Denying Human Homogeneity:

Eugenics & the Making of Post-Classical Economics

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July 6, 2001
revised: May 24, 2002

Earlier versions of this paper were presented at the 2000 History of Economics Society meetings in Vancouver and at the Middlebury College Christian A. Johnson Economics Conference “Race, Liberalism, and Economics” in April 2001. We have received helpful comments from David Colander, Sandy Darity, Robert Leonard, Deirdre McCloskey, Larry Moss, A. M. C. Waterman, and this journal’s referees. Bryan Caplan and Ed McPhail provided valuable references for us.
“I believe that now and always the conscious selection of the best for reproduction will be impossible; that to propose it is to display a fundamental misunderstanding of what individuality implies. The way of nature has always been to slay the hindmost, and there is still no other way, unless we can prevent those who would become the hindmost being born. It is in the sterilization of failure, and not in the selection of successes for breeding, that the possibility of an improvement of the human stock lies.”(Wells 1904, p. 11).

“Let us bear in mind the words of Galton written almost in the last years of his life, words not of despair, but of wise caution: ‘When the desired fullness of information shall have been acquired, then and not till then, will be the fit moment to proclaim a “Jehad” or Holy War against customs and prejudices that impair the physical and moral qualities of our race.’” (Pearson and Elderton 1925, p. 4).
Introduction

The question we propose to address is how peace came to the conflict between economics and racism. How did economics move from the Classical period characterized by the hardest possible doctrine of initial human homogeneity – all the observed differences among people arise from incentives, luck and history\(^1\) – to become comfortable with accounts of human behavior which alleged foundational differences among and within races of people? (Darity 1995) In this paper, we shall argue that early British eugenics thinkers racialized economics in the post- Classical period.

Given their stature as mathematical statisticians, we find it odd that the importance of the eugenic writing of Francis Galton and Karl Pearson has been neglected in the secondary literature on post-Classical economics.\(^2\) The racial debates of the nineteenth

\(^1\)Smith (1776, p. 28): “The difference of natural talents in different men is, in reality, much less than we are aware of; and the very different genius which appears to distinguish men of different professions, when grown up to maturity, is not upon many occasions so much the cause as the effect of the division of labour. The difference between the most dissimilar characters, between a philosopher and a common street porter, for example, seems to arise not so much from nature as from habit, custom, and education. When they came into the world, and for the first six or eight years of their existence, they were perhaps very much alike, and neither their parents nor playfellows could perceive any remarkable difference. About that age, or soon after, they come to be employed in very different occupations. The difference of talents comes then to be taken notice of, and widens by degrees, till at last the vanity of the philosopher is willing to acknowledge scarce any resemblance.”

\(^2\)The silence in the commentary on Fisher is noted in the first sentence of Aldrich (1974, p. 33): “Irving Fisher’s long and enthusiastic support for the American eugenics movement receives nary a word of mention in most standard histories of economic thought.” Electronic searches allow a systematic, albeit limited, exploration of the scholarship on the subject. Using JSTOR we find no use of the word “eugenics” in any of the literally hundreds of articles and reviews written by Joseph Schumpeter, George Stigler or A. W. Coats. The search results conducted on May 23, 2002 are available in HTML form upon request. While recognizing the limitations associated with such a search, we suggest the outcome indicates the emphasis (or lack thereof) in the literature on this topic. (The case of Schumpeter’s History of Economic Analysis which, as Aldrich notes, pays attention to racist doctrines, and as a book is not accessible in
century have been so hidden that many economists still believe the “dismal science” label has something to do with Malthus’s views on population and wages. In fact, Classical economics was condemned because it was characterized by a doctrine of homogeneity that abstracted from race: recent work has shown that the “dismal science” characterization was earned because the Classical economists supported the emancipation of West Indian slaves (Persky 1990, Levy 2001a& b, Levy-Peart 2001-02).

Our contention here is that early eugenics thinking emerged in direct opposition to the Classical account of economic decision-making entailing homogeneity, and that, temporarily, eugenicists succeeded in moving economic to accounts of competency involving racial difference. To make our case, we trace the opposition to race-blind accounts from Thomas Carlyle to the co-founder (with Francis Galton) of eugenics, W.R. Greg, and then to James Hunt and the Anthropological Society of the 1860s. Hunt is important in our account for his “new” – and devastating – theory of race entailing lack of differentiation within the race, which, we argue, influenced the other co-founder of eugenics, Galton. Next, we examine how the early eugenicists’ characterization of race influenced economic analysis in the post-Classical period: both in terms of the Hunt’s zero variation theory; and also in terms of the Anthropologists’ parametric claims about the features of “lower” races. We also

JSTOR, will be discussed below). Among the past generation of historians of economics, as far as we can determine only Spengler systematically paid attention to eugenics (Spengler 1955, 1966). Mirowski (1989) discusses energetics at length with a slight glance at eugenics. The papers in Mirowski (1994) mention eugenics once, in connection with Marshall. The eugenic involvement of the neoclassical economists is apparent in specialist accounts of eugenics, such as that by Soloway (1995).
show that post-Classical economists endorsed each of the three major policy recommendations of the eugenists. Finally, we note how L. von Mises and the Chicago school revived the Classical economists’ doctrine of human homogeneity.\(^3\) Perhaps not surprisingly, the Chicago revival began with skepticism about the common link supposed in early neoclassical economics between time preference and race.

Contemporary readers may be surprised that nineteenth-century arguments about racial superiority play out both in terms of the Irish and the former slaves in Jamaica (Curtis 1968, 1997).\(^4\) “Race” is a rather ill-defined notion well into the twentieth century, and in this period, race is sometimes used to indicate national or vaguely-defined ethnic differences. Nonetheless, by 1870 two theories of racial hierarchy can be identified as co-existing in the scientific community and the popular press.\(^5\) The more devastating view of the owner of the Anthropological Review, James Hunt, held that there were races whose physical development arrested prematurely, dead races incapable of elevation:

\(^3\)Max Weber, whose influence on von Mises is common knowledge, severely criticized the racialization of the social sciences (Proctor 1991, p. 182). The anti-racist connections among Weber, von Mises and Eric Voegelin are in much need of specialist attention. Weber does not make Schumpeter’s list of “three greatest sociologists,” but joining Vico and Marx, is Francis Galton (Schumpeter 1954, p. 791).

\(^4\)Discussion in the Anthropology Society at this time very much focused on the Irish, and on whether a well-defined separate Irish “race” might be identified. The President of the Anthropological Society of London in 1870, John Beddoe, became well-known for developing an “Index of Nigrescence” that might be applied to Celtic “types,” as well as the racial category, “Africanoid Celts.” (Curtis 1997, p. 20, Beddoe 1870, pp. 212-13). Huxley takes issue with Beddoe over the question of whether the Irish were a separate race. Loring Allen notes that eugenicists were also unclear on the meaning of “race” (1993, p. 150).

\(^5\)Peart-Levy 2002 examine representations of the Negro and the Irish in the popular press at the time, most notably, in Punch.
We now know it to be a patent fact that there are races existing which have no history, and that the Negro is one of these races. From the most remote antiquity the Negro race seems to have been what they are now. We may be pretty sure that the Negro race have been without a progressive history; and that they have been for thousands of years the uncivilized race they are at this moment. (Hunt 1863, 13).

The second theory, which we call “parametric racism,” held that the inferior race differed from the superior (Anglo-Saxons) along some parameter(s). W. R. Greg, who is featured below for having co-founded the eugenics movement with Galton, persistently attacked Classical political economy for its assumption that the Irishman is an “average human being,” rather than an “idiomatic” and an “idiosyncratic” man, prone to “idleness,” “ignorance,” “jollity” and “drink” (Greg 1868, p. 78; quoted in full, below).

