Berlin Diary,” entry for December 7, 1878, and passim; Adams to his Mother, August 4, October 12, October 29, November 17, 1878; January 18, March 2, 1879; Adams to his Father [late summer, 1879], Adams Papers.

16. The works that establish socialism as the central concern of their early professional careers are J. B. Clark, “How to Deal with Communism,” New Englander, 37 (July 1878), 333-343; and “The Nature and Progress of True Socialism,” ibid., 38 (July 1879), 565-581; H. C. Adams, “The Position of Socialism in the Historical Development of Political Economy,” Penn Monthly (April 1879), pp. 285-304, and “Democracy,” New Englander, 40 (November 1881), 755-772; R. T. Ely, “German Co-operative Credit Unions,” Atlantic Monthly, 47 (February 1881), 297-313; French and German Socialism in Modern Times (Freeport, N.Y., 1917 [1881]); “Christian Socialism in England,” Johns Hopkins University Circulars, 3 (November 1881), 3-4. In this last article, Ely noted that he had learned about the English movement from Thomas Hughes, a leader of the English cooperative movement, “in personal conversation during his recent visit in this country.”

violent railroad strikes burst on the American scene, he was already bitter about American industrial conditions. Drawing on the anthropologists’ view of evolution from savage cannibalism to slavery and then to systems of free, competitive labor, Clark wrote angrily:

We do not enslave men now-a-days. The emancipation proclamation ended all that, did it not? We offer a man a pitance, and tell him to take it and work for us from morning till night or starve; but we do not coerce him. We do not eat men—precisely. 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...

Thorstein Veblen must have learned to appreciate the satiric power of such anthropological metaphors from Clark, his teacher at Carleton College in the late 1870’s.

Adams was deeply moved by the poverty he saw in Baltimore in the mid-seventies. Coming from a farm in Iowa to study at Johns Hopkins, he took long walks at night through the city, following the poor to their mean row houses and gathering places, and speculating on their lives with a combination of distant curiosity and guilty sympathy. Before coming to Johns Hopkins he had spent a year at Andover Seminary deciding not to be a minister, and in Baltimore he assured his parents that he had not given up his sense of religious calling, only transferred it to the realm of political economy, where he dreamed of solving the problem of poverty.

Ely, who had gone from his farm in upstate New York to Columbia College, and then to Heidelberg, could have learned of poverty in both countries. But it was on his return to New York in 1880, while tramping the streets looking vainly for a job, that he made his often-quoted commitment to help the poor. “Without employment and without money,” he later recalled, “and in a most wretched desperate state... I took upon myself a vow to write in behalf of the laboring classes.”

It was this personal and Christian

18. H. C. Adams to his Mother, June 12, 1876; February 11, October 22, December 23, 1877; January 27, 1878, Adams Papers.
response to American poverty that drew these young economists to the theories of socialism they learned in Germany.

Edward Bellamy, though he spent only a brief time in desultory study at Union College and then in Germany, confirms this pattern. Bellamy derived from the same evangelical, Republican, and ministerial line as the academic thinkers, and having grown up in an industrial town in Massachusetts, was early aware of working-class poverty. By 1871 or 1872 he was convinced of “the radical injustice of the present order” and proposed that humanity “distribute once again, and equally to all these sons of a common father, the goods of their great estate.” For himself, he could not yet provide “a theory of Socialism . . . a minute description of . . . that new world . . . But I know that it exists . . . and we must find it.” Bellamy’s case, like that of the historical economists, suggests the importance of evangelical political culture in generating socialist proclivities in America.20

II

The form of socialism the young economists first proclaimed as their goal was the cooperative commonwealth, the ideal of the earlier Christian socialists. Clark declared his “true socialism” Fine, Michigan History, 36 (March 1952), 1-32. Even while a student at Columbia, Ely admired Oliver Goldsmith for his “generosity so great that it embraced the poor and needy everywhere.” Ely, “Oliver Goldsmith” Acta Columbiana, 4 (November 1876), 23-26. 20. Arthur E. Morgan, Edward Bellamy (New York, 1944), pp. 98-101. Bellamy was the son of a Baptist minister in Chicopee Falls, Massachusetts, and a descendant of Joseph Bellamy, the New Light theologian and disciple of Jonathan Edwards. A great many other examples could be named: W. D. P. Bliss and Vida Scudder were children of Congregational missionaries; George Herron and Walter Rauschenbusch were sons of evangelical ministers; William Dean Howells’ parents had roots in both Owenite socialism and evangelical perfectionism as well as abolition. See Peter J. Frederick, Knights of the Golden Rule. The Intellectual as Christian Social Reformer in the 1890’s (Lexington, Ky., 1976), pp. 36, 76, 82, 116, 144, 147. As a group, these Christian socialists markedly resemble the second-generation abolitionists discussed by James M. McPherson in The Abolitionist Legacy (Princeton, 1975), although their parents may not have actually joined an anti-slavery organization, as is the case with McPherson’s sample.

in 1879; Adams, who was following Clark’s work closely, stated his ideal in an article on democracy in 1881; Ely, though his sympathies were apparent earlier, did not publicly reach this position until his study of the labor movement in America in 1886. The cornerstone of their program was, in Adams’ words, “the abandonment of the wages system and the establishment of industries upon the cooperative basis.” 21

The cooperative society they envisioned would be a gradual achievement of evolutionary change. They were careful to disavow belief in violent revolution and the utopian expectation of a sudden and total change in social arrangements, which Americans commonly associated with socialism. They expected American society to adopt gradually increasing increments of socialistic organization, starting with the organization of labor into unions, state-supported systems of labor arbitration, increasing state action to regulate the economy, voluntary systems of profit-sharing, and finally the spread of cooperative industry. Clark specifically regarded the complete socialization of the economy as utopian. Adams hoped for a system of “industrial federation,” in which cooperative industries would combine, under sanction of law, to remove competition entirely from the industrial economy. Although they recognized the difficulties cooperative industries had faced, and largely succumbed to, throughout the nineteenth century, the ideal was so attractive to them that they could not help believing in it. As Clark announced, “Difficulties will be surmounted if the principle of the system is right and is in the general line of economic progress.” 22

The cooperative commonwealth was also the goal of the Knights of Labor, and it was still the goal of the English Fabians in 1886. Although the early Fabians did not see industrial cooperation as the chief mechanism of advance, they pictured socialism as a cooperative society, organized by workers and social groups rather than

by the state. With the American economists and the Knights of Labor, as with the Fabians, the emphasis on cooperation reflected their roots in liberal individualism and their reluctance to accept the necessity of state socialism. But they were willing to go considerably beyond their more individualistic predecessors and their liberal sympathizers. John Stuart Mill, for example, had regarded socialism as an ideal but impracticable goal, and the earlier associationists, like the liberal cooperators, thought it possible to establish cooperative industry wholly through individual and voluntary efforts. The transitional socialists of the eighties incorporated these older ideas into programs of collective state action and believed that the cooperative commonwealth could actually be achieved. Clark was the most reluctant to accept the necessity of state interference in the economy, Ely the most enthusiastic at the prospect. Inspired by his German teachers, he urged his American colleagues to think of the state as merely a “cooperative institution.”

The chief merit the American economists saw in the cooperative commonwealth was its egalitarian and fraternal ideal. Clark declared his attraction to these values in eloquent terms that echoed his evangelical heritage:

The beauty of the socialistic ideal is enough to captivate the intellect that fairly grasps it. It bursts on the view like an Italian landscape from the summit of an Alpine pass, and lures one down the dangerous declivity. Individualism appears to say, “Here is the world; take, every one, what you can get of it. Not too violently, not altogether unjustly, but, with this limitation, selfishly... for the strong there is much, and for his children more; for the weak there is little, and for his children, less.”... True socialism appears to say, “here is the world; take it as a family domain under a common father’s direction. Enjoy it as children, each according to his needs; equality is considered neither desirable nor attainable, while English phi-

24. Ely, “Past and Present,” pp. 48–50; Ely in Science Economic Discussion (New York, 1886), pp. 53–56, 74. Adams was more cautious than Ely, but from the beginning recognized that the idea of an “economic state” was “the important historical idea of Socialism.” Adams, “Position of Socialism,” p. 293. Clark so much regretted the passing of the New England village, the highest flower of American individualism, that he urged, “As long as such diffusion is practicable it is preferable to socialism.” Clark, “Nature and Progress of True Socialism,” p. 571.

26. Ibid., pp. 567, 578, 580; Adams to his Father [late summer, 1879], Adams Papers; Ely, French and German Socialism, p. 28.
The philosophy teaches that it is incompatible with liberty. . . . English liberty is conceived to be freedom to acquire privileges and to be unmolested in the exercise of one's faculties.

The United States, Adams claimed, received its political principles from both England and France. We have accepted an extreme form of the English conception of liberty, he said: "Privilege here comes by possessions and liberty is here defined as freedom to acquire privilege." We have accepted the French ideas of popular sovereignty and equality—but only in limited form and in the political realm.

By instinct the American people are as aristocratic as the English. . . . When we pass into social and industrial life, class relations, class dependencies, class inequalities are as strongly marked in this country as they ever were in feudal England. The only difference is that they are less permanent, since the transition from one class to another is quite possible. This, however, is nothing which the people have consciously chosen; it has been forced upon them by the presence of black loam five feet deep in the Mississippi Valley.

Adams saw that the sharp class distinctions he had found in Baltimore were produced not only by new industrial conditions, but also by the American political tradition into which they had been absorbed.27 Adams' view of American liberalism as an egalitarian tradition has its roots in several factors. His own abolitionist, Republican background would have provided him with religio-political ideals of brotherhood and perfectionism, but not with an egalitarian tradition of social thought. The ethically-oriented social theories of the

college moral philosophers may have strengthened his public conscience, but they did not support its egalitarian direction. The college philosophers admitted the superiority of American government, but like their conservative English and Federalist sources, stressed the dangers of excessive democratic materialism and corruption. Supported by the class aspirations as well as the philosophy of faculty and students alike, the colleges displayed a genteel disdain for democracy. "It has become quite fashionable to smile at the Declaration of Independence," Adams lamented. When he studied English liberalism, particularly through German eyes, he was confirmed in his view of the libertarian, rather than egalitarian, nature of Anglo-American liberalism.28

At the same time, Adams' evangelical, Republican, and collegiate background denied him access to the egalitarian strain of republican liberalism developed by Paine, Jefferson, and Jackson. It is a striking fact of American history that this egalitarian impulse was scantily recorded and hardly developed as a theoretical tradition during the nineteenth century. Merrill Peterson has suggested that these ideas were enshrined instead in popular attitudes through the symbol of the Declaration of Independence, and were passed on chiefly through "the history of the parties," the accounts of the formation of the Jeffersonian and Hamiltonian parties contained in the oratory, popular literature, and traditions of the political parties themselves.29 The evangelical economists would have had much less exposure to this Democratic and sometimes free-thinking tradition, and neither Jeffersonian nor Jacksonian conceptions of democracy had any place in the college curriculum.

