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Dinner in Honor
of
Professor John Bates Clark

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Under the sponsorship of the American ~~Economic Association~~, a number of associates and former students ~~have joined in the preparation~~ of a volume of *Economic Essays* in honor of the eightieth birthday of John Bates Clark. The contributors to the volume are:

BENJAMIN M. ANDERSON, JR.
GEORGE E. BARNETT
JAMES BONAR
THOMAS NIXON CARVER
JOHN MAURICE CLARK
PAUL H. DOUGLAS
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JOSEF SCHUMPETER
EDWIN R. A. SELIGMAN
CHARLES A. TUTTLE

The volume will include a definitive bibliography of Professor Clark's writings and a reprint of the addresses made at the congratulatory dinner held in New York City on January 26, 1927.

The volume has been prepared under the general direction of a special publication committee of the American Economic Association, consisting of Edwin R. A. Seligman, Richard T. Ely and Jacob H. Hollander. It will be edited by Professor Hollander and published on behalf of the American Economic Association by the Macmillan Company.

Arrangements are in contemplation by which the volume will be obtainable by members of the American Economic Association and probably of the Royal Economic Society upon special terms hereafter to be announced.

Photogravures of Professor Clark's portrait referred to in the chairman's address are now available at the price of \$4.00 plus 22 cents for postage and packing. Applications and remittances may be sent to Edwin R. A. Seligman, Columbia University, New York City.

Dinner in Honor of Professor John Bates Clark¹

Professor Edwin R. A. Seligman, Chairman

Gentlemen, at this celebration we had intended to accomplish three things. We had intended to have eighty people present; we had intended to have a birthday cake with eighty candles; and we had intended to have eighty speeches. Unfortunately, the pressure to attend the dinner was such that we had slightly to overstep the limit of eighty people. In the next place, the pastry cook informed me that it would take six men to carry in a cake large enough for eighty candles, so we gave that up; and finally the gentlemen who are to speak tonight insisted that if their speeches were to be cut down to two minutes, they would refuse to proceed. So for all these reasons we had to abandon the magic figure of eighty. At all events, however, we do know that the figure is present in one case, in that of our beloved friend and guest who becomes an octogenarian today.

It is not often that that ripe old age is attained by individuals in the plenitude of their powers. I have noticed that longevity is more particularly true among scholars, and I have often wondered why that should be so. There are three reasons why, perhaps, it is true of the professional class. In the first place, I should say that it is due to their poverty. Impecuniousness makes, of course, for plain living; and the fact that we have to live so plainly may perhaps tend to our longevity.

In the second place, I think that it is perhaps due to our holidays. We have the long summer off and we can indulge in all sorts of diversions that are not possible to the ordinary man. The more fun, the greater the chance of a long life. Finally, I think that it is due to the liberty we enjoy. Everybody in active life is more or less under obligations to some superior or some client or some customer. The university professor nowadays really enjoys more freedom, at all events in the private universities, than is accorded to any other member of the community. Of course, I know that this runs counter to common opinion. They will point, for instance, to the gentleman at my left and speak of him as a benevolent despot, and sometimes will even omit the word benevolent. I can assure you, on the contrary, that, far from being that, we all feel he is not a despot but a sympathetic colleague.

I remember as if it were yesterday when this octogenarian first came to Columbia. It has been my bad fortune to be the executive head of the department for these many years. I have a family of forty or fifty now; but in those days there were only two of us, Mayo-Smith and myself. When Professor Clark came, we felt that our strength, if not our numbers, was multiplied manyfold. If we have

¹In celebration of Professor Clark's eightieth birthday, January 26, 1927, at the University Club, New York City.

been able to keep ourselves a happy family all these years, I think it is in a large measure due to the sweet temper, the calmness, the courtesy and the example of unselfishness which Professor Clark has always given us.

I remember one other episode when, a few years after he came to Columbia, he turned over to me for criticism the manuscript of his book. I recollect reading it on my way to New England where I was spending the holidays. I was so excited after reading it that I telegraphed or wrote to him saying: "You have earned your place among the six leading economists of the nineteenth century." That first impression made upon me by the perusal of the wonderful book has, of course, been abundantly strengthened, as we all know of the international reputation which Professor Clark speedily achieved.

It is unnecessary for me to say much more now because we shall hear, not from all of the eighty, but from a few of his well-wishers. When his friends bethought themselves of how they could most fittingly celebrate this anniversary, they finally decided upon three different plans. One was the accumulation through his admirers of a fund, which has enabled us to secure the fine portrait which you have seen in the other room, and of which a duplicate has been painted for the trustees of the Carnegie Foundation.