That both types of racial accounts co-existed and were applied to the Irish is evident from these remarks by Thomas Huxley in an 1870 address to the Anthropological Society:

If the writer means to be civil, the Celt is taken to be a charming person, full of wit and vivacity and kindliness, but, unfortunately, thoughtless, impetuous, and unstable, and having standards of right and wrong so different from those of the Anglo-Saxon that it would be absurd, not to say cruel, to treat him in the same way. Or, if the instructor of the public is angry, he takes the Celt as if he were a kind of savage, out of whom no good ever has come or ever will come, and whose proper fate is to be kept as hewer of wood and a drawer of water for his Anglo-Saxon master. This is the picture of the lion by the man. (Huxley 1870, p. 197).

Early Eugenics and the Opposition to Classical Economics

Darwin’s theory of natural selection profoundly influenced early eugenicists, and the admiration was mutual. But there was a key difference between Darwinism and the “theory” put forward by early eugenicists. Darwinism, applied to humans, predicted the fit would
survive, without intervention, naturally. Yet A. R. Wallace made the case early on that the doctrine of natural selection did not apply to humans. Recognizing that humans could not count on such a tendency, eugenicists recommended that human (State) action should used to obtain it.

In 1864, Wallace argued that the doctrine of natural selection did not apply to humans because of ethical concerns generated by human sympathy. Our morals do not allow us to let the infirm perish. Wallace describes non-human animals and then turns to people:

But in man, as we now behold him, this is different. He is social and sympathetic. In the rudest tribes the sick are assisted at least with food; less robust health and vigour than the average does not entail death.... Some division of labour takes place... The action of natural selection is therefore checked...” Wallace, 1864, p. clxii.

W. R. Greg responded that sympathy blocked the “salutary” effects of the survival of the fittest, and therefore such sentiments should be suppressed:

My thesis is this: that the indisputable effect of the state of social progress and culture we have reached, of our high civilization in its present stage and actual form, is to counteract and suspend the operation of that righteous and salutary law of ‘natural selection’ in virtue of which the best specimens of the race – the strongest, the finest, the worthiest – are those which survive... and propagate an ever improving and perfecting type of humanity. (1875, p. 119)

To testify to the importance of Greg, and his 1868 Fraser’s “On the Failure of ‘Natural Selection’ in the Case of Man,” what better authority can there be than Darwin himself:

Natural Selection as affecting civilized nations. I have hitherto only considered the advancement of men from a semi-human condition to that of the modern savage. But some remarks on the action of Natural Selection in civilized nations may be worth adding. This subject has been ably discussed by Mr W. R. Greg, and previously by Mr
Wallace and Mr Galton. Most of my remarks are taken from these three authors.6 Darwin was particularly taken by the following piece of intelligence from Greg:

The careless, squalid, unaspiring Irishman, fed on potatoes, living in a pig-stye, doting on a superstition, multiply like rabbits or ephemera: – the frugal, foreseeing, self-respecting, ambitious Scot, stern in his morality, spiritual in his faith, sagacious and disciplined in his intelligence, passes his best years in struggle and in celibacy, marries late, and leaves few behind. Darwin (1989, p. 143) quoting Greg (1868, p. 360).

In his Enigmas of Life – now informed by Galton’s “Hereditary Genius” – Greg focused his attack on the homogeneity doctrine implicit in T. R. Malthus’s recommendation of delay of marriage. Malthus is concerned only that, on average, marriage be postponed, whereas Greg is concerned that the “improving element” will be outbred by the “more reckless”:

Malthus’s “prudential check” rarely operates upon the lowest class; the poorer they are, usually, the faster do they multiply; certainly the more reckless they are in reference to multiplication. It is the middle classes, those who form the energetic, reliable, improving element of the population, those who wish to rise and do not choose to sink, those in a word who constitute the true strength and wealth and dignity of nations,–it is these who abstain from marriage or postpone it. Greg (1875, p. 129).

In a chapter “Malthus Notwithstanding,” Greg emphasizes a new law in opposition to Malthus’s:

... possibly the danger ultimately to be apprehended may be the very reverse of that which Malthus dreaded; that, in fact, when we have reached that point of universal plenty and universal cultivation to which human progress ought to bring us, the race will multiply too slowly rather than too fast. One such influence my be specified with

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6 Charles Darwin (1989, pp. 138-39). In the later Enigmas of Life, Greg seems rightly pleased to report this endorsement, Greg (1875, p. 137): “M r. Darwin, who has done me the honor to quote a monograph which I wrote four or five years ago on this subject ....” Galton (1908, p. 290): “The verdict which I most eagerly waited for was that of Charles Darwin, whom I ranked far above all other authorities on such a matter. His letter, given below, made me most happy.”
considerable confidence,—namely, THE TENDENCY OF CEREBRAL DEVELOPMENT TO LESSEN FECUNDITY. Greg (1875, p. 103). [The typography is in the original.]

To see the eugenics movement pick up the racist challenge to Classical economics in Carlyle’s “Negro question,” we begin with the two co-founders of eugenics: Galton and Greg. Here is the passage of Galton’s 1865 “Hereditary Talent and Character” in which he announces his adherence to the doctrine of national characters:

Still more strongly marked than these are the typical features and characters of different races of men. The Mongolians, Jews, Negroes, Gypsies, and American Indians; severally propagate their kinds; and each differs in character and intellect, as well as in colour and shape, from the races that form a class of instances worthy of close investigation, in which peculiarities of character are invariably transmitted from the parents to the offspring. (1865, p. 320). [emphasis added]

The generating mechanism Galton posits for racial hierarchy is a conjunction of the argument which Thomas Carlyle advanced in his quarrel with the economists (Levy 2001; Levy-Peart 2001-2) – labor makes us fully human – conjoined with the principle of natural selection:

The most notable quality that the requirements of civilization have hitherto bred in us. Living as we do in a rigorous climate and on a naturally barren soil, is the instinct of continuous steady labour. This is alone possessed by civilized races, and it is possessed in a far greater degree by the feeblest individuals among them than by the most able-bodied savages. ... men who are born with wild and irregular dispositions, even though they contain much that is truly noble, are alien to the spirit of a civilized country, and they and their breed are eliminated from it by the law of selection. (1865, p. 325)

Next, we juxtapose Carlyle’s Shooting Niagara – the enormously important defense of Governor Eyre and attack on democratic movements in America and Britain – with Greg on the survival of native races:
Our intention here is to highlight how Carlyle’s racism influenced early eugenics thinking. Elsewhere, we have demonstrated how the Governor Eyre controversy served to harden attitudes about race. (Levy -2001a, Levy-Peart 2001-02, Peart-Levy 2002). The advocates of the social importance of racial hierarchy, those who supported Governor Eyre's brutal actions against former slaves in Jamaica, include some of the greatest prose stylists of Victorian Britain: Thomas Carlyle, Charles Dickens, Charles Kingsley, and John Ruskin. By contrast, all the economists we have found – J. S. Mill, John Bright, J. E. Cairnes, H. Fawcett, H. Spencer, T. Rodgers – were on the other side (Semmel 1962).

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<th><strong>Carlyle</strong></th>
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<td>One always rather likes the Nigger; evidently a block-head with good dispositions, with affections, attachments,—with a turn for Nigger Melodies, and the like:—he is the only Savage of all the coloured races that doesn't die out on sight of the White Man; but can actually live beside him, and work and increase and be merry. The Almighty Maker has appointed him to be a Servant. (1867, p. 5)</td>
<td>The Indians of the Antilles, the Red man of North America, the South Sea Islanders, the Australians, even the New Zealanders (the finest and most pliable and teachable of savages), are all alike dying out with rapidity—in consequence of the harshness, or in spite of the forbearance and protection, of the stronger and more capable European. The negro alone survives—and, but for the observation of what is now going on in our sugar islands and in the United States we should say, seems likely to survive. He only has been able to hold his own in a fashion, and to live and flourish, side by side with masterful and mightier races, ... (1868, p. 357)</td>
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There is a difference of course in style between Carlyle and Greg.