27. Adams, "Democracy," pp. 753-765, 771. Ely too recognized that the egalitarian ideal and its statist form were distinct departures "from the individualistic philosophy which characterized the era of the French Revolution, and which has gained such a stronghold in America," but his emphasis was always "Liberty, Equality, Fraternity. . . . If the aspiration expressed in the motto is ever realized it will be because liberty is defined and equality secured by fraternity. . . . It is a matter for regret that for so long a time England and America tried to omit the last and greatest term from the trinity of this new social creed." Ely in Science Economic Discussion, p. 53, and Outlines of Economics (New York, 1893), p. 52.

28. Adams, "On the Education of Statesmen," Princeton Review (January 1884), pp. 33-34. Rae, "Socialists of the Chair," pp. 246-247, discussed the analysis of F. W. J. Von Schell, one of the more radical of the Kathedersocialisten, who contrasted the principles of personal freedom and equality and noted "the exclusive devotion which modern Liberalism has paid to the principle of freedom." Adams probably knew Rae's article, if not Von Schell's work, but the tenor of the analysis was common among the German critics of English political economy.

The one line of egalitarian thought sustained by a considerable body of popular writing also lay outside the respectable Republican milieu. The strand of Locofofo social theory chronicled by Chester M. Destler passed into the later nineteenth century through the channels of workingmen’s and rural protest. The most notable social thinkers outside the colleges who in the late 1870s and early 1880s forged egalitarian and reformist theories within liberalism, Henry George, Henry Demarest Lloyd, and Lester Frank Ward, were sons of Democratic fathers with strong roots in artisan, Locofofo traditions.30

Similar obstacles existed to the economists’ awareness of the fraternal strains in American political culture. The most vital source of organic feeling in the liberal tradition was the Whig emphasis on mutuality of interests and mutual responsibility between individuals and classes, but the form that these ideas took in college moral philosophy was elitist and paternalistic. If such ideas suggested a kind of Tory socialism,—and Clark and Ely often sounded this note,—they afforded a more equivocal basis for fraternal ideals than socialism. Outside liberal politics, the communitarian socialism of the ante-bellum period seemed a marginal and antiquated phenomenon to these academics, and they knew little of the fugitive literature which conveyed the communitarian’s egalitarian and fraternal thought. This idealistic tradition was carried beyond the Civil War by the spiritualism which survived on the fringes of respectable society. In such figures as Victoria Woodhull, who joined the


International, and the theosophy clubs of Boston and California which supported Bellamy’s nationalism, pre-Civil War fraternal idealism ultimately flowed into socialism.31

To point out these lines of affinity and transmission in American political culture is not to assume rigid or impermeable lines of differentiation. Henry George was deeply influenced by evangelical Christianity. Adams, when he returned from Germany, took up the works of Albert Gallatin and discovered the egalitarian thrust of such “a strong and a conservative Democrat.”

Gallatin hated aristocracy; were he alive now he would hate the money power with a righteous hatred and that is what must give the aggressive power and conviction to the next movements in history, in Europe as well as in this country.

Henry D. Lloyd, though originally formed by Democratic and artisan-based liberalism, was of a mixed background. He spent much of his youth with his mother’s respectable, ministerial Dutch family and attended Columbia College. Once launched on progressive liberal reform, he read widely in English and Continental literature and in 1881 identified himself with the new historical economists who combined “the results of economic study with the principles of Christian socialism.” Lloyd had extensive contacts with the English Fabians and unlike George and Ward, who remained firmly rooted in radical liberalism, later moved into Fabian socialism.32 If Ameri-
can intellectual traditions retained the stability of their religious, ethnic, and class roots, they could become cross-bred in the diverse experiences of the individuals that carried them and in the transforming enthusiasms of the early eighties. In those early years of industrial shock, evangelical, liberal, and socialist impulses converged on the desire for a more egalitarian and fraternal order.  

III

The economists turned to socialism not only for its egalitarian and fraternal values, but also for its conception of modern history. The intellectuals of the late 1870's and 1880's who were sensitive to changing urban and industrial conditions were obsessed by the sense of living in a period of profound historical crisis. Their sense of crisis arose from novel historical conditions, but even more from the constricted terms in which they were compelled to understand these conditions by America's utopian restatement of republican history. The economists, like most Americans, had grown up to view the United States as the last attempt of mankind to establish a permanent home for republican liberty. Adams' and Ely's letters and writings of this period, reflecting their authors' schooling in the history of republican Rome, are dotted with warnings that the new industrial conditions could portend for America a similar and final decline through class warfare and political corruption.

The socialist mentality of the eighties formed another trans-Atlantic persuasion. The evidence for such a view stands ready to hand in Henry George's immense influence on the socialist revival in Britain, the early cross-contacts between the Fabians and American radical liberals like Henry D. Lloyd and Lester Ward; and the interaction of the American academics with all these groups, an interaction which became more specific as the eighties progressed. See Robert Kelley, *The Transatlantic Persuasion: The Liberal-Democratic Mind in the Age of Gladstone* (New York, 1969); Arthur Mann, "British Social Thought and American Reformers," Wolfe, *From Radicalism to Socialism*, pp. 79-92, 230-241, 270-271; Destler, *Henry Demarest Lloyd*, pp. 128-134, and below, pp. 61ff.

34. "Henry C. Adams' Student Notebook on Roman History," Adams to his Father [late summer, 1879]; Adams to his Mother, October 4, 1881, Adams Papers; Ely, "German Cooperative Credit-Unions," pp. 267-208.


36. *Johns Hopkins University Circulars* (1880), p. 83; Adams to his Mother, May 13 and November 21, 1880, Adams Papers. Another popular account of contemporary history which played on the same anomaly was Josiah Strong's *Our Country* (1883).
image of the apocalypse shaped virtually all of the unprecedented outpouring of utopian literature in the 1880’s and 1890’s, with its undercurrent of impending cataclysm. Given the centrality of the “social problem” in the perception of crisis by these utopian writers, and the nature of socialism as a Christian heresy, many of these cataclysms were understandably seen as volcanic eruptions from below which ended in a socialistic society of love and cooperation.37

Of the three economists, Ely was the most given to Christian styles of thought, and the only one who followed this popular response to the crisis of republican history. Still uncertain whether the end of history promised by socialism was more to be feared or welcomed, he saw the rise of the International as a portent of the apocalypse:

It is possible, it portends the destruction of old, antiquated institutions, and the birth of a new civilization in a night of darkness and horror, in which the roll of thunder shall shake the earth’s foundations, and the vivid glare of lightning shall reveal a carnival of bloodshed and slaughter. These are all possibilities, but let us trust that they are not probabilities. . . . It may be that an international union between the laborers of all lands will finally force upon men the recognition of the folly and crime of war, and will bring to pass that peace and goodwill among men prophesied long ago. . . . Would not that be a grand regeneration of this old world. . . .?

In 1886, when Ely thought the growing Knights of Labor would be the vanguard of history, he identified the Knights’ cooperative commonwealth with the hoped-for Kingdom.

Clark and Adams, more analytical than Ely, turned to the progressive theories of history that had developed in Europe during the nineteenth century and already had some currency in America. Unlike the cul-de-sac of republican history, the theories of Hegel, Comte, and Spencer traced the trajectory of history toward increasing social interdependence and founded their utopian visions of society upon the historical conditions just beginning to emerge in the long, slow course of historical evolution. Clark, like the “anti-Spencerians” in England, thought that the differentiation of labor and the social and economic interdependence described by Spencer would lead, not to growing individualism and diminution of the state, but rather to an increasing concentration of power in the state and voluntary groups alike. Clark was thus able to see in the course of history “an undercurrent flowing calmly and resistlessly in the direction of a truer socialism . . . directed by the Providence which presides over all history.” History moved by a process of slow natural growth in the style of Comte and Spencer. “Present situations contain in themselves the germs of a progress that shall ultimately break the limitations of the existing system.” 39

Adams found a transition from liberal to socialist history in the idealistic theories of political progress of his German mentors. Adams generally analyzed history as the progressive development and realization of ideal principles. The seminal principle of modern history was the principle of individualism born in the Reformation, nurtured in the struggles of the English, American, and French revolutions, and ultimately to be perfected in a more ethical form of national society.40 While the Germans could see that completion of liberal history in their ideal vision of the German Imperial State, Adams saw it in the vision of an American cooperative commonwealth.

37. Kenneth M. Roemer, The Obsolete Necessity. America in Utopian Writings, 1888–1900 (Kent, Ohio, 1976) analyzes 150 utopian novels published in America between 1888 and 1900 and concludes that virtually all of them are structured around the image of the apocalypse and see the inequality created by industrial capitalism as the historical situation which precipitates the apocalyptic future. Twenty percent of the utopias portrayed were socialist and an additional fifty percent were based on cooperative associations regulated by the government. See pp. 3, 16–22, 54–55, 87ff, 91–92, 96.


Adams was the only one of the three young historical economists to study Marx, and he sometimes described the evolution of Western society as an evolution not of ideals, but of labor systems, in which cooperative industry was to be "the form of society to which the wages system must give way." Adams described the transition from the system of free labor prevailing in the Middle Ages to the wage system of industrial capitalism as a process of expropriation of the tools of production by the capitalists, and lectured to his classes in the manner of the English socialists on the beauties and benefits of the medieval period. The transition from the wage system to cooperation, Adams asserted, would be marked by a period of revolutionary struggle. He was always careful to add that the revolution was to be a revolution of ideas, but he left his audience with a sense of inevitable conflict in the real, and not merely the ideal, world.41

The note of realism which sometimes figured in Adams' work through his study of Marxian socialism appeared in the historical theories of all these economists at one critical point: they all accepted the socialists' claim that the dynamics of industrial development to date had robbed labor of its just share of the returns from increasing productivity. While Adams spoke of the degradation of labor under the wage system, Clark analyzed how changed historical conditions had subverted the classical economic market. Business consolidation had greatly strengthened employers in their bargaining with the weaker, divided workmen. Instead of a market of anonymous and relatively equal participants, in which conflict was painlessly diffused and adjusted, a situation of "predatory competition" had emerged, in which the employer could exact more than the just price from the market and enrich himself at the expense of the laborer. Ely too accepted the socialists' claim that capitalism inflicted severe injustice on the laboring man. Ely had learned, probably from Ward's Dynamic Sociology, to distinguish the ethical possibilities of human evolution from the brutal operation of the biological laws that underlay classical conceptions of competition. The operations of the competitive system, Ely declared, "are as cruel as laws of nature. . . . Our food, our clothing, our shelter, all our wealth, is covered with stains and clots of blood."42

By advocating socialism as the next stage of history, these historical economists were attempting to restore to America her utopian future, but on the basis of the observed realities of increasing industrial concentration and capitalististic injustice. If they saw the transition to socialism in the more familiar terms of evangelical Christianity and of liberal progress, as they saw the egalitarian and fraternal ideal of socialism in the metaphor of the Christian family, they were doing what social thinkers at the crossroads between liberalism and socialism had everywhere done: exploring those elements to be found in both traditions. Indeed, it was their exposure to socialism that led them to seek those elements of their Christian and liberal heritage which would enlarge the constricted republican liberalism familiar to them. But for all the transitional congruences between liberalism and socialism, their courses ultimately diverged. The terms in which these economists declared their sympathy with socialism left some doubt as to how far they would follow it into an attack upon the liberal order and the construction of an alternative egalitarian and collectivist future.