The second was the adoption of a very good, old continental custom. When a scholar reaches a ripe age, it is the custom in Germany, and in France, as well as in other countries, to prepare what they term a jubilee volume, but which we now might more suitably call simply a commemorative volume. This task has been undertaken under the auspices of the American Economic Association, by a former President of the American Economic Association and one of Professor Clark's own pupils, who is, I am happy to say, with us tonight. Professor Hollander of Johns Hopkins has almost ready for the press what we confidently hope will be a dignified and appropriate tribute to our beloved colleague.

The third plan of signaling this anniversary was what you see here tonight, this tribute of esteem and of respect on the part of his colleagues and fellow citizens. This at one time gave us no little concern, because we knew that it would have been exceedingly easy to have, instead of eighty, eight hundred guests. We finally decided that this more intimate and, may I say, select assemblage, would be more agreeable to our friend; so here we are. In these three special ways his colleagues and his admirers have sought to show their appreciation of what he is and of what he has done.

Without detaining you longer. I shall now call upon the speakers, each of whom will approach the subject in a little different way. I shall first call upon our "benevolent despot," President Butler.

Dr. Nicholas Murray Butler

Mr. Chairman, Professor Clark, My Colleagues and Friends:

If I interpret correctly the look of seriousness on the face of my dear friend and colleague, the president of the Bank of the Manhattan Company, he shares my regret at the loss of those eighty speeches. The fact that we are not going to have eighty speeches deprives this occasion of one of the characteristics of excellence to which I looked forward, my dear Chairman, with some anticipation. I was called upon a few weeks ago to take the chair at a dinner in this speech-stricken town, where I was handed a list of seventeen speakers and was assured that no one would speak more than two minutes. We discontinued the order of exercises at quarter of two in the morning, when a certain number of the seventeen had begged to be excused.

I can begin my tribute to my long-time friend and colleague, Professor Clark, by paying a tribute to one of his associates and mine, whom I hold in the deepest affection and esteem, as an old teacher, as an intellectual guide, as a personal friend, and as a colleague for a generation, whose letter I hold in my hand. Professor Burgess has written this letter with the suggestion that I read it to this company and Professor Clark:

Your letter of January 19, forwarded from Newport, reached me yesterday and found prompt and sympathetic response of my own feelings. I yield to no one among our colleagues in appreciation of Professor John Bates Clark, as a scholar and a gentleman. I have the honor to be an alumnus of the same college with him, to have joined as a member of the Board of Trustees of our Alma Mater in extending to him the invitation to the Chair of Political Economy in that Institution, and then as Dean of the Faculty of Political Science at Columbia, to have initiated his call to the Chair of Political Economy in this university.

For a quarter of a century I was almost daily witness to that rare and refined scholarship, that modest and courteous demeanor, that honest and conscientious dealing which have marked his distinguished career throughout its epoch and there is no man among those with whom he has lived and labored to whom it would give more genuine pleasure to grasp his hand as he crosses the frontier of the eighties, than my humble self. Failing strength forbids my effort to be with you in physical person upon this highly interesting occasion.

I, also, have crossed the frontier and have left it some distance behind and am obliged to acclimate myself to the limitations which age imposes. I shall be there, however, every moment of the time in spirit and shall await with intense and impatient interest the account of the occasion.

Please extend to my friend my most cordial greeting and congratulations and say to him for me that while I pen these lines there comes the thought, or rather the query to me whether the day may be reserved for my disembodied spirit from some far-off star of higher culture in this vast universe of mind to extend the hand of welcome to spirits such as his and those with whom we have labored for civilization, as has been my great

privilege here. If such shall be the case, then will the riddle of existence have been solved for me and a paradise for which I have longed and hoped and prayed, been attained.

Faithfully and affectionately, your friend and colleague,

JOHN WILLIAM BURGESS

It would be difficult, Mr. Chairman, to put into ten thousand words a more gracious, a more intimate, or a more just appreciation of the life and work of our friend, Dr. Clark. We so rarely have the courage to speak kindly of a man while he lives, that it is particularly gratifying to be able on an occasion like this, to say just what is in one's mind and heart. Man after man among us, of excellence and capacity and character, closes the door behind him for the last time with very poor appreciation of the affection in which he is held by great companies of those who have lived and labored with him. What a satisfaction to a man crossing what Professor Burgess calls the frontier of the eighties, to be told to his face by a representative company of scholars and university men such as this, of their affection for his person, of their appreciation for his service, of their esteem for his scholarship.