The connection between Carlyle and the eugenics movement can be appreciated more deeply by considering the substantial claims advanced in Shooting Niagara and in Galton’s 1872 “Gregariousness in Cattle and in Men.”

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Carlyle

there soon comes that singular phenomenon...

Galton

I propose, in these pages, to discuss a curious and apparently anomalous group of base moral instincts and intellectual deficiencies, to trace their analogies in the world of brutes, and to examine the conditions, through which they have been evolved. I speak of the slavish aptitudes, from which the leaders of men, and the heroes and the prophets, are exempt, but which are irrepresible elements in the disposition of average men. I refer to the natural tendency of the vast majority of our race to shrink from the responsibility of standing and acting alone, to their exaltation of the vox populi, even when they know it to be the utterance of a mob of nobodies, into the vox Dei, to their willing servitude to tradition, authority and custom. Quoted in Pearson (1924, p. 72).

Here is the judgment of Galton’s greatest disciple, Karl Pearson, on how we might read this article:

Wonderful, is it not, how Darwinism had already gripped Galton? How he thought in terms of heredity and natural selection and was ready to apply them to the past history of man in order to explain its present and suggest its future! The notion that it is necessary for human progress to breed out the men of slavish morals and intelligence—the essential foundation of eugenics—is already a truth to him. Pearson (1924, p. 74).

The link to Carlyle’s teaching is obvious. With eugenics we can breed the Hero:

Galton had an immense veneration for genius as he defines it; not only like Carlyle would he have made his heroes rulers of the mediocre, but unlike Carlyle he
James Hunt Converts Francis Galton

Galton’s criticism of economics as practiced in Section F of the British Association has been heavily discussed. Testimony from Nassau Senior suffices to demonstrate that the ideal was infrequently observed. But what was the feasible alternative to economics as practiced? One such, of which Galton evidently approved, was anthropology and in particular the anthropological reasonings of Dr. James Hunt.

How could Hunt have had anything in common with Galton? No one has ever called Galton a “quack.” Two claims which Hunt made in public at the London Anthropological

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8Pearson (1924, p. 94). In reference to the earlier Galton (1865), Pearson (1924, p. 78) rightly complains: “Here was Galton fifty years ago calling out for the ‘superman,’ much as the younger men of to-day are doing. But he differed from them in that he saw a reasoned way of producing the superman, while they do not seem to get further than devoutly hoping that either by a lucky ‘sport’ or an adequate exercise of will power he will one day appear!”


10Nassau Senior (1860, p. 357): “In 1856 the General Committee of the British Association decided that the Section over which I have the honour to preside, should be entitled “The Section of Economic Science and Statistics.”

“I have looked through the papers which since that time have been communicated to us, and I have been struck by the unscientific character of many of them.

“I use that word not dyslogistically, but merely distinctively, merely as expressing that the writers have wandered from the domain of science into that of art.”

Henderson (1994, p. 499): “A ny number of the early arguments defending the continued existence of Section F are curious and fail to confront directly Galton’s primary argument that the section dealt with unscientific matters.”

Society, and then had printed, may help motivate why he earned this label:

Many observers have noticed the fact that the Negro frequently uses the great toe as a thumb. (1863, p. 7)

... the typical woolly-haired races have never invented a reasoned theological system, discovered an alphabet, framed a grammatical language, nor made the least step in science or art.\textsuperscript{12}

That anyone could assert that toes are used as thumbs or that a people exist without the capacity for a human language prepares one for the truly bizarre.

The modern theory of statistical racism as first explained by Arrow (1972) and Phelps (1972) supposes that groups will be divided on the basis of sample means. The race $\alpha$ will differ from race $\beta$ on the basis of an estimate of location. On the contrary, we argue that at least as an approximation, the racists we consider, Hunt first and foremost, distinguish race $\alpha$ from race $\beta$ on the basis of an estimate of scale. “Inferior” is a judgment applied to a race $\beta$ which is supposed with zero variance. The sample mean of some race, its stereotype in Arrow-Phelps terminology, is the “inferior” race. The reader who thinks that the first $\beta$ which deviated from the stereotype would falsify this hypothesis has insufficiently reflected upon the “mixed race” immunization strategy. The intelligent “$\beta$” is not a real “$\beta$.”\textsuperscript{13}

\textsuperscript{12}Hunt (1863, p. 19). The language slur resurfaced early in the 20\textsuperscript{th} century, when Commons (1916, p. 94) asserted that the Yiddish spoken by Russian Jews “is scarcely a language—it is a jargon without syntax, conjugation, or declension.”

\textsuperscript{13}The details are provided in Desmond (1994, p. 353), Young (1995) and Levy (2001b). Hunt provides an example of how this works: “The exhibitions of cases of intelligent Negroes in the saloons of the fashionable world by so-called ‘philanthropists,’ have frequently been nothing but mere impostures. In nearly every case in which the history of these cases has been investigated, it has been found that these so-called Negroes are the offspring of European and African parents.” Hunt (1863, p. 16).
The generating mechanism for this preposterous claim is actually elegantly simple. Both the mean and variance of intelligence and other moral characteristics are said to be functions of the length of time one's mind develops. Development of the “lesser” races stops sooner. If this notion were localized to Hunt’s claim that blacks used the big toe as a thumb, it would be of no further consequence. But this is not the case.14

The first issue of Hunt’s Anthropological Review contains abstracts of anthropological papers presented at Section E of the British Association along with reports of the floor discussion. The third paper is Hunt’s “On the physical and mental characters of the Negro.” This occasion generated considerable discussion because it was upon this time that the escaped slave and abolitionist writer, William Craft, rose to challenge Hunt.15 But before Craft spoke, Galton pointed out the stupidity of the zero variance assertion, based on his own experience in Africa:

Mr. Galton said that the case was briefly this:—Among the Negroes there were more frequent instances of an abject and superstitious character, combined with brutal behavior, than could be paralleled elsewhere in the world. It was a wonder that people like those of Dahomey could mould themselves into any form of society at all, and it was actually found that when the chief of such a tribe died it disintegrated and rapidly disappeared. In short, the tribes of Africa were remarkable for their rapid formation and short continuance. Many of their chiefs were of alien descent, and it

14Reade (1864, p. 399): “... the growth of the brain in the negro, as in the ape, is sooner arrested than in those of our race ...”

15Lorimer (1978, pp. 47-8) discusses Craft and the confrontation with Hunt. Levy (2001b) transcribes Charles Kingsley’s letter to Hunt about the event. It is illuminating that Mill’s most technically proficient disciple, J. E. Cairnes (1865, p. 336) cites “William Crafts [sic], the African explorer, the eloquent defender of the humanity of his race, and now the leading merchant and reformer in the kingdom of Damoney” along with Frederick Douglas and others as counter-examples to the zero variance claim.
was remarkable how their greatest kingdoms had been ruled by T awareks—men with Arab blood—or, as Captain Speke now informed us, by straight-haired Wahumas. How did it happen, then, that so degraded a people could furnish men capable of constructing nations out of the loosest materials? The question once stated was almost its own reply. The Negro, though on average extremely base, was by no means a member of a race lying at a dead level. On the contrary, it had the capacity of frequently producing able men capable to taking an equal position with Europeans. The fact of a race being distinguished by the diversity of its members was well known to ethnologists. There were black and red sub-divisions of many North African races, and the contrast between the well-fed and ill-fed classes of the same tribe of Negroes was often as amount apparently to a specific difference.  