**IV**

During the early 1880's, Clark, Adams, and Ely remained unsure how far their socialist goals could, or should, be realized in American society. The broad course of historical

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advancing they foresaw lost its clarity in the daily ebb and flow of events. Ely’s apocalyptic vision, for example, drew support from the fact that the violent anarchism of the followers of Bakunin appeared to make some headway in the American labor movement during these years; his own fear of violence receded somewhat as their influence passed. Adams, like the budding socialists in England, watched Gladstone’s Irish policy hopefully, and for a time thought Gladstone’s willingness to use executive and legal power to abridge the property rights of large landholders meant that liberalism would, after all, recognize the claims of the lower classes.

In addition, the disrepute in which socialism was held among America’s respectable and educated class was a powerful barrier to adherence. Most of this class knew little about socialism except popular caricatures of it as a system of violent revolution and state tyranny, derived from the insurrectionary National Workshops of 1848 and the Paris Commune of 1871. When Adams, still in Germany and hoping to be appointed at Johns Hopkins, wrote his first article on socialism, he confided to his mother:

There are one or two things slightly socialistic in it and the thought came, dare I put them in? Will it not endanger my position at Baltimore? That was but for a moment. Endanger it or not I will write what I believe.

It took a certain youthful hardihood for these young economists to broach the subject as seriously as they did.

To compound their difficulty, and tempt their ambivalence, the theoretical ambiguity between liberalism and socialism remained. Ely, for example, persisted in defining socialism in both the “broad” sense—“the search for distributive justice . . . belief in far reaching cooperation . . . the opposite of individualism”—and the “narrower” sense, in which it denoted state ownership or management of the means of production. While the first definition gave the impression that industrial cooperation was a form of socialism, the narrower one did not and allowed Ely to speak of cooperation, along with the growth of corporations themselves, as the fruit of the separable principle of “association.” But Adams classified cooperation, along with socialism, under plans of radical social change, and chided Ely when he did not. The pressure to conform to public opinion, the economists’ own residual liberalism, and their uncertainty about the relevant historical lessons led them to seek ways of reconciling their liberal and socialistic impulses.

More than the other historical economists of his time, Clark was rooted in American moral philosophy and interpreted the laws of classical political economy as moral laws of nature. While socialism had shown him how historical change had vitiated those laws in the crucial competition between employers and laborers for the distribution of profits, he was unwilling to give up the regulative harmony promised by competition. Simultaneously with his early essays on socialism, he published a number of articles aimed at showing the moral underpinnings of the classical market. In the manner of Ruskin, Clark redefined such key terms as wealth and labor to make a place for “the better motives of human nature.” Like Spencer, he argued that as civilization progressed, human nature itself improved. In an increasingly complex society, man labored for others rather than for himself—this was “economic altruism”—and his wants became “spiritualized . . . extend themselves into scientific, aesthetic and ethical regions. . . .” By the time Clark collected and augmented these essays in 1886, in The Philosophy of Wealth, his paean to the socialistic ideal paled beside his lyric praise of the “beautiful law” which governed the competitive market.

Though he continued to regard cooperative industry as the solution to the iniquitous competition between capital and labor,

45. Adams to his Mother, January 18, 1879, Adams Papers.
47. Clark, Philosophy of Wealth, preface, chs. 1-5, pp. 84-85. The articles were published in The New Englander during the period 1877-1882.
he was now careful to differentiate his program of cooperation from "despotic" socialism. He also seemed less sure of its providential coming. Among the four economic systems he postulated—competition, arbitration, profit-sharing, and cooperation—"competition should rule in determining which is fittest for ultimate survival." Moving to institute first one and then the next system, society would find the "systems based on fraternal partnership" to have a competitive advantage over those "based on the principle of strife." Blanc and the Christian socialists had also trusted to the force of competition to spread cooperative industry throughout society, but Clark appeared to incorporate that assurance into a Spencerian world view. In the struggle between liberal and socialistic impulses, he seemed to be moving toward the powerful magnet of liberal natural law.\footnote{Ibid., chs. 8, 10, pp. 189–219.}

Adams, however, appeared to be veering in the other direction, toward conforming his liberalism to his socialist principles. From his first year in Germany, Adams identified himself as a socialist in his diary and private letters, though always eschewing the program of revolutionary state socialism.\footnote{See pgs. 19 above, and "Do you want to know what I am? I am a Socialist of the general Philosophy of Karl Marx . . . [I do not think] he has the true method of work and agitation but his criticisms upon our present society are just and true." Adams to his Mother, November 7, 1885, Adams Papers.} Publicly and privately, he tried to find a way "to realize socialist aims by individualistic means."\footnote{"It is not necessary to avow oneself either a communist or a socialist in the sense in which these words are understood. It is, however, necessary to understand and to recognize the justice of the claims which have given occasion to the socialistic agitation. The guiding principle of the industrial reformation here proposed must be to realize socialist aims by individualistic means, for this alone can conserve the observed tendency of the modern age by the means which the modern age has provided." Adams, "Democracy," pp. 777–772.} Before Adams left Germany, or soon thereafter, he found this way in "the principle of personal responsibility in the administration of all social power, no matter in what shape that power may exist." On the one hand, the principle of personal responsibility was the principle of individualism that his German mentors placed at the root of modern history and the seminal principle of English liberty which even Mill used late in his life to embrace collectivist legislation. On the other hand, Adams also hoped to use this principle to justify labor's right to control industry. Adams accepted the socialist's claim that capital was a social product, the resultant of the cumulative skills, labor, and organization of the whole society, not the product of the savings and self-denial of the capitalist; the right to control it and the ensuing profit belonged to each and all.\footnote{Adams to James B. Angell, March 25, 1886; March 15, 1887; James B. Angell Papers (University of Michigan Historical Collections); Adams to his Mother, November, 1878; December 8, 1878, Adams Papers.}

Adams was reluctant to enunciate his principle, however, for he did not yet see how it could be brought into operation. He recognized the hopelessness of workers trying to accumulate enough capital to set up for themselves and compete against experienced capitalist managers. For a time he hoped that unions would demand a just share of profits, but was brought up short when told that the workers were not interested in profit-sharing. Even more, he doubted that the "privileged classes" would voluntarily relinquish profits or control of industry, even under union pressure. As a result he took a decisive step into state action.\footnote{Adams to his Mother, January 2, 1882; May 14, 1882; "1882. New York Diary," Adams Papers.} Adams returned to the understanding of English common law that he had reached in his study of the Irish land question, and to its promise of slow but certain evolution through the judicial resolution of contested claims. Adams had described English land law as a development of feudal, customary usage in which both landlords and tenants were recognized to have proprietary rights and duties, the heritage of a still earlier period of communal land ownership. In this medieval conception, he found the roots both of the English principle of individual responsibility and the kind of common proprietorship that the socialists wanted to extend from land to capital. If adequately enforced in cases of legal controversy, the principle of personal responsibility would allow the exercise of
public control of the new industrial giants, as the Granger cases had already forecast. 53

Soon Adams refined his analysis by distinguishing between industries whose cost and capital structure led them to seek monopolistic control of the market and those which tended naturally toward competition. For the latter, he said, the government should regulate the plane of competition. For the former, "natural monopolies," the government must manage or regulate them to "realize for society the benefits of monopoly." 54

Even more important, the principle of personal responsibility in the exercise of social power would solve the labor problem:

the employees also... should be granted a qualified control. This can be done by increasing the duties imposed upon property, which would be equivalent to the creation of proprietary rights for the non-possessors.

The workers' share in the social asset of capital, Adams was arguing, could be claimed in the struggle between unions and employers, and defined and enforced by the courts as proprietary claims. 55

Adams unveiled his idea to Henry Demarest Lloyd and reformer friends in Chicago in 1884, and to his economic colleagues in 1886. It was a departure from "constructive socialism," he said, and would solve the industrial problem as perfectly as "conditions will admit."

Our entire juridical structure is against [socialism] and it is easier to bring our

industries into harmony with the spirit of our law than to re-organize our society from top to bottom, industries included.

Privately Adams still felt himself on the Christian socialist path he had taken some years ago. He was still "a forerunner, I sometimes hope, of a reform in property and social rights that will forbid this old world to know herself." 56

Ely too was moving toward a resolution which gave great weight to socialism, but he never escaped his fundamental ambivalence toward socialism itself. His study of the labor movement in America in 1886, though it declared his hope that labor would eventually be able to construct the cooperative commonwealth, was still pervaded by his fear of the growing power of organized labor. In between his defense of union rights and the justice of their claims, he stressed the role of unions and cooperative industries in moderating violence, instilling the virtues of temperance, frugality, and patience, and building a conservative stake in society. Ely seemed anxious to assert that the labor movement would preserve society as it was, yet fundamentally change it. 57

A similar ambivalence marked his treatment of the socialist ideal of equality. Along with the threat of violence, the greatest danger Ely saw in socialism was the possibility that it would try to depress society to a single level of equality. The familial ideal of Blanc and the Christian socialists, he urged, recognized that individuals had different native capacities and hence different needs for the attainment of full individual development. Under this ideal of socialism, he pointed out:

The children of the higher orders of society, will, of course, still enjoy to a certain extent, superior advances, inasmuch as they usually inherit greater talents, besides the personal training of gifted and highly educated parents. Fathers and mothers, it might be expected, would take more care than at

54. Adams, Principles that Should Control the Interference of the States in Industries, paper read before the Constitution Club, New York City (New York, 1886), Adams Papers.
55. Adams, "Economics and Jurisprudence," Science Economic Discussion, p. 90. Adams had in mind the customary land law of Ulster which granted tenants certain proprietary claims on the land, which the courts defined and upheld. Adams noted the rights of perpetual occupancy, of resale, and of entitlement to a share of the profit created by improvements. Adams, "The Irish Land Question."
56. Adams to his Mother, April 7, 1884; December 31 [1884]; H. D. Lloyd to Adams, January 21, 1885, Adams Papers; Adams, "Economics and Jurisprudence," Science Economic Discussion, pp. 90-91.
present in bringing up their children, knowing that their social rank depended entirely on their ability to make themselves useful to society.