The practical man always seems to me like the miner. He goes down each morning into his pit with such illumination as comes from the little lamp which is fixed on the peak of his cap, and he goes about his daily work with intelligence, with success, with industry, but without the remotest appreciation of what it is all about. He has no notion of how coal came to be where it is, or what is going to happen to the daily life and occupation of man when there is no more coal and some substitute for it has to be found. He has no suspicion of the intricacies of trade and commerce and finance that are built upon and grow out of the daily work of his hands and the hands of those placed like himself. He plays his part in isolated unconsciousness of the meaning of it all. It is the poet and the philosopher who understand what it is all about. It is the poet with his occasional lightning flash of genius who illumines our task; it is the philosopher who, by grasp upon it, by vision, by insight and power of interpretation, tells us what it all means.

This friend of ours is a philosopher, one of the not too many philosophic heads among our scholars who in this day of high specialization are, many of them, working with great industry and capacity on tasks, the meaning and interpretation of which they know not. Professor Clark has been a life-long philosopher, an interpreter. He has seen deep down into the root of principle; he has developed principle; he has applied and interpreted principle. He has made his place and his fame permanent, not by any patient and industrious accumulation and reclassification of facts, but by an insight which puts facts in their framework, in their proportion. He has led those of us who can follow

his illuminating pen to understand the significance of economic life, of economic organization and of the economic process. This is what gives him his distinction and makes him in a sense the leader and founder of a school.

All over this land there are glad and grateful men of distinction, power and accomplishment, who are proud to call themselves men who have passed through his lecture room in years gone by. He is a captain of the mind who has recruited and trained and organized an army of believers in the mind and what the mind is and can do.

It is my fortune, happy fortune, to be intimately associated with him as friend and colleague for more than thirty years and to have seen him in another relationship where he had opportunity to reveal his power to a very wide audience. When the Carnegie Endowment for International Peace was organized by Mr. Carnegie seventeen years ago, a plan of organization was devised which put the work to be done into three classes or categories or divisions. One was to deal with intercourse and education, with international contacts, with the instruction of public opinion, with making ways and means for the interchange of ideas, of familiarities, of acquaintanceships between men and things of different speech and race and origin and religion and form of government.

Another had to do with international law, with its evolution, its statement, its codification, its application to problems of the moment. The third had to do with economics and history.

The purpose of the last division was to subject war to a new kind of analysis, a new sort of study, a new interpretation. There is an immense literature on war in terms of military action, in terms of tactics and strategy, of armies and armor, of personal achievement, of courage, of vast undertakings strictly military and naval in character; but war as a human experience, a phenomenon, had never been subjected to what may be called a clinical study from the standpoint of the economist. What actually happens in war to the trade, the commerce, the industry, the finance, and food supply, the death rate, the birth rate, the thousand and one things which make up the subject matter of social and economic knowledge?

It was felt by the trustees of the Endowment that if we could summon the intelligence of the world to that task, we might make a contribution that for all time would set a standard and reveal and interpret a vast series of phenomena that would give us a new understanding of war, that would add indefinitely to its terrors and its horrors. In seeking the country over for a leader and guide into this field, the trustees selected Professor Clark. Even you gentlemen, well-informed as you are, probably do not realize what he then proceeded to do and how important it was.

He summoned to meet at Berne, Switzerland, in the summer of 1911, some eighteen or twenty of the leading economists of the world. If I were to go back over the records and recite their names, you would see that from Germany, from Italy, from Austria, from France, from Scandinavia, from England, from the United States, from Spain, from Latin-America, he summoned the acknowledged and undisputed leaders in economic thought. That group spent a week together in close converse and discussion, and they formulated a plan to be carried out coöperatively by them all, and by groups organized by them in their several countries, under the leadership of Professor Clark. That work was well planned, progress was made and a second conference was summoned to meet at Berne for the fifth day of August, 1914. Five of the economists had reached there before the blow fell. When the blow fell, it was of necessity a part of wisdom to await the arrival of the plentiful supply of new clinical material which the fates were about to provide.

That task planned by Professor Clark, inspired by him, guided by him, is going forward at the hands of his pupil and friend and successor, Dr. Shotwell, with the coöperation of some three hundred historians and economists in every land. We venture to think that, when completed, it will give to scholars, students, men of letters and journalists, an accurate source of original information as to just what happens to the economic and social and industrial life and organization when the world goes to a great war.

Professor Clark must always be entitled to the honor which comes from having conceived that plan, devised the method of its execution and started it on its way. The industry, the scholarship, the untiring zeal of Professor Shotwell, are making this great plan his own, as well as Professor Clark's; but Professor Shotwell would be the first to insist on saying now that it was Professor Clark's authority, genius and insight which made the plan originally possible. So whether I allow myself to speak of this great and noble American gentleman as an academic authority and scholar in his field, or whether I add an appreciation from the viewpoint of those who are associated with him in the large international work to which I refer, it all comes to the same thing. We are celebrating the achievement and the personality of a captain of the mind; and few things could be more worthy and few things more necessary in this modern world of ours.

