

A History of the Foundation and Early Years of the Association for Evolutionary Economics

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Resumo: Durante o final da década de 1950, economistas, classificados como institucionalistas, começaram a se organizar frente à perda de representatividade que a economia institucional estava enfrentando. Como resultado dessa organização, em 1965, a *Association for Evolutionary Economics* (AFEE) foi fundada. O presente artigo analisa a história da fundação da AFEE e os seus primeiros anos. São apresentadas evidências de arquivos, muitas das quais nunca foram publicadas, em vista de expor uma história detalhada da fundação da associação e seus primeiros anos. Nessa perspectiva, o texto destaca uma interpretação da AFEE que enfatiza o papel das diferentes interpretações do significado da economia institucional na construção da associação. O artigo também enfatiza uma breve história dos primeiros anos do *Journal of Economic Issues* – revista editada pela AFEE.

Palavras-chave: Association for Evolutionary Economics, Economia Institucional, Economia Dissidente, Clarence Ayres, Allan Gruchy, John Gambs

Classificação JEL: B25, B52, A14

Abstract: During the late 1950s, institutionalists started organizing themselves amid the decline of institutional economics, as a result of which, in 1965, the Association for Evolutionary Economics (AFEE) was founded. This study considers the history of the movement to found the AFEE and the early years of the AFEE. We present archival evidence, much of it previously unpublished, to provide a detailed history of these early years. Then, we present an account of the AFEE that highlights the role of different interpretations of institutional economics in building the association. Also, we present a brief history of the early years of the *Journal of Economic Issues* – AFEE's journal.

Keywords: Association for Evolutionary Economics, Institutional Economics, Dissent Economics, Clarence Ayres, Allan Gruchy, John Gambs

JEL Classification Codes: B25, B52, A14

Área 1 - História do Pensamento Econômico e Metodologia

A History of the Foundation and Early Years of the Association for Evolutionary Economics

During the late 1950s, institutionalists started organizing themselves to combat the consequences of the decline of institutional economics. As a result of such actions, the Association for Evolutionary Economics (AFEE) was officially founded. The first act towards the AFEE's founding was a small meeting called by John Gambs and Allan Gruchy in 1959. Actually, this first meeting was so small that it took place in John Fagg Foster's hotel room at the Windsor Hotel, in Washington D.C. (Foster to Ayres, 18 October 1967, Ayres Papers; Rutherford, 2001: 185). Eleven economists that were in Washington for the American Economic Association (AEA) annual meeting attended Gambs and Gruchy's call. They were, according to a listing by Gruchy, Joseph Brown, Fagg Foster, John Gambs, Allan Gruchy, William Hewitt, Forest Hill, Robert Patton, James Reese, Arthur Schweitzer, James Street, and Washington Glade (Minutes of the Meeting, 29 December 1959, Gruchy Papers). Before the official foundation of the AFEE in 1965, the group formed by those 11 economists, plus others, who attended the subsequent early meetings, would be known as the "Wardman Group" (Bush 1991, Gambs 1980, 'Hara 1995).¹

Even though the movements to create a new association emerge from the decline of institutional economics, the economists involved were not all avowedly institutionalists. In fact, some bitterly rejected the title. Diversity was the hallmark of the group. This diversity does not mean that those economists did not have positive propositions in economic theory—and especially in methodology—but the ways through which they theorized and applied economics were largely pluralistic and eclectic.

This study has a twofold objective. First, it is our intention to introduce a more detailed history of AFEE's early period based on archival evidence. We visited John Gambs Papers at Hamilton College, Clarence Ayres Papers at the University of Texas at Austin, and collected a handful of scattered archives kindly provided to us by Professors Fred Lee and Rutherford. Despite the fact that we believe our archival material add many unpublished details to what has been written about AFEE history, we also rely on previous works, mainly on those by the leading historian of institutionalism, Malcolm Rutherford. This effort in writing the history of the AFEE is important because much of its history exists only in scattered form, mainly in oral tradition and personal communications. Second, in telling this history, we emphasize the tensions that emerged from the experience of having a great diversity of theoretical perspectives in the same organization.