Ely wanted to secure the privileged position of his own group, the "natural aristocracy," who even under democracy, he complained, were not sufficiently rewarded. 58

At the same time, Ely believed that industrial capitalism was not securing to the mass of workers the basic provisions of welfare and education which they needed to fulfill their human potential. Workers should be able to achieve that potential, he argued, within the working class, not by rising out of it. The myth of the self-made man robbed the working class of its natural leaders, stimulated unrealistic expectations, and prevented efforts to raise the level of the whole working class. Like the German Kathedersozialisten, Ely appeared to advocate a stable society in which the differences between classes would be much less, and the lowest level much higher, than existed at the time, but classes would remain. 59

By early 1886 Ely's fear of socialism appeared to be declining as he saw socialism adopted in England by "learned and gifted men" and as "semi-socialistic" ideas made headway among native Americans through the work of Henry George. He concluded that liberal society could incorporate the strengths and avoid the dangers of socialism by taking in a large admixture of socialist remedies. He should not say welcome to socialism, he asserted, but "Welcome the good that is in it to our salvation." 60

During these early years of the 1880's it would have been difficult for any observer, as it was for the participants, to judge just where on the bridge between liberalism and socialism Clark, Adams, and Ely were located. Some public mechanism for arbitration of labor disputes, profit-sharing, and the development of retail and workers' cooperatives were also being advocated by liberal reformers at this period. It was not always easy to tell whether an advocate saw these


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measures as a means of quieting labor by giving it a stake in capitalist society, or a means of developing the power of labor to lay ultimate claim to its fair share of the social product. 61

One interesting case in point is Franklin H. Giddings, like the evangelical economists the son of a devout Congregational minister. Giddings, however, had rebelled against his father's strict observance, attached himself to his artisan-businessmen grandfathers, and early converted to Herbert Spencer. Giddings stayed only a brief time in college and then became a journalist, writing for trade journals and the Springfield Republican, before going into college teaching in 1888. 62

In the early eighties Giddings sounded much like William Graham Sumner, himself a minister son of an independent English-born artisan. Society was an organism, Giddings said, and changed only slowly under the moral discipline of individual exertions. Only voluntary efforts at change, growing out of individual interests, could ever take hold. Like Sumner, he attacked the new plutocracy of railroad barons, who corrupted the polity and tyrannized over honest enterprise. But the cure for such plutocracy was simply a more vigilant and honest citizenry, who could prevent corruption by granting more limited charters and prosecuting criminal fraud under existing law. 63

By 1885 and early 1886, however, Giddings sounded more like John Bates Clark. Distressed by labor conflict, Giddings became an advocate of retail and industrial cooperation. When a national

61. An excellent sample of the range of reformist thinking in the mid-eighties and of the differences in purpose similar reform programs could express is the symposium on the labor question in Age of Steel, 59 (January 2, 1886), 15ff. See also William E. Akins, "Arbitration and Labor Conflict: The Middle Class Panacea, 1886-1900," The Historian, 29 (1967), 565-583; Nicholas Paine Gilman, Profit Sharing Between Employer and Employee (Freeport, N.Y., 1971 [1889]); Charles Nordhoff, The Communistic Societies of the United States (New York, 1877), pp. 11-22.
leader of the Knights of Labor compiled a book on “The Labor Problem,” Giddings was invited to contribute the section on cooperation. He too envisaged the growth of producers’ cooperatives and of a federation of cooperatives to eliminate the chief evils of unrestricted competition. Only in his tone, in the consistent individualism of his analytic premises, and in his enthusiasm for profit-sharing on the ground that it was “cooperation initiated and controlled by capitalist employers,” 64 could one discern a difference between his and Clark’s advocacy of cooperation.

Nor were the lines on the left any clearer than on the right. Adams and Ely had always publicly sought to dissociate themselves from socialism “pure and simple.” But there was surely some justice in the views of conservative critics who continued to call Ely a socialist on the strength of the positive half of his ambivalence and feared Adams because the “views which underlay modern socialism are here put in their strongest shape with a moderation which makes them all the more insidious.” Certainly the intellectual tools fashioned by English Fabians and American economists during the eighties were similar. The Fabians constructed a theory of socialism out of the same liberal theories of history and revised doctrines of classical economics that the Americans used to construct mediating theories between liberalism and socialism. 65

65. Ely replied to the charge that the new historical economists were socialists with the rejoinder that “there is not a single one who could be called an adherent of socialism, pure and simple.” Ely, Science Economic Discussion, p. 70. On the accusations of socialism, see Furner, Advocacy and Objectivity, chs. 4. 5; Rader, The Academic Mind and Reform, pp. 69-71; Dorfman, Two Essays, p. 35. An interesting attempt to sort the sheep from the goats is Francis A. Walker, “The Socialists,” Forum, 3 (May 1887), 230-242. Giddings himself wrote Ely, after reading Ely’s Labor Movement, that he could not understand why Ely was commonly thought to be a socialist. But in a public review of the book, he said Ely invited that label “by conveying the impression that he approves of the objects of the Knights of Labor... and then admitting... that this... means, undoubtedly, socialism...”? Giddings to Ely, November 2, 1886, Ely Papers; Giddings, “Two Views of the Labor Movement,” Work and Wages, 1 (May 1887), 6. On the liberal building blocks of Fabian socialist theory, see Wolfe, From Radicalism to Socialism.

WHAT finally sorted out the American mixed breeds of the mid-eighties and forced them to return firmly to the liberal camp were the tumultuous events of 1886 and 1887: the rapid growth of the Knights of Labor and their strike against the Gould railroad system; the spread of strikes on the part of the Knights and other labor organizations; the nationwide labor demonstration on behalf of an eight-hour day; the anarchist agitation and bombing at the Haymarket demonstration in Chicago on May 4; the Haymarket trials and the rapid spread of anxiety, reaction, and reprisals against unions which followed in the wake of the bomb. The combination of labor violence and reaction heightened the public pressures against socialism and forced the economists to retreat.

As might be expected, Clark’s appeared to be the most willing defection. Publicly berated by Arthur T. Hadley of Yale, a respected conservative colleague, for spreading “socialistic fallacies,” he must have regretted his attempt to incorporate a limited sphere of socialist idealism into the marketplace of competitive capitalism. 66 Writing for Work and Wages, a shortlived monthly founded by Franklin Giddings in the aftermath of Haymarket to repair relations between labor and capital, Clark began to rethink his economic premises. It could be, he said, that the economic conditions of the past hundred years were only temporary, the result of rapid introduction of machines and unusual American conditions. Perhaps the large inequalities of wealth generated in this transitional period were beginning to moderate. The inequality in competitive strength between employers and workmen might soon end as unions grew and society developed formal mechanisms for moderating their conflict through arbitration. “We must master a new wage law and wait for new statistics, if we are to predict at all confidently what the future has in store for workingmen.” In the interim, he could only write soothingly and vaguely of the opportunity afforded by

present conditions for the exercise of ethical force through symp-
athy and restraint.\(^67\)

By February 1887, Clark had the clue to a new law of wages and a
solution to the problem of distribution that restored the power of
the competitive market and freed him from the necessity of waiting
upon the evidence of history. During that year, he and Giddings
had begun to correspond and found instant sympathy.\(^68\) Late in
1887 they published separate articles in the *Political Science Quar-
terly* that converged on the same conclusions, and the following
year republished them jointly in book form. Clark had returned
wholly to individualistic premises.\(^69\)

Clark argued that competition still existed in important residual
forms and was still "an efficient regulator of prices." So long as
competition continued to exist, "pure profit," the profit that accrued
to the owner apart from his "wage of directive labor," would tend
to disappear. Temporary conditions may have made pure profit
abnormally high, but in the long run, "there will be no bonus for
anyone."

The view of social evolution which these conclusions afford is that of a
progress toward equity between men, promoted by combinations, but
guaranteed by the deeper and more general influence of competition itself.
Injustice is diminishing, and that by natural law.\(^70\)

Clark's analysis of profits and wages was a seminal contribution to
the effort of the new marginalia economics to reformulate the sub-
stantive concepts of classical economic theory as functions of the

67. Clark, "The Labor Problem—Past and Present," *Work and Wages*, I (Janu-
ary 1887), 1-2; Clark, "The Moral Outcome of Labor Troubles," *New Englander*,
45 (June 1886), 333-336; "Christianity and Modern Economics," *ibid.*, 47 (July
1887), 30-39.
68. Clark published the germ of the new theory in "What are Profits?" *Work
and Wages*, I (February 1887), 3-4, and Giddings immediately realized its
importance; Giddings to Clark, February 12 1887; see also Giddings to Clark,
October 24, 1886, and Richmond Mayo-Smith to Clark, November 17, 1886,
Clark Papers.

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market. With his gift for abstraction and his moral energies focused
on the realm of natural law, Clark became one of the leading
economic thinkers of the age. Among all the marginalia, Clark also
became the most outspoken advocate of the view that the laws of
the market described not merely the actions of an equilibrium
system, but the just dispensations of divine nature.\(^71\)

For a time, the events of 1886 made Adams and Ely more, rather
than less, sympathetic to the claims of labor, and even more inclined
to press the socialist premises underlying their liberal compromises.
Adams, who held half-time appointments at Cornell and Michigan,
and was hoping that year to be voted a permanent appointment, was
the more vulnerable of the two. But at a public symposium on the
labor problem at Cornell held in April, in the midst of the Knights'
strike against the Gould system, he gave an impassioned rendering
of his ideas. After the symposium, Cornell was bombarded with
criticisms and Russell Sage, trustee and benefactor of the Uni-
versity, reportedly ordered the young professor fired. The following
spring, Cornell offered Adams a temporary appointment at a lower
status than he already held.\(^72\)

Adams carefully kept the cause of his trouble to himself to avoid
losing any hope of an academic career, and turned his hopes to
Michigan. James Burrell Angell, president of the university, had
meanwhile been questioning him on his views. It was difficult to
tell, he said, just what Adams' "leanings" were. Privately, Adams
had begun to feel discouraged and to doubt his own powers.
Though he gave Angell a fairly full account of his intellectual

71. Dorfman, *The Economic Mind*, II, ch. 8; Craufurd D. W. Goodwin,
"Marginalism Moves to the New World," in *The Marginal Revolution in
and Objectivity*, pp. 184-192.
72. Furner, *Advocacy and Objectivity*, pp. 135-137; Adams to his Mother,
March 8, 1887. In his talk, Adams analyzed the exploitation of the working class,
the pending "social revolution" (ideas), and labor's proprietary rights: "It
will be virtually a new law of productive property. It will result in the estab-
ishment of an Industrial Federation." Adams, "The Labor Problem," *Scientific
American Supplement*. 
development, his anxiety showed through. He not only emphasized the liberal bases of his thought but admitted that his Cornell speech had been "unwise" and that he had over-estimated the Knights. "The result of this unfortunate venture is, that I believe more strongly than ever in the necessity of scholarship as an element in the solution of this terrible question that is upon us." 73

In the course of this interrogation, Adams published a re-statement of his theory in which he backtracked a good deal. He still justified state control of corporations on the principle of personal responsibility in the exercise of social powers. But he asserted that there was no compromise between the principles of individualism and socialism. "The opinions expressed in this essay are motivated by the theory of individualism, and not by the theory of socialism." The problem of labor, he now declared, must be settled by free contract. "To admit that the state should control labor relations is to admit the essential point in socialism." 74 Angell must have been convinced by this evidence of the economist's good sense, for Adams received a permanent appointment at Michigan. With one major exception, he did not write again on the theory of public control of private property.

