B. B. - Economic Order:

Lunched yesterday with Richard T. Ely whom I have not seen for many years. What I practically wanted to get from him was his own story of the part he took in changing the economic thought of the mass of people in the period of B. B. Our talk was rather random but this came out of it and would form I thing a basis of the two or three pages that I possibly could give to him and his theory.

He entered Johns Hopkins in 1881 as a Professor fresh from Germany and imbued with the German ideas of humanizing the economic order. He is saying today that the new economics is a science of human relations. Certainly he began from the start to teach that economics must consider the needs of humanity. Does not concern himself merely with the causes of wealth as Adam Smith did - the causes of poverty as Malthus did, but was concerned with the relations of men as well as with the natural resources of the earth and their development. As he says today (referred ~~as he / in reference then~~) economics deals with wages, profits, interest, debt, but that these are relations among men - the disturbance of these relations, means poverty, a ~~smooth running~~ economic war.

(See Pamphlet - Real Estate in the Business Cycle)

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He says that from the beginning his writing and speaking has attracted attention. He was challenged by David Wells - William B. Sumner and Laurence Godkin in the Nation particularly. He says that they were the leaders of economic thought for the intelllectuals, that they were forceful and dogmatic and he said Sumner developed a personal animus against him, (Ely.) He seemed/attack from the first that his ideas could best be spread through the Church. He was an Episcopalian. He wrote for the Church paper. I think it is the Christian Union - not sure. Here his articles attracted the attention of Dr. Lyman Abbott, Editor of the Outlook and he wrote to him, "I want you to be my teacher." This relation lasted as long as Abbott lasted. Fifty years after that letter Ely says that he was at a meeting in Washington where Dr. Abbott was speaking and he introduced him, Ely, as "my teacher for fifty years."

The Outlook then became an organ for Ely's ideas. His friend took him to Chautaugua and he said he always stood boldly behind him, although there was much criticism there as is natural among the conservatives of his ideas. He had graduate work at Chautauqua for a number of years and says that he had some of the best pupils there that he has ever known.

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days from outsiders, but he is having hard sledding getting anything for his Institute for Economic Research.

The trial of which Howe speaks -

"The year I took my degree Doctor Ely left Johns Hopkins to go to the University of Wisconsin. There a few years later he was tried by the Board of Regents for alleged socialistic teaching. It was, I believe, one of the first heresy trials in the universities. Doctor Ely was vindicated and a tablet was put up on the campus as a monument to academic freedom, but the trial sent a chill through political economists everywhere and aided effectively in transferring discussion of social questions from the universities to the street-corners and the radical press."

(Howe, Frederic C. "The Confessions of a Reformer" New York, 1925 Page 28)

It will be possible I think to get Ely's interpretation of the events of my twenty years. So far as labor is concerned they are all in his

In talking of the difficulty of getting money for his Institute for Economic Research he speaks of O.D.Y. Says he is one of the best men we have, tells of his interview with him and of his getting a large contribution. Of course the idea is practically in line with Young's preaching that by experiment and research we ought to find our way out of the present tangle. He, Ely, says that as a giver Young is different from the Rockefeller Foundation for instance, that they gave him a liberal donation, helped found the Institute. They did not ask what the Institute would teach but they did put a string onto the personnel, that is they

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must approve of the personnell He says that Young put no strings at all on his money.

He is concerned now I think about Young's financial condition - not able to give him large donations for which he had hoped, but he thinks he is one ofthe best men we have.

In connection with the paragraphs on Ely something should be said of Gunton or Washington Gladden and of of J.B.Clark's little book on "The Philosophy of Wealth" written when he was at Smith's College. It was the outcome of a series of articles in which he says in his preface to the P of W he endeavored to contribute a share towards the reformulating certain leading principles of economic science.

"The articles referred to endeavored to contribute such share as they might toward the needed recnstruction of economic theories. They endeavored to broaden the conception of wealth, as the subject of that science,to find a place in the system for the better motives of human nature, to construct a new theory of value, to apply at all points the organic conception of society, and to suggest other corrections. They tried, in general, to bring the premises of the science into better accordance with facts, and to bring the general spirit of it into greater harmony with the instinctive demands of a healthy human nature."

Clark, John B. AM, "Philosophy of Wealth" Boston, 1886
Preface, Page IV)

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Clark says of his book that it is not a text book that what it hopes to do is to find readers and thinkers who have long been in revolt against the general spirit of the old political economy.

I am not sure that what he says, that he was ahead of Ely in his attempt to/formulate. This book was published in 1886. Ely must have begun writing about '82 or '83. The Englander articles began in the '70's.

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