Ample Diversity in the Same Organization: the AFEE's early members

At the 1959 meeting, the first discussion was about an attempt to have roundtables on institutional economics inserted in the AEA program; in the end, the group decided it would be a better move to establish a separate association (Matters Discussed at the First Meeting, December 1959, Gruchy Papers). Hence, annually, in the same city and at the same time at which the AEA meeting took place, rump sessions, such as the first one, continued to be called. Before the official foundation, the meetings remained small but increased in size every year. The minutes of the 1961 meeting lists the names of 28 economists who asked to be informed of the group's actions (Manuscript by Gambs, February 1962, Gambs Papers). The list grew to 150 names in 1963. In the same year, Gambs observed that the post-meeting feeling was that they "at least got off the ground," and the following year, the meeting would reveal "genuine progress." However, besides the growing numbers of interested people, we consider the most important achievement of the group was to garner the interest of some famous economists, who in some cases, were involved the association's activities. The 1963 list shows names such as Joseph Dorfman, Carter Goodrich, Albert Hirschman, Simon Kuznets, and Gardiner Means. Dorfman and Means would become two very active members of the AFEE (Minutes of a Meeting of Dissent Economists, 28 December 1963, Gruchy Papers).

As we already noticed, the diversity among the AFEE's early members was paramount. Even within the institutionalist contingent, there was plenty of diversity. Indeed, the tensions that would emerge during the early years mainly resulted from the attempt on the part of the main organizers to hammer out some sort of agreement among the various perspectives presented in the AFEE.

Rutherford (2015: 99, 107) divides the post-war institutionalists into three groups. The Texas institutionalists, for whom the main influence was Clarence Ayres, the heirs of Commons, and a much looser group of non-Ayresian institutionalists, including, for instance, the economists John Kenneth Galbraith and Gruchy. In general, we agree with Rutherford's grouping of institutionalists. However, on closer examination, we consider we can depict a more subtle diversity and eclecticism, which are crucial to understand some of the tensions that emerged during the early years. To show this diversity, we analyzed the educational backgrounds and theoretical affiliations of some of the economists who appear on the lists of individuals involved with the initial arrangements.²

Considering the traditional centers for institutionalism, the most common background of those involved in the early arrangements is Columbia University—14 of the 42 individuals are linked to the university, either by studying or teaching there. Nonetheless, half these individuals have links with other institutionalist centers. W. Paul Strassman, who would be a member of the AFEE's executive board in 1969, presents a good example of a paramount eclectic background and professional affiliations. He was professor at Michigan State, an important post-war center where the Commons-type of institutionalism continued. Nevertheless, in addition to his teaching at Michigan, he completed his masters at Dorfman and Goodrich's Columbia and his undergraduate studies at Ayres's Texas. Finally, he obtained the PhD at Gruchy's Maryland. In his own definition, he thought his perspective was of a Dewey–Veblen type, yet more “conservative than his fellows' institutionalism.” Later, he would affirm he agreed with “Chicago preference of markets over planning” (Rutherford, 2015: 98; Schmid, 2004: 227–228). Thus, Strassman embodied not only a truly pluralistic education, but also a rather eclectic view of economics and, specifically, of institutional economics.

One of the AFEE's main organizers was a former Columbia student. John Gambs studied for his PhD under Goodrich at Columbia. However, in contrast with the institutionalists from the Columbia's heyday of institutionalism, he advocated a strongly politically militant institutionalism. Regarding his theoretical views, Rutherford (2015: 106) describes him as sometimes arguing that coercion in economic life is the central institutionalist idea, and, sometimes, taking a more Ayresian position. As we see below, his strong position in favor of a politically militant institutionalism was a crucial source of tensions in the AFEE's early years.