Ely too was at first stimulated to greater sympathy by the events of 1886 and wrote a number of popular articles defending labor and urging reform. Though he rejected Henry George's single tax as confiscatory for those who owned land and as ultimately ineffective, --George's economic ideal, he pointed out, was pure individualism and would do nothing to eliminate the conflict between employers and laborers,--he defended George's honesty and idealism against the "class hate" which newspapers were spewing at him, and agreed with George's characterization of land rents as "unearned increment" which by right belonged to all the people. Ely also seized on Adams' analysis of the public control of private property. Although

73. Angell to Adams, March 19, 1886; March 12, 1887; Adams to his Mother, May 3, October 14, October 28, 1886; March 8, March 13, 1887, Adams Papers; Adams to Angell, March 15, 1887, Angell Papers.


Adams had cautiously recommended only government regulation of natural monopolies, and then perhaps by state governments, Ely immediately advocated public ownership, on the ground that regulation was bound to be collusive and could never be fully effective.75 Ely projected his program of social reform as a means of moving piecemeal toward a more equitable and fraternal society. But it was still not easy to understand his ultimate "leanings." His immediate program was often well within the limits of advanced liberalism, when he stressed municipal ownership of utilities, for example, or implied that hours for workmen should be limited to sixty per week. But he often sounded a more expansive note, suggesting that the national government would soon take over railroads, communications, and other industries, and provide extensive educational and public services. His program was often presented as "an antidote" to socialism, and "the strongest possible foundations for the existing order," and at times as a means, akin to socialism, of achieving "a thorough reformation of society." 76

As the Haymarket reaction deepened, Ely's articles brought public and professional criticism. Perhaps because of Ely's many friends in the social gospel movement, Gilman retained him at Johns Hopkins and promoted him to associate professor in 1887. But his ordeal had just begun. Sensitive to the criticisms of respected and originally sympathetic colleagues like Clark and Adams, Ely started a practice of submitting drafts of his work to them and others for review, and Clark obliged with detailed criticisms of his unclear and indeterminate "language," pointing out "passages which seem to me to have a somewhat elastic meaning and to suggest possibilities of radical views." As Clark confided to Adams, he wanted


Ely to draw “clear lines where the socialist leaning stops. On most points he is really sound, and it is a pity to sink himself under the odium of semi-socialism.” What most offended Ely’s colleagues was his persistence in linking humanitarian values and government intervention with socialistic goals.77

For a time Ely appeared to eschew the subject of socialism and take greater care.78 He also appeared to become discouraged about the decline of the Knights of Labor and the possibility of achieving industrial cooperation in any foreseeable future. Sidney Webb, a leading figure of the Fabian society, visited Ely at Baltimore in late 1888, and thereby commenced a series of Fabian contacts with him and other American intellectuals that resulted in cross publication and frequent exchange of information and documents. Webb’s lack of faith in voluntary industrial cooperation may well have sobered Ely.79

Yet Ely’s concern with socialism was nothing if not dogged. By

77. “You could advocate all that you usually do and not be attacked much. I think the trouble with these articles is the lack of distinguishing between the natural enlargement of state functions, and the doctrinaire policy of pushing such enlargement toward a goal.” Clark to Ely, March 17, 1891, Ely Papers. See also Clark to Ely, November 14, 1887; January 24, February 7, 1888; April 23, May 28, 1891; Adams to Ely, November 20, 1887, Ely Papers; Clark to Adams, January 24, 1888, Clark Papers; Ely, Introduction to Political Economy, pp. 6; Arthur T. Hadley, “Ely’s Socialism and Social Reform,” Forum, 18 (October 1894), 184-191.


79. Ely, Social Aspects of Christianity, pp. 96-97; Mcbriar, Fabian Socialism, pp. 53. Webb’s American contacts actually began somewhat earlier. Influenced by the revisionist doctrine of rent presented by Francis A. Walker, he published his own extension of the theory in the American Quarterly Journal of Economics early in 1888. Webb led the Fabians in a critique of Marxist economics which founded Fabian theory on a revision of classical economics. See Wolfe, From Radicalism to Socialism, ch. 6. Webb’s correspondence with Ely dates from November 21, 1888. He attended the Johns Hopkins seminar on November 23, 1888. There is also an extensive Webb-Seligman correspondence beginning in 1890; E. R. A. Seligman Papers (Columbia University Library).

1891, as the climate of reaction temporarily receded, the growth of Fabian socialism in England and of Bellamy’s nationalism in America made him optimistic once again about the possibility of social progress. Again he wrote a series of popular articles on the strengths and weaknesses of socialism and urged his compromise position of “practicable social reform.”

The political economist as a practical man, like the politician, ought to be a trimmer, and instead of allowing anyone to force him to take either extreme, socialism or individualism, to adopt as his watchword, Socialism and individualism.80

Just where Ely stood on this middle ground was still difficult to tell. He began terming his ideal form of society “industrial democracy,” a term employed by Lloyd and his Fabian friend, William Clarke, for their ideal cooperative commonwealth. After 1890 the Fabians, following the lead of Beatrice Potter, began to take a serious interest in the growth of cooperative industry and trade unions. By 1893, Ely described his liberal ideal of industrial democracy in terms similar to those that Potter used to describe her socialist ideal of the same name: “voluntary cooperation for all competitive pursuits and governmental activity for monopolistic undertakings.” 81

Ely collected his 1891 articles in book form and toned down any intimations of enthusiasm for socialism, but when the book appeared in 1894, respectable opinion was influenced by the severe depression and the Pullman strike. In the midst of the public reaction, a trustee


of the University of Wisconsin publicly accused him of siding with labor and socialism, of consorting with union organizers, and of threatening to boycott a printer doing university business for not adopting a union shop. The charges led to a public trial of Ely by the University regents, and while he was exonerated and the Board issued a ringing defense of academic freedom, Ely achieved these results by denying that he was a socialist, denying that he favored labor, and denying that he had counselled labor leaders or supported local attempts to organize. Most important, Ely declared that had he held such views and engaged in such activities, he would have no right to teach in a university.

After the Wisconsin trial, Ely remained conspicuously silent. Behind the scenes, he tried to find jobs for some of his outspoken former students, Edward Bemis, John R. Commons, and Edward A. Ross, who were fired during the 1890’s, and managed after 1900 to get Commons and Ross permanent appointments at Wisconsin. Other students, active in Progressive politics, journalism, and social work, continued to attribute their inspiration to him. But even at the height of the Progressive period, Ely was too marked a man to assume a public role in reform. His views also grew more conservative as he concentrated his energies on the specialized subject of land economics.82

VI

W

ITHE evidence in mind, we can ask why the Christian socialist economists in America turned to liberalism, while their English counterparts developed Fabian socialism. There can be no doubt that the Americans had serious disagreements with aspects of socialism as it then existed. They still had considerable faith in the productiveness of the competitive economy and wanted to salvage the natural workings of the market where it could be


and in rising working class consciousness. Interestingly enough, the 
American economists were not put off by the ebb and flow of 
working class organization; labor organization appeared to them an 
inevitable and relatively rapid trend at the time they defected. 
What most disturbed them was the backwardness and corruption of 
American politics, bogged down in the tariff issue, a prey to patron-
age and special interests, and permeated by individualistic attitudes. 
They had some cause for hope in municipal politics, in civil service 
reform, and the Interstate Commerce Commission, but they never 
felt the elation over rapid progress which fills the Fabian literature 
of these years. Nevertheless, given the increasing momentum of 
reform sentiment in America as well as England, what is most sur-
prising is how rapidly the American academics gave up hope.

Clark, Adams, and Ely abandoned their ambivalent attraction to 
socialism without any public soul-searching. Even in private, they 
did not express the reasons for their shift. Clark, whose intellectual 
grounds for returning wholly to liberalism were strongest, was the 
most open in avowing his change of mind and the most whole-
hearted in espousing his new position. Ely, after his public trial, 
hardly had to explain his public silence and friends and students 
willingly shielded him from assault. Ely himself felt that he had 
simply grown more conservative with age. It requires only limited 
historical license, however, to discern the motives that must have 
impelled their move. Advancing age can hardly figure in the 
explanation. The Fabians too grew older, but they had been able to 
construct socialist institutions which bound and supported their 
socialist identity as they aged. If age worked its will in America, it 
was because socialist institutions were lacking. Why did these 
American intellectuals fail to begin building them in the 1880’s?

84. The economists’ frequent defensiveness about the ability of American 
government to perform extensive economic and social functions and their 
counter-argument that increased functions would attract greater talent and bring 
to bear greater public responsibility are presented in Edmund J. James, “The 
State as an Economic Factor,” Science Economic Discussion, pp. 24-34. For an 
excellent discussion of American political life in this period, see Keller, Affairs of 
State.

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The power that most obviously stalks through the eighties is the 
spectre of respectable opinion, with its fierce opposition to socialism, and behind it, the power of the capitalist class to deny these 
young academics their jobs. Narrow self-interest could not help 
being a major factor in the minds of these economists as they sought 
professional footholds. Nor could they overlook the power of that 
respectable opposition in estimating their chances for professional 
influence and the probable success of their plans for American 
society. So long as the opposition remained at some distance, they 
could entertain hope of leading the way toward radical change. 
When the pressure became personal and decision necessary, the 
difficulty of combating the established powers and the backwardness 
of American politics loomed larger. They must have concluded that 
their own influence and the good they could achieve for society 
would be greater if they worked within the bounds of liberal reform.

Beyond narrow and enlarged self-interest, however, were the 
fundamental social factors that structured their decisions so force-
fully in the direction of respectable opinion. In England, too, 
socialist adherence carried substantial disabilities, but the Fabians 
were able to weigh them more lightly. The critical difference 
between these American intellectuals and their English counterparts 
was the Americas’ orientation toward upward social mobility.