How did Galton’s ideas “evolve” from a full recognition of the diversity of African peoples to his 1865 articles in Macmillan’s? Before his encounter with Hunt, Galton’s views represent his African experience viewed through the lens of a theory not-too-distant from that held by the Classical economists. After his encounter with Hunt, he reads, in the passages from the articles that we quote below, as if he were seeing the world through the theory provided by Hunt.

How this possible? Hunt was by contemporary judgment, a “quack.” Galton’s integrity is beyond reproach. But Galton had a weakness: there was a result which he really wanted

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16 Galton in “Anthropology at the British Association” (1863, p. 386). We find no discussion of this in any report in any of the secondary literature even though Pearson’s Life (Pearson 1924), devotes an extensive section to Galton’s anthropological writings.

17 Stepan (1982, p. 127): “Galton clearly recognized the variety in physical character, language and social organization of the various African tribes he encountered; once home, however, the tribal distinctions became merged in a single Negro race.”

18 At age 85 he found technical reasons to believe that majoritarian decision-making had desirable properties. And he called attention to this “unexpected” result with great clarity, choosing to title the first of a pair of articles “Vox Populi” explicitly challenging his Carlylean assertions quoted above! See Galton 1907a and 1907b. Levy-Peart (2002) reprint the articles and call attention to Pearson’s judgment that Galton chose to publish these results in Nature to maximize their contemporary (policy?) impact. Porter
to believe, of the positive correlation between the physicality of a man and his intellect. And many years after Hunt’s death he admits that he really wants to believe in the uniformity of the Negro.\textsuperscript{19} Here is Pearson’s report where he first quotes Galton:

\begin{quote}
I think most of my readers would be surprised at the statures and physical frames of the heroes of history, who fill my pages, if they could be assembled together in a hall. I would undertake to pick out of any group of them, even out of that of the Divines, an ‘eleven’ who should compete in any physical feats whatever, against similar selections from groups of twice or thrice their number, taken at haphazard from equally well-fed classes. Pearson (1924, p. 94)
\end{quote}

Then Pearson comments in the text: \textsuperscript{20}

\begin{quote}
Perhaps Galton laid too great stress on the high wranglers and classics of his own day who had been ‘varsity blue’; or again on the big-headed men on the front benches at the Royal Society meetings in the early ‘seventies.’ Pearson (1924, p. 94)
\end{quote}

He adds the following note:

\begin{quote}
He was very unhappy about the low correlations I found between intelligence
\end{quote}

\textsuperscript{19}(1892, pp. 195-6): “The impressions from Negroes betray the general clumsiness of their fingers, but their patterns are not, so far as I can find, different from those of others, they are not simpler as judged either by their contours or by the number of origins, embranchments, islands, and enclosures contained in them. Still, whether it be from pure fancy on my part, or from the way in which they were printed, or from some real peculiarity, the general aspect of the Negro print strikes me as characteristic. The width of the ridges seems more uniform, their intervals more regular, and their courses more parallel than with us. In short, they give an idea of great simplicity, due to causes that I have not yet succeeded in submitting to the test of measurement.”

\textsuperscript{20}Pearson himself was not immune to this sort of argument, e.g., Pearson (1924, p. 91): “Galton illustrates this by a case in which trained Highlanders challenged all England to compete with them in their games of strength. They were beaten in the foot-race by a youth, a pure Cockney, and clerk to a London banker. Perhaps I may be permitted to cite another illustration from an occurrence at varsity sports over 40 years ago. The high jump had been won by a highly trained athlete, and the rod had been replaced at the last half inch he had failed to surmount; a non-combatant, a somewhat sedentary mathematician in every day costume, stepped again from among the spectators, leapt the rod to the astonishment of the onlookers, and disappeared again into the crowd.”
The obituary from New York Weekly Day-Book of November 6, 1869, reprinted in the Anthropology Review under “Anthropological News” (1870, p. 97) gives some flavor of contemporary opinions: “We are pained to hear of the death of Dr. James Hunt … beyond doubt the best, or, at all events, the most useful man in England, if not, indeed, in Europe. … Dr. Hunt, in his own clear knowledge and brave enthusiasm, was doing more for humanity, for the welfare of mankind, and for the glory of God, than all the philosophers, humanitarians, philanthropists, statesmen, and, we may say, bishops and clergy of England together. He was teaching them what they are in fact—what God has made them, what their relations to other species of human kind, Mongols, Malays, Negroes, etc., and thus preparing them for the fulfilment of their duties to each other, and to the dependent races that were, or might be, in juxtaposition with them; …” Cf. Keith (1917, p. 19): “We must now turn back to the year 1863 to witness one of the most remarkable and instructive of all the episodes which chequer the history of our Institute. We have seen how young Hunt became Secretary of the Ethnological Society in 1859 under the Presidency of Crawfurd. He has the fire and enthusiasm of an evangelist and the methods of a popular political propagandist.” Stocking (1971, p. 377) explains the growth of the Anthropological Society by appeal to “a leader of Hunt’s evident dynamism.” Banton (1977, p. 77) describes Hunt as “England’s brashest exponent of the theory of permanent racial types.” Desmond (1994, p. 320) writes: “The coarsest attacks on Man’s Place were closest to home. As the American Civil War raged the doom-mongering about racial conflict inspired a charismatic reactionary with a PhD. James Hunt to found the Anthropological Society.”

When Galton defended Anthropology in the British Association from the type of charges he levied against Economics, he cited the quality of the anthropologist, not their procedures. Galton would not be the first intellectual, nor would he be the last, to have been seduced by charisma. Nor would he be the only African explorer to learn to see the world through Hunt’s

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21 The obituary from New York Weekly Day-Book of November 6, 1869, reprinted in the Anthropology Review under “Anthropological News” (1870, p. 97) gives some flavor of contemporary opinions: “We are pained to hear of the death of Dr. James Hunt … beyond doubt the best, or, at all events, the most useful man in England, if not, indeed, in Europe. … Dr. Hunt, in his own clear knowledge and brave enthusiasm, was doing more for humanity, for the welfare of mankind, and for the glory of God, than all the philosophers, humanitarians, philanthropists, statesmen, and, we may say, bishops and clergy of England together. He was teaching them what they are in fact—what God has made them, what their relations to other species of human kind, Mongols, Malays, Negroes, etc., and thus preparing them for the fulfilment of their duties to each other, and to the dependent races that were, or might be, in juxtaposition with them; …” Cf. Keith (1917, p. 19): “We must now turn back to the year 1863 to witness one of the most remarkable and instructive of all the episodes which chequer the history of our Institute. We have seen how young Hunt became Secretary of the Ethnological Society in 1859 under the Presidency of Crawfurd. He has the fire and enthusiasm of an evangelist and the methods of a popular political propagandist.” Stocking (1971, p. 377) explains the growth of the Anthropological Society by appeal to “a leader of Hunt’s evident dynamism.” Banton (1977, p. 77) describes Hunt as “England’s brashest exponent of the theory of permanent racial types.” Desmond (1994, p. 320) writes: “The coarsest attacks on Man’s Place were closest to home. As the American Civil War raged the doom-mongering about racial conflict inspired a charismatic reactionary with a PhD. James Hunt to found the Anthropological Society.”

22 Galton in “Economic Science” (1877, pp. 471-72): “This Section [F] therefore occupies a peculiar position of isolation, being neither sufficiently scientific in itself, nor receiving help from other Sections. In the first respect it may be alleged that the Anthropology Department and the Geographical Section are open to the same charges; but in the latter respect the case is very different. The leading anthropologists are physiologists, geologists, or geographers, and the proceedings of the department are largely indebted to their special knowledge.” Stepan (1982, p. 127) explains Galton’s reference to anthropologist as geographer.
eyes. By 1865 Galton on savages in general reads just like Hunt on the Negro.

