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## The Progressives: Economics, Science, and Race

Herbert Hovenkamp\*

**Reviewing Thomas C. Leonard, *Illiberal Reformers: Race, Eugenics and American Economics in the Progressive Era* (Princeton, NJ: Princeton Univ. Press 2016), 250 pp. incl. Index and Note. ISBN: 978-0-691-16959-0.**

This brief, well written book surveys the economic and social science of Progressive reformers, focusing mainly on the early twentieth century. This area of United States history has been heavily written about and Professor Leonard does not purport to be breaking much new ground in coverage. He does, however, offer an extended argument that a principal characteristic of the period was a decline in individual liberties. An interesting deviation from other histories of the Progressive movement, which may please some readers but not others, is greatly reduced attention to the activities of the Supreme Court in either resisting or facilitating the rise of the regulatory state.

Briefly, the first generation of progressive reformers tended toward marginalism in their economics and genetic determinism in their social science. Both of these elements of progressive thought have been addressed previously many times. Professor Leonard does not dispute either of these propositions. Although he is an economist, and singles out economics in his title, his book pays relatively little attention to the marginalist revolution and its impact on Gilded Age and early twentieth century thinkers. There is a brief discussion of John Bates Clark's argument for a marginal value theory of wages (p. 86), and a longer discussion of progressives' beliefs about market failure and the need for regulation and antitrust as correctives (pp. 27-35).

No economic doctrine divided professional economists in the late nineteenth century more than the marginal utility question, forcing economists to take sides. The issue was so fundamental because it went to economists' entire theory of value. By and large classical economists had equated value with the toil and trouble of making or acquiring something, a backward looking query that emphasized labor, and found "value" to be inherent in the property or things themselves. By contrast, the new marginalists defined value by willingness to pay for the next unit of something, a purely subjective and behavioral inquiry. Marginalism enabled a revolution in economic science, although applying it quickly exposed economists to mathematics and, eventually, statistics. The result was the professionalization of the discipline.

Beginning with John Bates Clark and Irving Fisher, the new marginalists rejected many of the virtually canonical theories of classical economics. Among these were the backward looking wage-fund theory that the rate of wages is a function of previously accumulated surplus; the idea that the distribution of wealth is not a fundamental concern of policy makers; and the

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premise that nearly all markets except a few natural monopolies work best if the State leaves them alone. While traditionalists during the period, such as Simon Newcomb, were staunch believers in laissez faire, the new marginalists to various degrees argued for state intervention, beginning with Henry Carter Adams' famous argument in *The Relation of the State to Industrial Action* (1887) that regulation or antitrust intervention is called for when firms exhibit economies of scale. To a significant degree marginalist economics prior to the 1930s did tend to subordinate individualism in economics to an expansive but never very well defined theory of the common good.

Professor Leonard's focus is more on the politics of these progressives than their economics. He describes the rise of professionalism in economics and the other social scientists, and the general rejection of the autonomous individual as the primary unit of political and social thought. He believes that this reaction against individualism made the progressives "illiberal," which means that questions about policy tended to be addressed collectively rather than individually. The use of Darwinian biological and behavioral concepts and marginalist economic concepts also greatly increased the demand for technique, which meant that economists and social scientists became experts to an unprecedented degree (Ch. 3). Leonard devotes a chapter to the progressive preoccupation with efficiency and the growing belief that competitive markets, left to their own devices, could not be trusted to produce efficient outcomes (Ch. 4). Rather, efficiency had to be managed through such devices as government supervision of industrial structure, the use of statistics in government decision making, and "Taylorism," or the private theory of scientific management promulgated by Frederick Winslow Taylor in the early twentieth century.

Leonard also devotes a chapter (Ch. 6) to the role of Darwinism in economic reform, borrowing Richard Hofstadter's distinction between Social Darwinism and Reform Darwinism, with their radically different notions about statecraft, and also the relatively explicit racism that characterized so many of the early generation of reformers. The subsequent, closely related chapter focuses on eugenics (Ch. 7). After that are three chapters on the political or social exclusion of groups deemed inferior or less productive, including the unemployable (Ch. 8), immigrants (Ch. 9), and finally, women (Ch. 10).

For the most part these chapters are consistent with the extant scholarship in these areas, although the chapter on the exclusion of women exaggerates Progressive views and practice. Part of the problem, it seems to this reader, is lack of historical context. In order to know whether women were excluded we need to know a little more about their starting point. Throughout the nineteenth century married women were denied many legal rights, including the right to own or manage property or to keep their own wages. These limitations gradually diminished through the century in a series of married women's property acts. Prior to the Gilded Age women were not a major labor force outside of the traditional home and farm. For example, in 1880 only some 4% of those employed in banks, offices and other clerical positions were women; by 1920 that number had risen to 20%. In outside employment overall, the number of women went from 2.6 million in 1880 to 8.6 million in 1900. For the most part, however, they were excluded from management positions. The era also witnessed considerably expanded constitutional litigation