Ely may have been more brazen than Adams and Clark in his 
predilections, but it was natural for the Whiggish sons of ministerial 
families to seek the cultural hegemony and semi-patrician status of 
the college professor. In nineteenth-century American society, 
that sort of mobility from the lower and middle ranks of the middle 
class to its upper professional level was not uncommon. Unlike their 
English cousins, they had access to a college education and careers 
in the new universities. The Fabians tended to be writers and 
journalists, self-made civil servants and minor professionals. Both 
groups were part of what Eric Hobsbawm has described as a “new 
social stratum” of salaried professionals, and thus in a precarious

social position, drawn to the social status of the capitalist class yet alienated from it by economic pressures and by functional attachment to standards of intellectual ability rather than profit. Only in the conditions of British society and history, Hobsbawm argued, where this new and rapidly growing class was unable or unwilling to find a firm foothold in the middle and upper class social structure, could such a stratum become socialist. The case of the American academics, who had access to university careers and the status of the older professional class, supports Hobsbawm’s theory. The Fabians’ more marginal social position helped them move toward socialism.

The Americans’ orientation toward social ascent made the respectable elite their reference group for opinion and approval. From Adams’ earliest days, for example, he had dreamt of having a major influence on opinion, perhaps as a minister, then as a journalist or editor, and finally as a thinker and academic. In the last role he learned where the controlling power of respectable opinion lay. While still in Germany, he decided to take up seriously the study of public debts, a subject which he thought had little to do with dangerous social questions. His purpose, he told his mother, was “to make a reputation as a sound reasoner. . . . It will give me confidence with the men whom I wish to meet in this country, the moneyed men and the lawyers.” Then, “. . . I am sure of having my book or my opinions however expressed attended to.” Adams did spend the major portion of his time in the early eighties on a study of the public debt in America, and the work established his reputation as a first-rate economist. But when he expressed his


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social opinions, they did not meet with respectful attention; and Adams, rather than the moneyed men and lawyers, gave way. In discussing the failure of socialism in America, historians have often gone back to Tocqueville and stressed the relative equality of American society, with its paradoxical consequence of the tyranny of democratic public opinion. A truer picture would place American democratic social attitudes and experience within a structure of social and economic inequality. If Tocqueville, accustomed to European rank and watching the eighteenth-century deferential society disintegrate, could not see that inequality, it was apparent to many observers later in the nineteenth century as industrial development rendered class distinctions more pronounced and visible. Veblen brilliantly captured the social and psychological character of this period when he showed that the consequence of democratization in a class society was to spread gentry values of hierarchy and respectability into the middle and lower classes. Respectable opinion, not democratic opinion, ruled both the internalized values of the middle class and the organs of social and cultural power.


88. Kenneth McNaught, in his stimulating attack on the Hartzian thesis of the impossibility of socialism in America, also argued that the Progressive intellectuals’ sensitivity to public antagonism toward socialism was the result of the tyranny of public opinion in democratic society, the obverse side of Tocqueville’s analysis of America as a society without an aristocracy. McNaught focuses on the late Progressive period, when the mass hysteria of “Americanism” was a potent factor in the intellectuals’ retreat from socialism, but even then, I would argue, “public opinion and “Americanism” gained their force by identification with “respectable” opinion. McNaught, “American Progressives and the Great Society”; Alexis de Tocqueville, Democracy in America (New York, 1948 [1835]); Thorstein Veblen, The Theory of the Leisure Class (New York, 1899).
The consciousness of class distinction between themselves and laborers was surely great in America, as in England. As their analysis of American liberal society showed, the economists perceived a great gulf between their own respectable, educated elite and the mass of workers. The immigrant composition of the American working class may well have made the gulf seem even deeper to these native Anglo-Saxons. Ely seemed aware of the foreign element in labor, but if it was a major factor in his thinking or that of his colleagues, the written record shows little evidence of it. In the 1890's academic social scientists regularly associated the working class with racial stereotypes. It may be that the economists were equally troubled by the growing foreign composition of the labor force in the 1880's, but were reluctant to articulate their fears. Or it may be that the German labor organizations and the southern and eastern European workmen still did not weigh as heavily in their minds as the more Anglo-American image of the Knights of Labor.

As Louis Hartz has pointed out, English middle-class liberals had long had a powerful incentive to leap over class distinctions and construct a political alliance with the working class: an entrenched aristocracy which denied both classes political and social equality. In the face of that enemy, radical intellectuals had allied themselves with working class movements from the days of the Chartists to the English Comtean movement, a direct predecessor of the Fabians. The absence of an aristocracy in America thus meant the absence of that tradition of political alliance and the absence of an historic route by which egalitarian intellectuals could identify with working class interests.

Still, the gulf between American middle class intellectuals and the working class was held in place by a force greater than historical inertia. Writing in 1885 to a radical labor leader whom he was asking for information, Ely made his celebrated commitment to the

89. Adams' chief reformer friend was William M. Salter, an Ethical Culture lecturer in Chicago, who was the son of another member of the "Iowa Band." Adams to his Mother, February 11, 1887; December 5, 1880; June 8, 1882; October 25, 1883; "1882. New York Diary," Adams Papers; Ely, "Socialism," p. 156; Ely, "American Labor Organizations" (January 20, 1887); "Records of the Historical and Political Science Association. . . ." entries for April 16 and December 16, 1887; April 6, 1888, Johns Hopkins University Archives; Rader, The Academic Mind and Reform, pp. 33-34, 141-142.

The Fabians too sought influence, but they were forced to seek it from a social position and viewpoint initially outside the respectable centers of power. For middle class American intellectuals, the prospect of exerting influence from a position within the range of respectable opinion and power has always been more alluring.

A corollary of the American intellectuals’ orientation toward social ascent was their inability to join hands with labor. One of the most striking differences between the American economists and the Fabians was the Americans’ reluctance to talk to, and associate with, laborers and union officials. After 1886, the Fabians forged an alliance with the radical workingmen’s clubs of London whose members were disillusioned with liberal politics. They spoke constantly on street corners and to workingmen, and kept up an active propaganda exchange with unions and socialist organizations. Although they initially kept their distance from the Labor Party, their ties with labor ultimately allowed them to forge an alliance with the Party after World War I. The Fabians promoted “all-classes socialism,” but any identification with socialism demanded a willingness to work with and identify publicly with the working class.

The American economists’ ties with labor were remarkably tenuous and reluctant. Adams occasionally addressed labor protest meetings and met labor leaders through reformer friends. Ely, more than any of the others, was by temperament oriented to activism and popularization, and by his religious sentiments to a sympathetic if paternalistic identification with the laboring man. During the mid-eighties, when his sympathy was highest, he frequently urged intellectual leaders to make contact with labor organizations. But he himself only occasionally acted upon his own advice, as in addressing the national convention of the American Federation of Labor in 1887.89

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laboring class. But he followed it with a demurrer that is almost never quoted:

I am talking very freely to you now. Some day I may make all this and much more public; until then you will of course regard it as confidential—at any rate as something not to be printed.91

Far more than the English intellectuals, the Americans feared public identification with the working class.

Ironically, the cause of that fear may well have been the permeability of class lines in America, which created anxiety about one’s class identity and its public marks. Class identity was not permanently fixed at birth, but had to be reasserted and supported by adoption of certain styles of life, appearance, and behavior. As a result, the economists’ sense of who and what they were was intimately involved with the opinions they espoused and the people they associated with. The social identity of the English gentleman or writer who became a socialist was not jeopardized by association with the working class.

The difficulty of crossing class lines in America is graphically portrayed in a recent study of such Christian socialist intellectuals as Henry Lloyd, William Dean Howells, W. D. P. Bliss, and George Herron.92 Many of these men were willing to identify themselves publicly as socialists or Fabians, and their vocations allowed them considerably more leeway for controversy than the academic social scientists enjoyed. But they too seldom had personal or political contacts with labor. The author attributes their class-bound behavior to their being intellectual reformers, but it would appear that the insecurity of class identity in America was a more potent source of isolation.

91. Ely to Labadie, August 14, 1885, in “The Ely-Labadie Letters,” ed. Sidney Fine. Ely believed that “in no great country has organized labor—and, in fact, the entire labor movement—been so isolated, so shut off from the influence of learned, gifted, Christian men, as in the United States.” Ely’s observation and the late nineteenth-century social situation it reflected offer an insight into the failure of American socialism which is worth further study.

92. Frederick, Knights of the Golden Rule.

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A few of these reformers, like Henry Lloyd, succeeded in establishing some contact with labor, but only with special effort. Lloyd, whose mother’s family placed him on the margins of New York’s patrician class, became a reforming editor of the Chicago Tribune in the early 1880’s, married to the daughter of a wealthy part-owner of the paper, and a member of the city’s social elite. By the mid-eighties, his increasingly radical and socialistic opinions brought an ultimatum from Joseph Medill to leave the Tribune or relinquish his journalistic freedom. The decision to become a freelance radical reformer precipitated a prolonged nervous breakdown. Only over a period of several years did he and his wife create a new life style that allowed him to maintain his elite identity and his working class sympathies. Cut from the Chicago associations of their former days, they attracted the choice and the celebrated among labor leaders, reformers, and intellectuals to their Chicago suburban home in winter and their Cape Cod cottage in summer. On these terms, they created an elegant and high-minded bohemia.

Lloyd’s sheltered bohemia was one path among several which respectable reformers began to construct in the nineties which allowed them to enter into personal contact with working class leaders and life without losing caste. Settlement house work was another. The women who founded the settlements appear to have been more concerned with escaping the confines placed by their class upon woman’s role than with maintaining their class status. Indeed, that may have been why women took the lead in this social innovation. Once formed, the settlements offered upper class patrons and middle class intellectuals a respectable avenue of contact with the working class. Professionalized social work served a similar function for middle class individuals who could no longer call on the traditional roles of the Protestant missionary or the wealthy philanthropist to secure their status on a higher plane from that of their clients. For the intellectuals of the eighties, association with laborers and working class leaders was still problematical.93

93. Destler, Henry Demarest Lloyd, chs. 4, 8–10; Allen F. Davis, Spearheads for Reform: The Social Settlements and the Progressive Movement 1890–1914
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and standards. Professional neutrality fitted neatly with the universalistic vantage points of science, liberalism, and the "public good." Advocacy of the interests of the working class became rank partiality.94

Ely felt these professional pressures toward conformity keenly in the late eighties, as Clark interspersed his criticism with expressions of fraternal feeling and of assurance that on fundamentals they were in basic agreement. Ely was repeatedly advised by his colleagues during this period to desist from speaking to and writing for popular audiences, the forum for his ethical and socialistic calls to action. When, without consulting his colleagues, he scheduled the 1892 meeting of the American Economic Association at Chautauqua, New York, it was only a particularly flagrant instance of his failure to heed their advice, and at a time when he was again preaching about socialism and its growing power. Ely was removed as Secretary of the Association, a position he had held since its founding, and did not return to the Association until 1900 when his public silence and growing conservatism made him more professionally trustworthy.95

Professional association thus proved to be a means of mediating the pressures from respectable opinion and coercive class interests, and a means of disguising and internalizing those constraints. In the professional milieu, anxiety over the ideological implication of ideas could be turned into anxiety over the exactness of language, the adequacy of analysis, and the completeness of knowledge. Attention was thus diverted from the ends to the technical means of knowledge. Adams was told that he had expressed his views "pre-

94. For an excellent account of the academic and professional struggles over academic freedom in the eighties and nineties, and the key role played by the formation of the American Economic Association, see Furrer, Advocacy and Objectivity. On professional opposition to identification with labor, see also Bacsi Watkins, "The Professors and the Unions: American Academic Social Theory and Labor Reform, 1883-1913" (unpub. Ph.D. diss., Yale University, 1976). On the number of academics among the Fabian membership, see Hobshawn, "The Fabians Reconsidered."

maturely,” before they had been completely thought out, and he came to accept that judgment himself. Adams even before, and Ely after, their retreat willingly accepted the professional injunction to prove their intellectual soundness through the mastery of traditional and conservative subjects and professional techniques of science and scholarship. It was only after preparing some scholarly work of this sort that Ely ventured back into professional circulation. The fact that these socially-inclined economists shared these professional standards and anxieties made it easy for them to obscure, even to themselves, the component of coercion in their retreat from socialism.