It is important to notice that Galton never – as far as we know – employed the “mixed race” immunization strategy. Thus he lacks Hunt’s device for dealing with the difference between the theorized “Negro” and observed people of color. Hunt never denied that people of color had considerable variation. He insisted that all the variation was the result of their white ancestors. Without this quackery to distinguish between the theorized “Negro” and actual people of color, Galton later assumes that variance is a constant across observed races. Nonetheless, in 1865 his words give warrant to the supposition that the “Savage” is without variation.

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23 Reade (1864, p. 399): “Thus it has been proved by measurements, by microscopes, by analyses, that the typical negro is something between a child, a dotard, and a beast. I cannot struggle against these sacred facts of science.* [*At the last meeting of the British Association, in the Section E, the president of the Anthropological Society ventured to quote them. His audience felt insulted when informed that they were more intellectual than the negro, and endeavored to prove the contrary by hisses!] But I contend that it is only degradation; that it is the result of diseases; ...."

24 In the book version of Hereditary Genius, Galton assumes for exposition that races have the same variance. Galton (1978, p. 337): “In comparing the worth of different races, I shall make frequent use of the law of deviation from an average, to which I have already been much beholden; and, to save the reader’s time and patience, I propose to act upon an assumption that would require a good deal of discussion to the limit, and to which the reader may at first demur, but which cannot lead to any error of importance in a rough provisional inquiry. I shall assume that the intervals between the grades of ability are the same in all races ...” More pointedly he asserted that there was considerable overlap in the abilities of blacks and whites. Galton (1978, p. 338): “First, the negro race has occasionally, but very rarely, produced such men as Toussaint l’Ouverture ... Secondly, the negro race is by no means deficient in men capable of becoming good factors, thriving merchants, and otherwise considerably raced above the average of whites ....” We thank Bryan Caplan for the reference.
M. Gratiolet has also observed that in the anterior races the sutures of the cranium do not close so early as in the occipital or inferior races. From these researches it appears that in the Negro the growth of the brain is sooner arrested than in the European. The premature union of the bones of the skull may give a clue to much of the mental inferiority which is seen in the Negro race. There can be no doubt that in puberty a great change takes place in relation to physical development; but in the Negro there appears to be an arrested development of the brain, exactly harmonizing with the physical formation. Young Negro children are nearly as intelligent as European children; but the older they grow the less intelligent they become. They exhibit, when young, an animal liveliness for play and tricks, far surpassing the European child. (1863, p. 8).

With the Negro, as with some other races of man, it has been found that the children are precocious, but that no advance in education can be made after they arrive at the age of maturity. (1863, p. 12).

**“Characteristics” of “Lower” Races**

If the writings of a thinker like Galton seem to reflect the views of Hunt, perhaps the influence of Hunt and the anthropologists extends to the economics community as it was reshaped towards the end of the century. To this end, we summarize how the anthropologists...
and eugenicists characterized race, and we consider how those characteristics carry over to the post-Classical economics literature. 

Our intention is not to argue that the treatment of race is uniform across or within our groups of analysts. Differences persisted within the anthropological treatments (Duff 1881), and among post-Classical economists the discussion was by no means uniform. Yet the common language and themes evident in the table below suggest that the influence of early racial theorizing was persistent and wide, and took on the two forms outlined at the outset: the “inferior” race differed in terms of some parameter(s) such as work effort or time preference; and the other – more devastating – model which held that the Other was a dead race with a zero variance.

The table documents claims by post-Classical economists concerning the lack of differentiation among “lower races.” It also provides evidence from post-Classical economists of parametric racism, the presumption that inferior races are characterized by lower work effort, improvidence, alcoholism, inability to control sexual passion, and overall

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25 We confine our study to the period in which the influence of eugenics is most strong, roughly from 1870-1920. A number of well-known economists who were prominent in the Eugenics Society remain outside our scope, notably, J. M. Keynes and James Meade. Keynes’s Galton Lecture (Keynes 1937) reveals a deep concern with population growth, but it confines itself to the effect of an overall slowing in population growth without mention of racial or income-related variations in reproductive rates.

26 As in Carlyle (1849), climate is often offered as an explanation for reduced work effort among the “lower races” (and, since lack or work effort implies that simple and then more complex tasks are neither attempted nor mastered, climate is also associated with lack of differentiation within the race). See Marshall (1890, pp. 195, 205, 528). Commons (1916, pp. 212-13) contends that a tropical climate is associated with ignorance and debauchery, while a temperate climate requires work effort and develops self-reliance, self-control, and ingenuity. Jevons is also struck by the relationship between climate and race; see 1869. For an application of Jevons’s argument to the American context, see F. Walker in Darity (1995). Thus, an economic explanation is provided for “facts” of anthropology.
Throughout, some imprecision exists as to whether the economist has in mind the lower classes or a racial or ethnic type. British economists typically focused on the lower classes, and argued that the working classes are creatures of passion, unable to plan for the future, and unusually susceptible to alcoholism (Peart 2000). Yet when the Irish were involved, class signifies race (as Jevons [1870] reveals; Peart 2001a). For Marshall, the “industrial” classes are racially inferior: as conquest and the intermixture of races occurred, the inferior (yet still white) races sort themselves into the lower ranks of industrial society, Marshall (1890, p. 195). The legacy of slavery looms large in the work of early twentieth century American writers. For both British and American post-Classical economics, an overriding fear of the dysgenic effects of immigration is present.

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27While we find no discussion of lack of variation in the secondary literature, there are several good discussions of parametric racism in post-Classical thinking. See Collard 1996 for an examination that links Pigou’s “faulty telescopic tendency” to the distribution of resources over time. White 1994 discusses issues of race and gender in Jevons. Peart 2000 discusses racial determinants of rationality in Jevons, Marshall, Pigou and Fisher; Levitt 1976 mentions Marshall on eugenics; Aldrich 1975 discusses Fisher’s economic analysis and eugenics.
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<th><strong>Anthropologists, Eugenicists &amp; Post-Classical Economists on the “Lower” Races</strong></th>
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<td><strong>Homogeneity of “Lower” Race?</strong></td>
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<td><strong>“Characteristics” of “Lower” Races</strong></td>
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<td><strong>Hunt</strong> 1863 &amp; 1866</td>
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<td>“In the negro race there is a great uniformity of temperament. In every people of Europe all temperaments exist; but in the Negro race we can only discover analogies for the choleric and phlegmatic temperaments.” (1863, p. 11).</td>
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<td>“We now know it to be a patent fact that there are races existing which have no history, and that the Negro is one of these races. From the most remote antiquity the Negro race seems to have been what they are now. We may be pretty sure that the Negro race have been without a progressive history; and that they have been for thousands of years the uncivilized race they are at this moment.” (1863, p. 13).</td>
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<tr>
<th>Homogeneity of “Lower” Race?</th>
<th>“Characteristics” of “Lower” Races</th>
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<tr>
<td>Galton 1865</td>
<td>“The race [of American Indians] is divided into many varieties, but it has fundamentally the same character throughout the whole of America.” (p. 321) “Here, then, is a well-marked type of character, that formerly prevailed over a large part of the globe, with which other equally marked types of character in other regions are strongly contrasted ... the typical West African Negro.”</td>
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<td>1892</td>
<td>“The impressions from Negroes betray the general clumsiness of their fingers, but their patterns are not, so far as I can find, different from those of others, they are not simpler as judged either by their contours or by the number of origins, embranchments, islands, and enclosures contained in them. Still, whether it be from pure fancy on my part, or from the way in which they were printed, or from some real peculiarity, the general aspect of the Negro print strikes me as characteristic. The width of the ridges seems more uniform, their intervals more regular, and their courses more parallel than with us. In short, they give an idea of great simplicity, due to causes that I have not yet succeeded in submitting to the test of measurement.” (195-96)</td>
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<td>“The Red man has great patience, great reticence, great dignity; the Negro has strong impulsive passions, and neither patience, reticence, nor dignity. He is warm-hearted, loving towards his master’s children, and idolised by the children in return. He is eminently gregarious, for he is always jabbering, quarrelling, tom-tom-ing, or dance. He is remarkably domestic, and he is endowed with such constitutional vigour, and is so prolific, that his race is irrepressible.” (p. 321) Savages lack instinct of continuous steady labor, possess wild untameable restlessness, wild impulsive nature of negro (pp. 325, 327)</td>
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<td>Homogeneity of “Lower” Race?</td>
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<tr>
<td><strong>Pearson</strong></td>
<td>Servile, gregarious, herdlike; undifferentiated; remain the Red Man and Negro despite</td>
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<td>environmental differences (1924, pp. 73-4); oppression reduces differentiation (weeds out</td>
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<td>physically and mentally fit individuals) (Pearson &amp; Moul 1925, p. 8)</td>
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<td><strong>Pearson &amp; Moul</strong></td>
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<td><strong>Jevons</strong></td>
<td>Intemperate, improvident, lacking foresight (1869, pp. 186-7); ignorant, careless,</td>
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<td>unsubdued, vicious, want of self-reliance (1870, pp. 196, 200).</td>
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<td>“Questions of this kind [work effort] depend greatly upon the character of the race. Persons</td>
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<td>of an energetic disposition feel labour less painfully than their fellow-men, and, if they</td>
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<td>happen to be endowed with various and acute sensibilities, their desire of further acquisition</td>
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<td>never ceases. A man of lower race, a negro for instance, enjoys possession less, and loathes</td>
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<td>labour more; his exertions, therefore soon stop. A poor savage would be content to gather the</td>
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<td><strong>Marshall</strong></td>
<td>“Strange uniformity of general character” among savages (p. 723)</td>
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# Anthropologists, Eugenicists & Post-Classical Economists on the “Lower” Races