over the position of women in the workforce, including the legality of minimum wage and maximum hours laws; ratification of the Nineteenth Amendment (1920) during the Wilson administration, which gave women the right to vote; and of significant increases in the entry of women into politics and the professions, including the right to serve on juries and hold local elective office. Professor Leonard does mention (pp. 170-171) the famous Brandeis Brief in *Muller v. Oregon* (1908), where the Supreme Court upheld a 10-hour law for women only three years after it had struck down a similar law that applied to mainly male bakers in *Lochner v. New York* (1905). As he observes, while that brief is widely described as a “social science” document, it was in fact a hodgepodge of opinion by social activists and clergymen, much of it arguing that women are physically inferior to men. The arguments were also strenuously evolutionary, although perhaps more Lamarckian than Darwinian – “like begets like,” Brandeis and Goldmark observed in their brief, concluding that sickly women would produce sickly children. Speaking of the women’s ten hour statute as an effort toward the “exclusion” of women is historically inaccurate, however, no matter how much sexism was contained in the Brandeis Brief. The fact is that progressive reformers passed ten hour regulation for both men (*Lochner*) and women (*Muller*). The main difference was that the Supreme Court struck down the *Lochner* statute and upheld the one in *Muller*, even though the Court at that time was decidedly not controlled by progressives.

The early progressive revolution in statecraft was characterized chiefly by its embrace of science, and the science of the day was the heavily Darwinian biological and social sciences, as well as marginalism in economics. This melding of science and policy included some features that today seem embarrassing for supporters of a more active state. Particularly damning is progressive era racism, which Leonard develops in great detail.

But the progressive revolution actually developed in two stages. The first stage, which ran from the Gilded Age until well into the 1920s, emphasized mainly the new economics (marginalism with a dose of historicism) and a heavily hereditarian interpretation of Darwin, abetted in large part by the rise of the science of genetics and its fringe stepsibling, eugenics. The “germ plasma” became an explanatory device for practically every feature of human development and cognition, including not only physical power and endurance, but also intelligence and even morals.

These genetic-centered ideas of first stage progressivism serve to make it so ugly from today’s perspective, where it is sometimes compared to Hitler’s views of Aryan supremacy. Conservatives and other traditionalists were just as racist, certainly insofar as they accepted the dominant genetic theories of the day. The main difference is that the laissez faire attitudes of traditionalists served to keep race discrimination and exclusion largely a private matter, with the prominent exception of the rise of Gilded Age Jim Crow laws in the American South. The Progressives, by contrast, believed in an active state, and so prevailing social attitudes about race, culture and gender became the subject of state legislative programs, including such things as mandatory neutering of criminals and other “defectives” (e.g., *Buck v. Bell* (1927)), and even a ten-year experiment with mandatory racial zoning until the Supreme Court’s *Buchanan v. Warley* decision ended it in 1917. The result was to give Progressive racism a much uglier

appearance than the benign neglect that characterized traditionalists. Notable targets of renewed scrutiny of this period include such people as Woodrow Wilson, feminists Elizabeth Cady Stanton and Carrie Chapman Catt, academics Richard T. Ely, Irving Fisher, and many others. All of them were serious reformers for the interests they championed, but also harbored strong views about white supremacy and the need for state managed racial separation.

Even during the heyday of progressive exclusion, however, an important group of dissenters was already working on a much more environmentalist and egalitarian strand of social science. The second stage of Progressive thought, beginning in the 1920s and 1930's, included such environmentalist pioneers as Franz Boas, whose writing stretched from the second decade of the twentieth century into the 1940s; Melville Herskovits, whose influential writings on Afro-Americans in the 1920s and after led to the emergence of modern racial science emphasizing nurture rather than nature, Herskovits' contemporary Ruth Benedict; and many others. As early as 1938 the generally conservative United States Supreme Court, not yet having experienced the Roosevelt revolution, proclaimed looser scrutiny of economic regulation but a much harsher look at laws impairing the rights of "discrete and insular" minorities. In 1948, in *Shelley vs. Kraemer*, the Court launched a new episode in its jurisprudence. In sum, the progressive 1930s and 1940s had a much different look and feel from the progressive 1910s and 1920s.

Leonard's book provides a good overview of the early part of the progressive movement, particularly its political and sociological views. It provides little support, however, for the proposition he states in his conclusion that progressivism was characterized chiefly by deprivation of individual liberties. That would require far more searching into progressivism's origins, including the increasing dominance of urban communities, immigration, the rapid increase in the population of non-owner employees, the increasing complexity of markets, and unprecedented maldistribution of wealth. It would also require acknowledgement of a theme that was pervasive in progressive thought, famously echoed by Robert L. Hale's 1923 article entitled "Coercion and Distribution in a Supposedly Non-Coercive State." Particularly in urban and industrial settings where property ownership is highly concentrated in the hands of a few, markets themselves can be coercive. Decision makers may then have to choose between one type of coercion and another.

Herbert Hovenkamp

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Professor Hovenkamp teaches antitrust and legal history at the University of Iowa College of Law. His most recent book is *The Opening of American Law: Neoclassical Legal Thought, 1870-1970*.