VII

Before they succumbed to public and professional pressures, the historical economists’ encounter with socialism had led them to seek and develop egalitarian and fraternal potentialities within the liberal tradition. Clark, Adams, and Ely for a time formulated versions of progressive liberalism which focused on the reduction of class inequalities and retained the hope of ultimately reaching through liberal reform a largely cooperative society, in which distributive justice and Christian brotherhood would reign. These new liberal programs—Adams’ theory of personal responsibility in the control of capital and of the proprietary rights of labor; Ely’s “practicable social reform” that joined liberal means to socialist ends; even Clark’s brief vision of the ultimate triumph of fraternal forms of industrial organization—might well be called

96. James B. Angell to Adams, March 12, March 26, 1887, Adams Papers; Adams to Angell, March 15, 1887, Angell Papers. Note also Clark’s emphasis on Ely’s “language,” and Adams’ focus on “how” his radical ideas would be “expressed,” not their content, above pp. 49, 56.
97. Ely to Charles H. Hull, October 2, 1899; Ely to J. Laurence Laughlin, October 8, 1899; Ely to Charles K. Adams, October 24, 1899; Ely to Edward W. Bemis, October 26, 1899; Ely to Messrs. Harper & Brothers, October 29, 1899, Ely Papers.

Fabian liberalism. Though tailored to the shape of the liberal political structure and the capitalist economic system, Fabian liberalism retained the underpinning of socialist values and socialist hopes. The economists’ brief period of advocacy helped to develop this Fabian impulse in America. Drawing upon native wellsprings of Christian socialism and political organicism, this idealistic impulse was a major source of the left wing component in progressive liberalism in America. It was the distinguishing mark of reform liberalism in the 1880’s. Overlaid with more sophisticated ideas and strategy, it remained the central inspiration for Jane Addams and her colleagues, for the more radical muckrakers, for the patrician mentality which produced the two Roosevelts, indeed, for much of that “social welfare” wing of Progressive reform which flowed into the New Deal. But Fabian liberalism, though it remained and recurred, did not survive unalloyed. The retreat of the eighties and nineties fundamentally changed the course of this Fabian impulse. In tracing the results of the struggle over socialism, one can see the different, pragmatic outlines of Progressivism emerge.

The central lesson these young idealists learned from their experience of the eighties was the great weight of circumstances beyond the control of their individual moral will. All of them had argued for socialism as not only a response to changed economic circumstances, but even more importantly, as an assertion of moral force. They had propounded theories of history in which material and ideal causes worked hand in hand, and when in their analyses they were forced to subordinate one to the other, they had consciously chosen to stress the efficacy of the forces of conscience and enlightenment. But all of them defined their retreat from socialism as a

99. See, e.g., Clark, “How to Deal with Communism,” pp. 536–540; Adams,
recognition of the decisive force of circumstances and processes largely outside the control of their own moral will. After 1886, none of these thinkers wholly abandoned their historical or moral idealism, but the tenor of their assumptions changed dramatically. Clark abandoned history as an analytical tool and returned to the timeless plateau of liberal progress where physical and moral law were permanently fused. Using the analogy of the physics of a fluid, he likened market forces to the basic conditions which determine the fluid’s state, and history to the more transient conditions which create waves and temporary displacements on the surface of the fluid but do not alter its basic character. Though acknowledging the need for dynamic economic theory to explain the surface realm of historical change, in effect he rejected the ability of historical change to alter the natural laws of the competitive market.  

Ely and Adams moved in the direction that historical speculation would take in the next decade. Ely’s moral idealism was deeply entrenched, and even in 1894, in his Socialism and Social Reform, he blasted Marx’s materialistic and deterministic theory of history. “One must be blind to historical and actual phenomena who would make religion merely a product of economic life,” Ely contended. “That society has some option, some choice, and a conscience to which an appeal can be made, is a fact, if there is any such thing as a fact at all.” But he now saw that the “general tendencies” of history were laid down by “socio-economic forces” even if these tendencies left considerable room for the exercise of human choice in supporting or reflecting them. By 1903 he admitted that there seemed “something inevitable in all these general tendencies. . . When we have said all that we can about the power of the individual . . .


Ross: Socialism and American Liberalism will, we still find that there are great social forces which compel us to act along certain lines. . . .”  

Adams also faced this changed perspective directly. In 1896 he made it clear that the rise of socialism and the spread of collectivism are traceable to the increased interdependence among men, and the recognition of society as an organism is traceable to the same fact. All these conceptions of social relations are imposed upon us by external conditions. . . .

This materialistic argument had been made by Herbert Spencer in regard to organicism, but the moral idealists had easily glossed Spencer’s connection between material interdependence and moral altruism with their own voluntarism. Lest his audience mistake his meaning, Adams now specifically denied that gloss:  

There are those who consider the universal interest in social questions as evidence of a broadening sympathy among men and of an approach toward brotherly kindness. This may be true, but we should be very careful not to plume ourselves upon a righteousness we cannot help. The current interest in social problems results, in large measure, from the fact that we are all sailing in the same boat. The demand for brotherhood is in some degree at least, an expression of the instinct of self-preservation.  

Historical necessity removed the false glory of moral choice and exposed the astringent reality of self-regarding motives beneath. Surely Adams owed this wry wisdom to the recognition that he had been obliged to accord to the limits of his own idealism. The deflation of moral idealism forced on these economists by the failure of their socialist hopes must be counted as a central thread in the decline of academic idealism after the 1880’s and the rise of the Progressive view of reality as a “dirty deal.” For those academic social thinkers who watched the economists and sometimes repeated their


travail, this situation set the principal intellectual problem of the 1890's: the problem of historical change and its relation to reason and moral will. Both the Progressive version of historical materialism and a pragmatic version of voluntarism would develop from this confrontation with the difficulty of imposing socialist sympathies on the American reality.

On a practical level, the socialist impulse of the eighties was deflected into liberal reform. Within the bounds of progressive liberalism, the economists thought they could salvage the heart of their original program and operate with effectiveness and safety. The Progressive coalition allowed them to concentrate their efforts on specific and moderate reform goals, and hence to view their strategic retreat as tactical advance.

After 1887 Adams' chief efforts went into practical Progressivism. In the same year in which he received his Michigan position, he was appointed chief statistician of the Interstate Commerce Commission, a post he held until 1911. Commuting between Ann Arbor and Washington, he found his time and thought taken up by the problems of administration and the technical means of strengthening regulation of industry by government commissions. The principal achievement in his long tour of duty was establishment of the principle that regulated industries must keep uniform standardized accounts, subject to public inspection. Adams apparently hoped at the end of his life to return to his first love, labor theory, but for all intents and purposes that theory was lost beneath a limited program that could win the acceptance of the Progressive right and center as easily as its left. As a government expert, Adams had as personal contacts and colleagues the men of affairs whom he had always sought to influence. Dining with them at the Cosmos Club in Washington or the University Club in Chicago, he could soon exclaim, "How natural it is for men of like experience to club together!"


105. See, e.g., E. R. A. Seligman, "Review of H. C. Adams, The Relation of the State to Industrial Action," Political Science Quarterly, 2 (June 1887), 353: "It is the best proof of the fact that an abandonment of laissez faire does not connot socialism or anything materially approaching socialism." Seligman, "The Theory of Progressive Taxation," ibid., 8 (June 1893), 223: "It is quite possible to repudiate absolutely the socialist theory of taxation and yet at the same time to advocate progression."
James argued for “experimentation” in the use of government to achieve the public, and the national, interest. James, as well as many of Ely’s students at Johns Hopkins in the eighties, like Edward Bemis and Albert Shaw, denounced socialism but vigorously supported cooperative industry, municipal ownership of utilities, or national ownership or control of railroads, mines, and forests.

Woodrow Wilson, a student and then colleague of Ely’s at Johns Hopkins during the mid-1880’s, also turned the transitional socialism of the eighties to liberal reformist purposes. Wilson’s Southern Presbyterian upbringing led to conservative rectitude rather than perfectionism, and his temperament was informed by the Whig and


107. James, “The Relation of the Modern Municipality to the Gas Supply,” Publications of the AEA, 1 (May–July 1886), 83–112; James, “The Agitation for Federal Regulation of Railways,” ibid., 2 (July 1887), 19–66; Bemis, “Socialism and State Action,” Journal of Social Science, 21 (September 1886), 33–68; Bemis, “Cooperation in New England,” Publications of the AEA, 1 (November 1886), 335–364; Shaw, “Cooperation in a Western City,” ibid. (September 1886), 222–228; Bemis to Ely, November 19, 1888, Ely Papers. This course, too, was not without difficulty. Bemis attacked specific municipal interests so vigorously that he lost his job at the University of Chicago and soon left the academic world. Furner, Advocacy and Objectivity, pp. 165–198. James’s views, too, antagonized some of the wealthy Philadelphia patrons of the University of Pennsylvania, and this may have been a factor in his being forced to leave the University in 1894. When he went to the University of Chicago, he eschewed civic and reform activities and concentrated on the kind of bland pronouncements that would win him a university presidency. In 1904 he became head of the University of Illinois. See Swanson, “Edward J. James,” pp. 120–128.


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Liberal traditions of Burke and Gladstone. During the summer of 1887, however, when he did the basic work for his systematic treatise on The State, he was influenced by both Ely’s Labor Movement and Clark’s Philosophy of Wealth.