One of the curious things about the mind is that it works less obviously now than it used to do. There did not use to be much of anything except mind, and everyone could see it and its manifestations. In the last three hundred or four hundred years there have come to be so many other things, that the mind may work pretty vigorously, pretty powerfully, and yet be like an Arizona river, fertilizing but out

of sight. Here is a case where in the world of scholarship, in our American life, we have produced on American soil and by our own training and own opportunities, this captain of the mind. That he is eighty years of age surprises me. I suppose it must be a fact, because I am assured that figures do not lie; but I wonder! His mind has all the elasticity, the originality, and the vivacity of youth. As one of his oldest friends and associates, one of those most closely associated with him through the years, and one who is proud and yields to no one in his pride to salute him as he crosses what Professor Burgess calls the frontier of the eighties, I can only hope and pray that his physical strength may keep pace with that mind of his to the joy of us all and to the service of his fellows and of mankind.

The Chairman

When, between thirty and thirty-five years ago, Professor Burgess and his younger colleagues decided that the time had come to add to our numbers at Columbia, we cast about to see who the young men were,—for there were no available older men in the field,—who gave promise of achievement in economics and social science. We finally hit upon two young men at a little place in Massachusetts who had begun to pay attention to the newer developments in business and in industrial life, and especially to the problem of the trusts and the control of these huge aggregations. We found that these two young men were working together in preparing a series of studies on what they called competition and coöperation. It was our good fortune within a very short time to be able to invite both of these young men to come to Columbia, and ever since that day they have been engaged in coöperation and competition. They have coöperated with each other and with the rest of us in trying to build up the faculty of political science at Columbia and in developing the economic and social sciences in this country. They have competed with each other in achieving great results; and what does not frequently happen to competitors, they each reached the goal of fame and success. Our birthday child, as the continentals call the guest of the day, soon became the acknowledged leader of the economists in this county; and his young friend and colleague rapidly achieved a similar position among those that began to call themselves by the novel name of sociologists. Accordingly, gentlemen, I have great pleasure in now presenting to you that coöperator and that competitor, my beloved colleague, Professor Giddings.

Professor Franklin H. Giddings

Mr. Chairman, Professor Clark and Gentlemen:

It is difficult for me to speak on this occasion because all I have to say is so suffused with the feeling born of my personal relations with

Professor Clark that it must necessarily seem to you to be of an almost too personal character. In the days to which our Chairman has referred and when Professor Clark was the occupant of the chair of history and economics at Smith College, I was following the craft of the daily newspaper man in the neighboring city of Springfield. It was my good fortune soon after going there, to make the acquaintance of Professor Clark. The acquaintance quickly ripened into a rare intimacy and became one of those friendships destined to be lifelong in duration, and of the most helpful kind because it was from the first moment a friendship of mutual interest in ideas, in work and in ambitions.

At that time I was presumptuously writing editorials on such topics as the tariff and money, labor troubles and the like. My preparation in economics had been of a casual sort, consisting of a somewhat diligent reading of the old classical economists and a correspondence with two kindly friends, one, David A. Wells, the other Professor Arthur L. Perry of Williams College.

From the moment when I became acquainted with Professor Clark, I realized that I was in contact with a mind of a type that I never before had met. Professor Clark had worked out his philosophy of wealth, and we talked about it and about the various openings into which it seemed to lead. I was fascinated by it. I had not before realized the possibilities of developing economic theory as Professor Clark had then developed it. A thing that greatly interested me was that he clearly regarded this work of his not as an achievement, but as a mere beginning of things to which he wished to press forward. In our frequent interviews, visits and rides together in the beautiful Connecticut valley, we exchanged our notions about the changes that were taking place in the industrial world, the political world, and the social world, and the interpretation of them all in terms of new theoretical formulations which by that time had come to be regarded almost as old, accepted and established.

Professor Clark's first book, *The Philosophy of Wealth*, was a rare production in more ways than one. For one thing, it was the work of a master of expression, of style; the clarity of it charmed everyone who dipped into its pages. But more than that, it was, as President Butler has so truly said, the work of a philosopher, a man who took a broad view of everything that his mind encountered and who could not be content with merely marshalling facts and drawing the ordinary inductions from them.

It was the work of a man who had seen that the whole subject of values needed complete revisualization and restatement, and who having undertaken so to view it, had stated all the fundamental problems of economic theory with such thoroughness, with such originality, that

all who became interested perceived at once that here was a leader of thought, destined to work great reconstructions in our scientific view of the industrial life of our time, and of economic theory and of social progress, in general.