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<th>“C&quot;haracteristics&quot; of “Lower” Races</th>
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<tr>
<td><strong>Pigou§</strong> 1907 &amp; 1920</td>
<td>“Feckless”; high birth rates; (1907, pp. 364-5); “faulty telescopic faculty”; “propagation untrammelled by economic considerations” (1920, p. 123); “lack initiative and understanding” (p. 326); over-estimate chances of success (1920, p. 493)</td>
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<td><strong>Fisher¶</strong> 1909 &amp; 1930</td>
<td>Lack foresight and self-control; improvident; impatience, weak wills, weak intellect; susceptible to alcohol (1930, p. 73; 1909, pp. 94, 376)</td>
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<td><strong>Webb‡</strong> 1910</td>
<td>American blacks less differentiated than whites (pp. 236-7)</td>
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<tr>
<td><strong>Fetter</strong> 1916</td>
<td>Maximum birth rates; thrifless; idle; drunken; profligate; feeble-minded; unfit; lacking in self-respect and foresight</td>
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<tr>
<td><strong>Commons</strong> 1916</td>
<td>Defective mentally and physically, high birth rates (pp. 369, 375).</td>
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<td></td>
<td>Can master a limited range of occupations (p. 367)</td>
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<tr>
<td></td>
<td>Can perform a limited range of tasks. Unmechanical and unintelligent. Slavery reduced differentiation.</td>
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## Notes

**Jevons*** 1869: laboring classes; 1870: Irish explanation for mortality rates (pp. 208ff)

**Pigou§** Lower classes; non-race.

**Fisher¶** Characteristics are specified in terms of lower classes with (Irish) racial components

**Webb‡** The fecundity characteristic applies both to the lower classes and American blacks (pp. 237, 240), while the other characteristics are specified in terms of class alone (pp. 233, 239, 240).
Breeding Policy

Eugenicists urged that selective breeding be used to improve the genetic make up of the race. Without intervention, they argued, the quality of the genetic pool would decline over time. What was required, then, was a wide-ranging program to counteract eugenic tendencies, what Sidney Webb referred to as the “social machinery” of eugenic intervention (Webb 1910, p. 237). The implication for national greatness was stressed repeatedly.28

Eugenicists—biologists and social scientists alike—who endorsed eugenic policies made their case in explicit opposition to utilitarian economists of the nineteenth century for whom the happiness of one counts as that of another (Hankins 1923, p. 398), and in opposition to democratic theory:

Democracy is still the fundamental religion of the nation, but grave doubts begin to appear as to the speedy realization of the happy day-dreams of our fathers. The land is full of strangers of alien race and tradition; in spite of popular education and heroic efforts at social betterment objective inequality has increased so that the wilful unbeliever must now admit it. Class lines are appearing even in the democratic west; even class war stalks through the land in which our cant-mongering political orators and purblind newspaper editors say there are no classes (Hankins 1923, p. 395).

Among economists, as among the anthropologists, the argument was often that the Irish over-breed, while Anglo-Saxons reproduce at relatively low rates. In America, the Irish are frequently offered as an example of an “inferior” race, but the “negro” and “immigration

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28L. Darwin claims the limitation of family size by those who can afford children is both “immoral” and “unpatriotic” (1916a, p. 173). Macbride, discussing Darwin, “regrets” to admit that eugenics is taking greater hold in the US than England, a fact which leads him to the conclusion that America “would beat them [England] in the race for commercial supremacy.” L. Darwin (1919, p. 31). Pearson also linked eugenics with national welfare, arguing in 1925 that Galton’s phrase “national eugenics” was well chosen (Pearson & Moul 1925, pp. 3-4).
problems” formed the central backdrop to discussions of eugenics policies. Waves of immigration drawn predominantly from genetically inferior races are said to have reduced the genetic quality of the nation (Commons 1916, pp. 200ff). Since such immigrants multiply at high rates, the deterioration would be ongoing.\footnote{In England, economists such as Marshall feared that such deterioration will occur within cities (Marshall 1883). Here the argument is that the Irish form a relatively large and (due to high birth rates) growing constituency in cities (see Jevons 1870; Peart 2001a); cf. “The slums and courts of our large cities are chiefly inhabited by the unfit, who are recruited by the failures in the industrial struggle; and among these early marriages and illegitimate intercourse is more common than among the saner and more intelligent class.” (Ashby, comments on Reid 1906, p. 38).}

Marshall endorsed the differential fertility rate argument. He writes about a “cause for anxiety,” “some partial arrest of that selective influence of struggle and competition which in the earliest stages of civilization caused those who were strongest and most vigorous to leave the largest progeny behind them; and to which, more than any other single cause, the progress of the human race is due” (1890, p. 201).\footnote{The argument was specified in the common terminology of low fertility rates among the “upper classes,” and high birth rates among the poor. At least in Marshall’s case, however, the racial element is quite clear. Historically, the intermixture of races that followed conquests led him to speculate that the lower races selected into the industrial classes (see 1890, p. 195). Elsewhere he used the more obvious eugenic phrase, referring to the tendency of the “higher strains of the population to marry later and to have fewer children than the lower” (1890, p. 203).}

Advances in public health that saved the “feeble” and “unfit” served to reduce the quality of the genetic pool:

Thus there are increasing reasons for fearing, that while the progress of medical science and sanitation is saving from death a continually increasing number of the children of those who are feeble physically and mentally; many of those who are most thoughtful and best endowed with energy, enterprise and self-control are tending to defer their marriages and in other ways to limit the number of children whom they
leaving behind them. Marshall (1890, p. 201).