In a brief unpublished essay he wrote at that time, “Socialism and Democracy,” Wilson concluded that “in fundamental theory socialism and democracy are almost if not quite one and the same.” They both shared the same motive, “that every man shall have an equal chance with every other man.” In contrast, “the individual rights which the democracy of our own century has actually observed, were suggested to it by a political philosophy radically individualistic, but not necessarily democratic.” Socialism supplied for Wilson, as it had for the economists, the egalitarian element lacking in their libertarian views. But he stopped short of the economists’ advocacy of industrial cooperation and from the outset defined the democratic ideal, in terms more compatible with liberalism than with socialism, as “the equalization of conditions, so far as possible, in all branches of endeavor.”

As the socialist idealism of the 1880’s receded, Wilson did not maintain his brief identification with socialist purposes. He preferred during the 1890’s to link the democratic principle not with equality but with “self-selection in endeavor.” Wilson adhered to the French principles of liberty sought out by Adams. Nor did the socialist view of the course of modern history ever penetrate his commitment to the progressive course of American institutions. Stirred as vividly as Turner by the romance of the frontier, Wilson assumed that great leadership and moral purpose would allow America to “resume and keep the vision of that time” on the frontier when relations between nationalities, sections, and classes were governed by sympathy and an easy mobility. During the Progressive period, as public opinion veered toward reform, Wilson
recovered the political program he had mapped out in the eighties, but only the negative pole of his concern with socialism was any longer visible. For Wilson, as for other academics, the idealistic socialism of the eighties served as an important catalyst of the movement for wholly liberal reform.

* * *

The deflection of the Fabian impulse into liberal reform wrought a substantial change in its content. As reform coalesced around moderate practical programs, and socialist goals receded, the egalitarian and fraternal ideals which had originally generated the Fabian program were often rejected outright or allowed to atrophy through public silence. When Adams had lamented the inegalitarian temper of college-trained men in America, he knew the importance of his complaint. The strengthened state, he declared, must be controlled by those who understand why it is being strengthened. He did not then anticipate that such understanding would wither even in himself.

The most outspoken analyst of equality under liberalism was John Bates Clark. Unlike Adams and Ely, he was now convinced of the justness of the competitive liberal market and could face its implications without flinching. Starting from the moderate class theory of the English economist Edward Cairnes, he divided society into four “industrial layers” or classes: unskilled workers; artisans; more highly skilled craftsmen and tradesmen; and professionals and upper level entrepreneurs. But Clark rejected Cairnes’s forecast that as society progressed and education became more widely accessible, a levelling process would occur, as children with natural merit would gain the skills and opportunity to compete across class lines.


112. Clark and Giddings, The Modern Distributive Process, pp. 4-10.


114. Clark and Giddings, The Modern Distributive Process, p. 51. Clark could well have had his knowledge of republican theory refreshed by an article earlier that year, in the same journal in which he published, while he was still writing his own: Theodore W. Dwight, “Harrington, and His Influence Upon American Political Institutions and Political Thought,” Political Science Quarterly, 2 (March 1887), 1-44. Dwight pointed out Harrington’s belief in a natural aristocracy, founded on substantial wealth and leisure: “He was not a socialist.” (p. 24) As a
Ely's vision of the just society had always been, as Clark's became after 1887, a stable, two-class society based on the republican division between people and natural aristocracy. Ely had originally pictured a more modest inequality, and justified it by familial distribution according to need. By the turn of the century, when he had come to accept the competitive and liberal bases of American society, he argued that "variations in wealth" and the "separation between the employed and the employers" inevitably form the bases of distinct social classes. The effect of Ely's analysis, as of Clark's, was to turn the republican image of a classless society into a model of a class society. Forced by their encounter with socialism to clarify their conception of the social structure, they subtly changed the elitist status that the Whigs had always granted the natural aristocracy into a class division. In the terminology of the sociologist Anthony Giddens, their minimal "class awareness" changed into "class consciousness," a recognition of the fundamental character of the distinctions that identified their own class and separated it from others. The academic social thinkers of the nineties would take up the issue of class and some of them, under the influence of Marx, would grapple more directly with its implications for American society.

Meanwhile, Clark's cosmic optimism was not daunted by sharp class divisions. From the beginning, he had realized that simply dividing the pie more equitably could not improve the condition of workers as much as producing a larger pie to divide. "Cheaper production," he predicted, would be "the chief hope for modern workers." In the popular statements of his ideas which he repeated through the Progressive era, Clark presented his "vision" of increasing productivity as "one bright beyond the pictures that socialism..."

professor of law at Columbia University and the grandson of Timothy Dwight, Dwight in this article nearly confirms the importance of the nineteenth-century colleges in transmitting the Federalist political imagination. See also, Howe, The Unitarian Conscience, pp. 205-211, 221-226.


This ideal vision contrasts no more strangely with the reality of that advertised cornucopia today than it does with the Christian socialist ideal of equity and brotherhood of twenty years earlier with which Clark began. Whereas he originally had looked to the ideals produced by the social system, he now looked to its "enjoyments." After 1900, he believed that widened educational opportunity would allow members of "the demos" to attain positions of political, social, and intellectual leadership. "Their savings will grow and make them conservative wherever the security of property is in question." Under such circumstances, he argued, where some benefits flowed to all and hence produced a sense of justice, fraternity would be possible.

As the leading American theoretician of the competitive market, Clark also became a leading exponent of the Progressive right. By the turn of the century, he supported political progressivism and government legislation to prevent unfair competitive practices among large corporations. He retained his approval of factory laws and moderate labor unions and arbitration, which could remove the


slight and temporary impediments which real conditions always created to the “natural” distribution of wages. Clark’s progressivism aimed to protect the competitive working of the classical economy, on the understanding that it would create not greater equality, but greater quantities of goods for everyone and hence popular acquiescence.\textsuperscript{118}

Unlike Clark, Adams did not deny his liberal-socialist hopes of the mid-eighties, but under the cloak of public silence the egalitarian and fraternal thrust of those ideas could only atrophy. Adams’ policy of public silence was painfully visible in the one major attempt he made to revive his theory of the proprietary rights of labor. Elected president of the American Economic Association in 1896, he tried one last time, from this position of strength, to persuade his professional colleagues. But he declined to specify the proprietary rights of labor and his description of the theory was so vague that it was easily misunderstood.

In the ensuing discussion, the conservative leaders of the profession either denied Adams’ theory outright or interpreted it as placing on labor unions the financial responsibilities for their strike activities, which they had hitherto tried to escape. Franklin Giddings upheld Adams’ theory as conservative. The labor right which industry should now recognize, he said, was long and faithful service. “If a man has long been a faithful employee, it seems to me that he is entitled to a reasonable notice of impending dismissal.” It is no wonder that John R. Commons, then a radical economist in perpetual fear of his position, cautioned Adams that in view of the difficulty of putting new meanings into old terms he should give “specific illustrations of the new rights which laborers are at liberty to urge on account of new industrial conditions.” Adams admitted the justice of Commons’ remark, but he refrained from denying the conservative interpretations that his colleagues placed on his thought and declined to give any specific examples. He was not about to repeat in 1896 the mistake that he had made in 1886.\textsuperscript{119}

\textsuperscript{118} Ibid., pp. 16–18; Clark, “The Society of the Future,” p. 1650.

Adams continued to speak of his ideal of cooperative industry only to his university classes, and through that oral tradition his hopes maintained a tenuous existence. The surviving evidence of that tradition suggests, however, that cooperation held a small place in his total economic system, and emerged not so much from labor struggle and judicial regulation as from the natural evolution of corporate capitalism itself. These reduced hopes also reflected the actual course of contemporary history, as labor unions failed to organize at the rapid rate anticipated by intellectuals of the eighties, and the judiciary, on which Adams had explicitly relied, proved inhospitable to his ideas. Adams’ theory of how to bring private capitalism under public control was rediscovered during the New Deal, when it appeared a perceptive and prescient analysis of the problem, but even then its original egalitarian goals were muted.\textsuperscript{120}

Ely’s retreat from socialism followed the course set by both Clark and Adams: he modified his egalitarian and fraternal hopes and allowed them to atrophy as well. Chastened and respectable, Ely was elected to the presidency of the American Economic Association; in his two presidential addresses at the turn of the century he made a last theoretical effort to reformulate his program on liberal premises. Drawing eclectically on the new insights into evolutionary theory and neo-idealistic philosophy explored by his colleagues of the nineties, he called for “an extension of governmental activity which has in view the maintenance of competition,” though a competition elevated and humanized by social purposes.

The goal of reform appeared to remain the fraternal harmony and relative equality—or inequality—that Ely had always advocated, but in fact the terms in which he defined equality were changed. Previously Ely had always measured equality by people’s actual condition—“equal opportunities” meant “giving to each the means for the development, complete and harmonious, of his faculties.” Now equality was to be measured at the start of the competitive

race, "equality of opportunities in economic competition." A more tenuous and difficult concept, this competitive "equal opportunity" absolved Ely, and the Progressive thinkers he echoed, from final responsibility for the gross inequality of condition which inevitably resulted from the capitalist economy.\textsuperscript{121}

Ely had deserted liberal-socialist ideals even earlier. According to David P. Thelen, a vocal segment of the urban middle class emerged in Wisconsin during the 1890's. Faced with the misery and class conflict of the depression of 1893, they began to express attitudes very similar to those of the socially conscious intellectuals in the eighties: liberal antagonism to the new plutocracy and organicist hopes for a more harmonious, fraternal society. They constituted a newly-awakened public willing to entertain new solutions to the social problem and anxiously besieging Ely and the university for speakers, readings, and ideas.\textsuperscript{122} To what extent they might have responded to a socialistic message from that respected source cannot be known, for by the mid-1890's the intellectuals had become more circumspect and their socialism had been modified into liberal reform. Ely himself, after his trial in 1894, gave them little help, and exerted a conservative influence on friends and colleagues. When Henry D. Lloyd was disillusioned by his failure to unite the populists and the radical wing of the labor movement around a Fabian platform, and was uncertain whether to join the new Socialist Party, Ely's influence helped turn him away from socialism and back toward the attempt to contain reform within liberalism.\textsuperscript{123}

If the idealistic socialism of the eighties was a natural product of


\textsuperscript{122} David P. Thelen, The New Citizenship. Origins of Progressivism in Wisconsin, 1885-1900 (Columbia, Mo., 1971). See particularly pp. 80-85 for the organicist ideology" Thelen finds at the base of the new "civic consciousness." Thelen regards Ely and the new social scientists as one of the sources of this ideology, but also apparently finds considerable evidence of it in the popular and religious press. Note the same organicist concern in what Thelen terms the "Mugwump" mentality, pp. 9-11.

\textsuperscript{123} Destler, Henry Demarest Lloyd, pp. 425-426, 506-507.