The remark has often been made that Professor Clark's work has been a masterpiece of lucid abstraction. We usually make a mistake when we so interpret him. He has given us abstractions, that is true, but not the abstractions which come when one starts from premises abstract to begin with, and by logical deduction creates a framework into which he brings concrete facts by way of illustration and exemplification. Professor Clark's work has been something entirely different.

From earliest manhood his mind has been informed and enriched with concrete material, with knowledge of the world in which he lives; and his abstractions, far from being a mere logical framework, have been an essence distilled from the concrete facts with which he has been familiar and with which he has worked. That is why his work has had such marvelous vitality. That is why it has charmed men. That is why it has caught attention and held it.

His interest from the time of our first acquaintance has lain in further development of the views at which he had then arrived. He was already busy with the problem of the limitations of competition which he saw arising on every hand, with the problem of what, in those days, was called the "pool" and was beginning to be called the "trust," the problem of combination. He was already forecasting restatements of fundamental theory, the theory of value, the theory of production, the theory of distribution, to which he was destined to make enduring contributions.

I remember distinctly an afternoon when we drove from Northampton to Amherst, when we went over a plan which he had outlined and which he presented to me, that he and I should write certain complementary articles, which we afterwards did. These were published in the *Political Science Quarterly*, and afterwards as a small book on *The Modern Distributive Process*. One article dealt with the limitations of competition, another with the persistence of competition; one dealt with the concrete facts and the theory of profits, another with the concrete facts and the theory of wages. That writing was the beginning of efforts which led Professor Clark on in one direction, and led me on perhaps in another direction; but, as our Chairman has said complementarily, it was in a sense coöperative work.

A characteristic feature of economic theory at that time was its academic quality. Professor Clark was working along lines which many men thought were simply a projection of Professor Jevons' concept of "final degree of utility," or of Wieser's concept of "marginal utility;" but when we realized what Professor Clark was driving at,

we saw that he had a larger idea than those men had and that it was destined to be regarded as more fundamental.

There soon appeared his brilliant analysis of capital. He pointed out the distinction between concrete materials in which capital values are invested and which he called "concrete capital," and capital proper, or "pure capital," that can be turned in any direction desired. From this study Professor Clark went on to take up in like manner the question of distribution; and there, instead of simply accepting the so-called Austrian view of marginal value, he fixed upon a concrete phase and showed us that what counts is marginal productivity, the productivity, namely, of the marginal investment, of the marginal day's labor, of the marginal hour's labor, in the productive process. On the basis of this analysis he constructed a theory of distribution which I think all economists who have mastered it realize did not previously exist. It was not a mere abstraction. It was discovery by a man who perceived that production is a differential process and that marginal changes are the ones that count.

I shall never be able to express to Professor Clark or to anyone else my indebtedness to him. If I have been able to achieve something along the line of work that I have followed, it was to Professor Clark and one other man, a friend of his, to whom I have been most indebted. It was to Professor Clark that I owed my interest, which continues to this day, in economic problems and in economic theory, and it was the lamented Herbert B. Adams of the Johns Hopkins University, to whom I listened when I decided to give most of my attention to sociology. That was his advice.

I wish to say in conclusion that in all of my relations with this very dear friend, he has always been unselfish, he has always thought of others before himself, and he has rejoiced in nothing so much as in the achievements of those to whom he has been helpful and who have been indebted to him for that help. I hope that I have expressed a very deep sense of personal reverence, affection and gratitude to one of the great men whom it has been my privilege to know.

The Chairman

In the history of economic thought in this country there have been two stages. After the war with England, and when we had our earliest really important industrial and business crisis, the thinkers of this country for the first time began to turn their attention to economic topics. From 1817 on, the different colleges of the day devoted some attention to this new subject, although most of the topics that engaged public attention at that time related to the new-fangled institution called banks, as well as to the development of the money

power and the little understood industrial and transportation development.

Half a century later, after the great Civil War, when the gradual disappearance of our free land caused the emergence in this country for the first time of the problems which we had thought peculiar to the old world, there came a second renaissance, a second development of interest in economic problems. As there was no place in this country at the time where these studies could be pursued, there was a veritable exodus of these younger men, perhaps a dozen in number, to the continent of Europe. On their return they filled the newly created chairs of political economy in most of our leading colleges.

Professor Clark was the first of those younger men to go abroad. Shortly after he and the others returned, they founded the society soon to be known as the American Economic Association, and which from those days of small beginnings, has grown to be of considerable magnitude and importance. There were one or two older men to whom we gave what we and they considered to be the honor of the presidency. But when these men had served their time, General Walker and Professor Dunbar, the time for the younger men came. By universal assent, our birthday child was chosen to be the President of the American Economic Association.