Pigou also accepted that the lower classes reproduce at relatively high rates, while the “higher classes” delay marriage and have few children (1907, pp. 364-5). The “injurious” effects of such relatively high reproductive rates among the poor might be counteracted by policies designed to improve the well-being of low income people (cf. Webb 1910). But the biological question remained: “is there reason to believe that bad original properties and poverty are closely related?” Pigou answers affirmatively:

For, if we consider the matter, it is apparent that among the relatively rich are many persons who have risen from a poor environment, which their fellows, who have remained poor, shared with them in childhood. Among the original properties of these relatively rich presumably there are qualities which account for their rise. A relatively high reproductive rate among those who have remained poor implies, in a measure, the breeding out of these qualities. It implies, in fact, a form of selection that discriminates against the original properties that promote economic success. Pigou (1907, p. 365).

In America, the argument regarding relatively low fertility rates among the highly civilised becomes known as “race treason,” a phrase that elicited no small amount of

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31 Again, on the Pacific Slope, there were at one time just grounds for fearing that all but highly skilled work would be left to the Chinese; and that the white men would live in an artificial way in which a family became a great expense. In this case Chinese lives would have been substituted for American, and the average quality of the human race would have been lowered.” (1890, p. 201 n1). Galton’s argument concerning the inheritance of traits of genius is endorsed in this context, as well (pp. 202, 206). The contention that, without sterilization or segregation, saving the “feeble” entails a reduction in genetic quality is common; see Fisher 1909; L. Darwin 1916a; Webb 1910.

32 Pigou is singled out by Leonard Darwin (1916b, p. 311) as “... as far as I know, is almost the only economist who has paid serious attention to eugenics in connection with economics.” Indeed, a JSTOR search on “eugenics” in the economics list finds Pigou (1907) and Fetter (1907) as the earliest. Schumpeter (1954, 790): “Economists entirely failed to bestow on these problems [“the quality of the human stock”] the amount of attention they deserve: flippant phrases pro or con form the bulk of their contribution; the only one of the leading men to take more trouble was Pigou; ...”
resentment among the educated and well-to-do. For economists, eugenics provided at least a partial solution to two related problems, the “relative decrease of the successful strains of the population,” as well as the racial mix of the existing population that resulted from slavery and ongoing immigration (Fetter 1916, p. 366). For Fetter the “most grave” population problem, the Negro problem, was “insoluble.” The alternatives of intermixture of races, existence in separate geographical regions, and extinction, are said to be “repugnant,” “impractical” and unrealistic. Fetter concludes with “futile expressions of regret” (1916, pp. 366-8). Perhaps, Fetter is an instance of that oddity whose existence Darity conjectured: the laissez-faire eugenicist? His unwillingness to countenance state action leaves nothing but regret on racial matters.

Why the pessimism? There is an obvious implication from the doctrine that “lower races” were characterized by lack of variation. Eugenics policy, as is well known (Soloway

32Black population growth was low relative to that of whites. But there was still cause for alarm. Commons (1916, p. 60), argued that the difference resulted from high mortality rates among blacks (attributed in large measure to the effects of “sexual immorality and debauchery”), differences which could be eliminated and even reversed in the event of improved public health standards.

34Darity wondered about this possibility in his comments at our 2000 HES presentation. The predictable answer, from Sidney Webb, is: “The policy of “Laisser faire” is, necessarily, to a eugenist the worst of all policies, because it implies the definite abandonment of intelligently purposeful selection. ... No consistent eugenicist can be a “Laisser Faire” individualist unless he throws up the game in despair. He must interfere, interfere, interfere!” (1910, pp. 234, 237). We thank Ed McPhail for reminding us of this passage in Webb. Even earlier Fetter had made this same point: “Unless effective means are found to check the degeneration of the race, the noontide of humanity's greatness is nigh, if not already passed. Our optimism must be based, not upon laissez faire, but upon the vigorous application of science, humanity, and the legislative art to the solution of the problem. Great changes of thought are impending, and these will include the elimination of the unfit, the establishment of qualifications for marriage, the education of the parents, and the conscious improvement of the race. Under the touch of the new science of eugenics, many of the most perplexing social problems will disappear ...” (Fetter, 1907, pp. 92-93).
Three sets of eugenics policies were endorsed by economists to improve the genetic make up of the economic unit (generally, in this context, the nation):\footnote{35} 1) positive measures, to encourage fertility among the “superior” genetic stock; 2) negative policies, to reduce fertility among those of “inferior” natural abilities; and 3) immigration restrictions, which increasingly became central to these discussions. Irving Fisher, Frank Fetter, and J. R. Soloway (1995, p. 60): “In the case of the United States, tortured race relations and extensive alien immigration were the principal sources of eugenic worry; in Britain, where long-established ethnic and racial homogeneity prevailed the relative contribution of indigenous classes to the population was the predominant concern.” Soloway neglects the racially-charged debates over British and American slavery in literary and anthropological circles (Levy 2001a & b).

A s Collard (1996) has noted regarding Pigou, economists typically favored a combination of eugenics and environmental policy. See Pigou 1907 and 1920, pp. 120-125. The purported relative efficacy of eugenics proposals is made clear in a series of papers presented to the School of Economics and Political Science at the University of London in 1904, 1905 and 1906, of which that by Archdall Reid is particularly representative for its nationalistic overtones and the concern with alcoholism (1906, p. 22): “We should bear in mind, however, that, were eugenic breeding possible, we could improve the race to an unlimited extent; whereas our power of improving the individual by placing him under better conditions is strictly limited. We should remember, moreover, that an improved environment tends ultimately to degrade the race by causing an increased survival of the unfit. If then, we wish to improve the nation physically, it must be mainly by selective breeding. ... certain types of men are unfit for existence under civilised conditions of life; for example, people susceptible to consumption or the charm of alcohol".

\footnote{35}{\textit{Ibid.}}
Commons each argued that without such restrictions on immigration, the “race treason” problem in America would only worsen.³⁷

While Pigou finds a “heavy burden of proof” for advocates of genetic selection (1907, p. 366), he nevertheless favored policies to alter the incentives for family formation. The positive proposal by McDougall (1907), is said to have “much to recommend it” (Pigou 1907, p. 368). Accepting that the evidence on the heredity of defects is strong, Pigou also favored a policy of “permanent segregation” or sterilization to improve “the general economic welfare of the community” (1920, p. 112; cf. p. 110, 1907, p. 269).³⁸

In their massive study on Jewish immigration in the first several issues of the Annals of Eugenics, Pearson-Moul explain in detail why immigration is the central matter in eugenics policy:

The whole problem of immigration is fundamental for the rational teaching of national eugenics. What purpose would there be in endeavouring to legislate for a superior breed of men, if at any moment it could be swamped by the influx of immigrants of an inferior race, hastening to profit by the higher civilisation of an improved humanity? To the eugenist permission for indiscriminate immigration is and must be destructive of all true progress. ... No sane man, however, doubts that at various periods of English history our nation has been markedly strengthened by foreign immigration. The Huguenots ... the Dutch ... that of the Germans of 1848 — many of whom were indeed of Jewish extraction. But these special cases do not prove the general desirability of free immigration ... (1925, p. 7)

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³⁷ See Cherry 1976, and Commons 1916, pp. 198ff.

³⁸ Fisher 1909 also endorsed government “bounties” to encourage births among the “vital” classes (p. 673). Proposals ranged from sterilisation, to German-style marriage tests, to developing social prejudice against such reproduction, as well as a fuller appreciation of women’s rights (Thomson 1906, p. 179).
Economists also focused on the need to select immigrants in order to reduce the numbers from “inferior,” “defective” and “undesirable” classes of immigrants (Commons 1916, p. 230). The practical measure seized upon by Commons in this context was the simple device of a literacy test, which would “raise the average standard” of immigrants (p. 235). Fetter argued for an overall reduction in immigration, as well as the eugenic selection of immigrants in order to “improve the racial quality of the nation by checking the multiplication of the strains defective in respect to mentality, nervous organization, and physical health, and by encouraging the more capable elements of the population to contribute in due proportion to the maintenance of a healthy, moral, and efficient population” (1916, p. 378).