Since his day there have been many presidents, and I rejoice to see in this august company tonight not a few of the past presidents of the American Economic Association. To one of them who is with us tonight is due the passing of another milestone in the history of economic thought. If, as Professor Giddings has told us, Professor Clark was responsible for the far-reaching distinction between capital and capital goods, the gentleman upon whom I now have the honor to call was responsible for another similarly important distinction in theory, namely, the distinction between capital and income. It was he also who approached economic problems from the psychological side, with its many economic implications. I have great pleasure, therefore, in calling upon our distinguished friend and colleague, the Professor of Economics at Princeton—Professor Fetter.

Professor Frank A. Fetter

Mr. Chairman and Gentlemen:

May I be pardoned for breaking in upon the monopoly that Columbia has thus far enjoyed? I bring a note, I trust not a discordant note, from the outer world. First I shall address our honored guest as a fellow Princetonian. A few months ago, over in Philadelphia, there was a sesquicentennial, at which the university of hard knocks conferred the world crown of pugilism upon the best man. About thirty years ago a sesquicentennial was held at Princeton, and John Bates Clark

was the outstanding American economist upon whom an honorary degree was conferred. It is my business to help produce Princeton men, though I am not myself "a son of Princeton," but Professor Clark is a son of Princeton born in the year 1896 and by that token he is my son and I greet him as one of whom we are proud.

I would speak also as a student and a disciple of Professor Clark's. I never had the privilege of sitting in his classes as a student, though I was always envious of those who had; but I am one of that large company who have zealously studied his writings. These are so full of novel ideas and of new points of view that they have engaged the attention of succeeding generations of students in the universities of this country and of other lands. Critics of the negative sort have searched for defects, have found flaws, have blamed him because he did not solve all the other problems besides those that he did elucidate. But I have been a critic only in the positive and friendly sense, gathering nuggets of wisdom from his rich mine of ideas.

Controversial matters should not engage our attention tonight; but if I might select from Professor Clark's contributions some candidates for the Hall of Fame of Economic Theory, I should name, first, his part in the reconstruction of the capital concept, the lessons of which are not yet fully appreciated. It is still influencing the reconstruction and reformation of economic thought. I should name, second, his universal law of economic variation, with its unifying effect upon the whole conception of economic theory. Then, if among various others I were to name a third, it probably would be his contribution to the theory of monopoly. That was a pioneer work, a work done at a time when, as many of you well remember, all men were groping. We know more of that subject today, and this is due largely to his leadership.

I have, however, mainly to speak tonight as the representative of the great guild of American economists. Here is not a field for controversy; here enter no disputes. I would refer only to those things on which the economists of America can unite without a dissenting voice. First we would honor the guest of this evening as a model of the newer and better standards of economic criticism. Anyone who knows even a little of the history of economic thought, must realize that some time in the last decades of the nineteenth century there appeared a finer spirit of economic analysis. In large part the economic literature of earlier periods was partisan in its concern with practical affairs, and motivated by pecuniary objects. Then, from among a little group of men, well represented by the Austrian school, there began to come essays of a finer, abstract, disinterested type of pure economics. It was purer in its intellectual quality and purer in

the ethical sense, purer in the sense of being the search for truth for truth's sake. Böhm-Bawerk is a good representative; Wieser is a somewhat better representative; but the peer of them all is Clark. To him we owe most in America for that better approach that now is made toward a finer, scientific spirit in this most difficult of all fields where thought is so easily colored with human interest, with selfishness and with prejudice.

We that are members of the American Economic Association honor Professor Clark as our one outstanding personality of international reputation in the theoretical field. It is a paradox to European scholars that we should have produced such a man. They expect and they accept from America her manifold achievements in the practical field; but that here, out of practical America, there should have come an abstract theorist, rivalling and surpassing the best they could produce in the last three quarters of a century, is still a puzzle, a real mystery to them. The work of Professor Clark has gained an assured place in the world of economic literature. There it will remain, conferring a lasting lustre upon American scholarship.

We honor Professor Clark also as the prophet of a more human and a more optimistic economics. In his twenties, when young men can see visions, he saw with his spiritual eye a finer, happier world, and in his *Philosophy of Wealth* he voiced his vision in a philosophy of optimism. Things have not moved exactly in the way, or perhaps to the degree that he then forecast them. Competition has not disappeared in the degree that his fancy pictured, nor did coöperation as a method of industry to that degree come to take its place. "A man's reach should exceed his grasp, or what's a heaven for?" But by and large, things have moved as Clark's prophetic eye saw they would; and he, more than any other man in America, I venture to say, has helped to transform economics from a dismal science into a philosophy of human welfare.

Finally, we honor Professor Clark as a man and as a friend, unpretentious, sincere, loyal, clear of vision, helpful to all those about him. It might be said of him as of the sage of Grand Pré, "Ripe in wisdom is he, and patient and simple and childlike." His clear counsel has directed many young men upon the right roads of scholarship, and along the right lines of life. In him we find the finest embodiment of the spirit of scholarship. In him we find the best fruition of that branch of philosophy which concerns itself with human happiness. So, dear friend, on behalf of the economic fraternity, I greet you. May you live long to enjoy the honors that you have so justly earned in the esteem of your fellow men, and the affection of your colleagues one and all in the economic profession.

The Chairman

We have heard much tonight of the various achievements of our guest. I fancy that if we were to ask him of what, on the whole, with all his modesty he is most proud, he would count, as I should count, his main achievement the fact that he has been responsible for the brilliant son who is with us tonight, and who is carrying still further into unknown regions the flag which his father in his day so successfully unfurled.

Before I call upon our "birthday child" to say a few words in response, I am sure that you all wish for him a happy recollection of this distinguished evening, and that we bespeak for him a continuance for many a year of that health and happiness, mental and physical, which it has been his good fortune to enjoy for all these decades. I therefore ask you all to rise and to drink to Professor Clark, from what it is only possible for us to do tonight, the clear water of affection, of veneration, of love and of expectation for the future.

Professor John Bates Clark

Mr. Chairman, Mr. President and Friends:

I think that if I should chance to find in any quarter of the city a portrait of myself such as the one that hangs in the other room, I should be able to identify it; but if I should encounter in print a word portrait such as we have just listened to, I should at once begin searching for the man to whom this prize should be awarded. Nevertheless I am as grateful as a man can be to those who are able to say those things under the influence of the priceless friendships which I take in full measure, without demurrers of any kind. The sentiments I return in full measure; but to express them fittingly, I should need, as the Scripture says, "to speak with the tongues of men and angels." I have thought of trying to condense into a speech Cicero's two essays on *Friendship* and on *Old Age*—the two subjects that are germane to the meeting tonight. I should have to append a supplement showing the relation of friendship to old age—showing you how powerfully friendship tends to extend life into the old age period. That is the reason I reached my eightieth birthday, and I thank you for bringing me to it, and for still treating me so kindly as to encourage the hope of further years. I invoke the same blessings in full measure for you all.

Cicero's essays would have made rather a long speech and therefore I am going to take as mine the speech of one of my fellow townsmen made in my early days. I am going to give you the whole address verbatim, as made by General Burnside of Civil War fame. It was with great difficulty that he could be persuaded to appear in public, when that involved a speech; and, when he made one, it was brilliantly

brief. When he came back from the Civil War to be Governor of the State of Rhode Island, and a great reception was tendered to him, the speakers vied with one another in friendly compliments; and all that he was able to say, by way of response, was, "I am much obliged to you, my friends, for your kind regards." His friends accepted that, as being the most appropriate thing he could say on the occasion; and they read the fullest measure of meaning into every word. I should like to say just here and now that I am profoundly obliged to you, my dear friends, for your very kind regards.

Now as we cannot have a longer speech from General Burnside and cannot afford to take the very long one from Cicero, I am going to avail myself of one of the "rights and privileges" which attach to the conferring of an academic degree. I take it that you have conferred on me the degree of Octogenarius "with all the hereditaments and appurtenances thereto in any wise appertaining." One of these is the privilege of telling stories of the past; and I want to tell of one little incident which has its application. When I was five years old I went to visit my great grandfather, who was then ninety-seven years old, and who, in 1775, had been in the first revolutionary army, called to drive the British out of Boston. He had served through a great part of the war. I saw him, conversed with him, and sat by him at the table, and I have his journal, kept during the war. Now that enables me to say that, at second hand, I remember the American Revolution. I have direct testimony about it, and I remember a great many things which happened after that date.

Of the things best known are the success of the Revolution, the formation of the Federal Union and the adoption of the Constitution of the United States; also the French revolution and the rise and fall of Napoleon. The greatest thing that has happened in those one hundred and fifty years, however, perhaps we do not often fully grasp. We know that this is an age of machinery, that wonderful mechanisms have been invented, that the process of making things of all kinds has radically changed. We know that, before that period, there was scarcely any machinery in existence. The first steam engine only arrived at about that identical time. Textile machinery consisted of spinning wheels and hand looms. The enormous mass of machinery that is now at work is a new development; and it falls within those one hundred and fifty years. With it has come a complete reorganization of the economic life of mankind. It is now as utterly unlike what it was formerly as it would be if we had acquired the power to "summon spirits from the vasty deep" to do our work for us.