Return to Fixed Human Nature

Whatever disputes remain about how economic theory changed with the transition to neoclassicism, it is widely accepted that the boundary of economic science was narrowed throughout the late nineteenth century (Winch 1972). The 1870s in particular were characterized by often intense disputes over the nature and scope of economic “science”. By the turn of the century it became clear that the historical school would not prevail, and the profession would follow the lead of W. S. Jevons in his calls for narrowing economic science, for subdivision and specialization (Jevons 1871; Peart 2001b). Jevons’s subdivision rendered

39 Pearson also favored restrictions of immigration, arguing that immigration should be restricted to those who are at least 25% above the mean for natives in intelligence and physical characteristics. (Pearson and Moul, 1925, p. 127).
economic theory unassailable, but severely incomplete: he recognized all sorts of cases where the theory required modification - and these, he argued, should be taken into account in applications (Peart 2001b). This paper has examined one example of such narrowing, in terms of the "race" to which economics might be applied: late in the century economists began to argue that the intertemporal decision making of a "higher race" might not be applicable to a "lower race."

Though today we sometimes fail to appreciate the racial context of nineteenth century disputes about economic methodology, anthropologists and evolutionary scientists of the 19th century fully recognized that theirs was a theory in direct opposition to the Classical political economists' doctrine of human homogeneity. In January 1869 W. R. Greg used the occasion of a discussion of W. Stewart Trench's Realities of Irish Life in the Quarterly Review to argue against the race-blind accounts of human behavior proposed by John Stuart Mill. Greg objected to abstract accounts of human beings put forward by the Classical economists such as Mill on the grounds that such accounts abstract from race:

'Make them peasant-proprietors,' says Mr. Mill. But Mr. Mill forgets that, till you change the character of the Irish cottier, peasant-proprietorship would work no miracles. He would fall behind the instalments of his purchase-money, and would be called upon to surrender his farm. He would often neglect it in idleness, ignorance, jollity and drink, get into debt, and have to sell his property to the newest owner of a great estate. ... In two generations Ireland would again be England's difficulty, come back upon her in an aggravated form. Mr. Mill never deigns to consider that an Irishman is an Irishman, and not an average human being-an idiomagatic and idiosyncractic, not an abstract, man. Greg (1868, p. 78).

By contrast, Mill's focus on property rights and his abstraction from race, were made
clear in his condemnation of racial “explanations” in his 1848 Principles of Political Economy:

Is it not, then, a bitter satire on the mode in which opinions are formed on the most important problems of human nature and life, to find public instructors of the greatest pretensions, imputing the backwardness of Irish industry, and the want of energy of the Irish people in improving their condition, to a peculiar indolence and insouciance in the Celtic race? Of all vulgar modes of escaping from the consideration of the effect of social and moral influences on the human mind, the most vulgar is that of attributing the diversities of conduct and character to inherent natural differences.\footnote{Mill (1965, p. 319). Perhaps the most explicit challenge to this tradition is found in Hunt (1866, p. 122): “... principles of Mr. Mill, who will not admit that the Australian, the Andaman islander, and the Hottentot labour under any inherent incapacity for attaining the highest culture of ancient Greece or modern Europe!”}

This paper has demonstrated that, for a time at least, the Classical economists’ postulate of homogeneity lost the day and racial theories prevailed in economics. Hierarchical, often racial, accounts won the day well into the twentieth century.\footnote{The new translation of omitted material from Schumpeter’s Theory of Economic Development (Becker and Knudsen 2002) makes it clear that Schumpeter’s entrepreneur is Carlyle’s Hero.}

Perhaps the last great, albeit unrecognized, statement of this position can be found in Schumpeter’s History of Economic Analysis when he describes the role of Galton:

Of his many exploits, the following are relevant for us: he was the man who may be said to have independently discovered correlation as an effective tool of analysis; the man who set eugenics on his feet (in 1905 he founded the Eugenics Laboratory); the man who realized the importance of, and initiated, a new branch of psychology, the psychology of individual differences; ... all of which makes him in my humble opinion one of the three greatest sociologists, the other two being Vico and Marx. (1954, pp. 790-91).

Near the middle of the century the Classical tradition of equal competence (homogeneity) was revived at Chicago. Not surprisingly, given the racial characterization focused on intertemporal decision-making, time preference was central in the Chicago
revival. In his 1931 review of Irving Fisher’s *Theory of Interest*, Frank Knight voiced his skepticism about the common link supposed in economists’ accounts between time preference and race. Knight, and after him George Stigler and Gary Becker, questioned myopic accounts of intertemporal decision-making. As the Chicago school revived the Classical doctrine of homogeneity it also (and by no coincidence) revived the presumption of competence even in political activity.

When Knight reviewed Fisher’s theory of interest, he saw no difference in the motivation of different sorts of people:

> It seems to me indisputable in fact that people desire wealth for many reasons, of which the guaranty of the future delivery of groceries or other consumable services is sometimes the main and sometimes a quite minor consideration. It is desired for the same reasons a head-hunting hero desires a goodly collection of skulls; it is power, a source of prestige, a counter in the game, an article of fashion, and perhaps a mere something to be “collected.” It is wanted to use, but also just to have, to get more, in order to get still more. (Knight 1931, p. 177).\(^42\)

There is nothing here about the “curious lack of variation” of savages, but instead an illustration of economic problems across time, culture and race. And the anti-race argument was made even more emphatically, perhaps, by Ludwig von Mises:

> [The ethnologists] are utterly mistaken in contending that these other races have been guided in their activities by motives other than those which have actuated the white race. The Asiatics and the Africans no less than the peoples of European descent have been eager to struggle successfully for survival and to use reason as the

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\(^{42}\) Knight objected to how “this discussion has been cluttered up and the issue beclouded by theorizing (mostly quite bad) regarding the ultimate motivations involved in the choice between present and future (“spending” and “saving” – or “investing,” which is not the same thing), on the one hand, and, on the other hand (not nearly so bad), regarding the technological nature and implications of the investing progress.” (1931, p. 198).
The foremost weapon in these endeavors. (Mises 1949, p. 85)

The Stigler-Becker attack on the postulate of positive time preference (Stigler-Becker 1977) continued the argument which Stigler made in his dissertation: positive time preference has no role in the making of abstract economic man.\(^{43}\) In this stigmatization of positive time preference, Stigler remained a faithful student of Frank Knight.

Was the Chicago revival in some sense motivated by the racialist attacks on Classical economics and the widespread acceptance of racial accounts of human behavior that we have demonstrated above? Here one must be cautious, but it is surely no coincidence that the reading list for Stigler’s history of economics classes in the 1960s included Walter Bagehot’s Postulates of English Political Economy. In this work, which impressed Marshall enough that he introduced a student edition (Bagehot 1885), Bagehot “explained” the classical doctrines by appealing to the “race” of classical theorists. Individuals were optimizers because Adam Smith was a Scot; they were careful with money because David Ricardo was a Jew. Marshall was of course not the only one taken by Bagehot: Bagehot seems to have obtained his editorship of the Economist through the intervention of that close friend of the Economist’s owner (James Wilson)—none other than W. R. Greg (Barrington 1933).

\(^{43}\)Stigler (1941, p 213): “The second ground for valuing present goods more highly is that ‘... to goods which are destined to meet the wants of the future, we ascribe a value which is really less than the true intensity of their future marginal utility.’ This is a failure of perspective, an irrationality in human behavior—the only irrationality, it may be noted, that Böhm-Bawerk introduces into his ‘economic man.’“


Barrington, Mrs. Russell (1933) Editor. The Love-letters of Walter Bagehot and Eliza Wilson, Written from 10 November, 1857 to 23 April, 1858. London: Faber and Faber.