"Quantity production" has ensued, and the countries that develop it can defy competition from any other quarter on earth. This has meant great corporations, which terrified us at first, though we dis-

covered that they could be tamed and made to resemble working elephants rather than dinosaurs. They are working now and performing an indispensable function in world economy. They are helping to unify the life of the human race. There is no such thing as a really "national" economic system if, by that, we mean an activity confined within by the boundaries of any state. Economic society is world wide. Commercial laws and treaties have very little value unless they are inspired by a recognition of the essential unity of this great natural organism.

Now the transformation of the old system into the present one is so complete that if a man of 1775 should come to life again and look about, he would think himself on a wholly different planet. He would recognize scarcely a trace of the economy he was used to take part in. If we should take him to a great department store and ask him to find something made by hand, he would have trouble in finding it. Only a microscopic part of the entire output is so made. All of it is wholly or in great part the product of machinery, much of which is automatic. It is as though the "genii of the lamp" were everywhere ready, at call, to create all manner of products in Aladdin-like profusion.

Our visitor from the world of our grandparents would find that, in lieu of trade guilds, we have labor unions of a kind that he knew nothing of; and our corporations would strike him as something imported either from the celestial world or from the nether one. Holding companies would assuredly alarm him. The change that has meant all this has occupied only about a fiftieth part of the time covered by authentic history; and it is very much greater than the sum total of all previous changes that have fallen within that period. Men have made larger practical gains in a fiftieth part of the historic period than they had made in the previous forty-nine fiftieths of it.

I am speaking primarily of changes in the economic system, and of those further changes which necessarily accompany them. The world is a different world, though the material substance of it is what it was. The dominant part of the life it sustains—the human part of it—is one great organism. That means a unifying of thought and feeling as well as of practical action. A great number of changes are involved and I am not going to recite them, but they have much to do with the question of future war and peace. That question is not settled, and no one can accurately judge as to the outlook; but some things we can know. Since the treaty of Westphalia there have been intervals of peace tending, on the whole, to grow longer. There have been three attempts to restore the ancient system of great empires and the world has gathered its forces and successfully resisted those efforts. The modern world has never been subjected to great monarchies like those which gave to the ancient world nearly all the peace that it ever enjoyed.

Within their boundaries there was a large measure of peace, but very little freedom, while beyond the borders, there was more freedom than peace. That lived only under the shadow of despotism.

The question of the present day, aside from that of further practical arts, is whether the unifying of the world, which has come about by an economic evolution, will lead us to a peace that can coexist with freedom. Is peace consistent with the independence of states? It is so if the organic unity that the economic system creates can be carried over into the realm of international politics. An heroic effort has been made to do exactly that. A league of nations now exists and has the support of most countries though Russia is not in it and, unhappily, America is not so. I am as proud as I can be of my country, in almost everything that falls within the sphere of economics. My pride is a negative quantity when it comes to international politics. What I should like to see is the spirit of world economics in some way penetrating world politics, and I should like to see my country lead rather than obstruct this noble and redeeming movement.

That is all the economics and politics that I shall indulge in just now; otherwise I should be tempted to go much farther. I repeat my expression of gratitude to you all, for your kind regards, for your inspiring presence, and for something that will give me, not merely a day of happiness, but what I have the audacity to hope will be a reasonably long evening of life and similar happiness. All this and much more I hope and earnestly invoke for you all.

GUEST OF HONOR

Professor John Bates Clark

SPEAKERS

Dr. Nicholas Murray Butler
Professor Frank A. Fetter
Professor Franklin H. Giddings
Professor Edwin R. A. Seligman

GUESTS

Eugene E. Agger
Benjamin M. Anderson, Jr.
James W. Angell
Stephen Baker
George R. Beach
James C. Bonbright
Clarence W. Bowen
Wendell T. Bush
Edward W. Capen
Harry J. Carman
Robert E. Chaddock

John Maurice Clark
Julius H. Cohen
John W. Davis
Edward T. Devine
Frank H. Dixon
William J. Donovan
George Filipetti
Irving Fisher
Austen G. Fox
Fabian Franklin
H. G. Friedman

(Continued on following page)

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Edwin F. Gay
Charles W. Gerstenberg
Richard J. H. Gottheil
Joseph P. Grace
Evarts B. Greene
Robert L. Hale
Lewis H. Haney
F. B. Hawley
Carlton J. H. Hayes
Walker D. Hines
Jacob H. Hollander
Charles C. Hyde
A. V. W. Jackson
Jeremiah W. Jenks
Willard V. King
George W. Kirchwey
Oswald W. Knauth
Samuel McCune Lindsay
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