In addition to the fact that half of the individuals who had a link with Columbia also had a link with another major institutional center—Texas, Michigan, Wisconsin, Brookings, Chicago, or Maryland—eight of them went to Columbia in the period after William Vickrey, George Stigler, and A. Hart had joined the faculty. Thus, this second cohort of institutionalists from Columbia experienced the institutionalist movement in decline and, at the same time, the rising of the “economic analysis” type of education (Rutherford, 2011: 255–256). These economists received a rigorous training in the then new mainstream. This eclectic background might be part of the explanation why Columbians formed one third of the early AFEE members but had never associated themselves in a cohesive group. Moreover, Rutherford (2011: 255) comments that in contrast with other inter-war institutionalist centers “Columbia was impersonal and not very collegial in character.” “Creating a band of faithful followers” was not an aspiration for the faculty leaders. This was a marked difference with Ayres's profoundly charismatic leadership at the Southwest.

Among the early AFEE people, there were also links with Galbraith's alma mater, Berkeley. Two of Berkeley's PhDs, Galbraith and Dudley Dillard, served in the executive board, Dillard being one of the AFEE's past presidents. Furthermore, we can make an important addition to the Berkeley contingent, Allan Gruchy, who was not a Berkeley degree-holder but had been introduced

to institutionalism there (Rutherford, 2015: 99). Dillard, Galbraith, and Gruchy received the Veblen–Commons Award. In spite of their common background in Berkeley’s institutionalism, they held diverse and eclectic views about institutionalism and economics in general. Dillard was a Keynesian-inclined institutionalist even before the rise of the heterodox version of Keynesianism by the hands of the post-Keynesians (Rutherford, 2015: 115; Hamilton to Lee, 20 February 1998, personal communication). Galbraith was also decidedly sympathetic to Keynesianism and helped much in the institutionalization of this heterodox perspective in the 1970s (Lee 2009). On the contrary, Gruchy had always been very harsh on Keynesianism and was very attached to an eclectic form of institutionalism³ (Cavalieri and Almeida 2015, Gruchy 1962). Another ex-Berkeley PhD student involved in the early AFEE was Douglas Dowd.

Similarly to Columbia, in AFEE’s early days, there were two generations of economists with Wisconsin educational backgrounds. Bushrod Allin and Meredith Givens, for instance, were part of the interwar generation. They took part in important projects of the early 20th-century institutionalism such as, the Brookings studies on migration and the Committee on Recent Social Trends, respectively (Rutherford 2011: 242; Goodrich, Allin, and Hayes 1935). Amid the new generation of Wisconsin PhDs, Harry Trebing would be a very important character in the early AFEE. He suggested the Veblen–Commons Award and was outstandingly active during the early years—he was Secretary-Treasurer and then President. His background is interestingly pluralistic. Before he went to Wisconsin and studied with Selig Perlman, Edwin Witte, and Martin Glaeser, Gruchy and Dillard introduced him to institutionalism at Maryland (Schmid 2004: 220–221). Two other Wisconsin graduates were Louis Junker and Warren Samuels. Junker’s radical opinions against the Commons version of institutionalism and Samuels’s well-known outright pluralist position are good evidence for the fact that the newer Wisconsin generation did not hold a cohesive position. As the *JEI*’s long-term editor, Samuels would be decisive in imprinting a highly controversial but certainly very eclectic style on the journal.

Certainly, the most cohesive group was that influenced by Ayres—nicknamed by Gambs the “cactus branch” (Report on Interviews with American Economists, 1963, Gruchy and Gambs Papers). In addition to Ayres’ influence, they had close and continuous contact with each other. The geographical closeness of the individuals in the “cactus branch”, all located at universities in the Southwest, certainly facilitated their interaction.⁴ Furthermore, the Southwestern Social Science Association and its journal, *The Southwestern Social Science Quarterly*, provided a forum to exchange and publish their ideas (Report on Interviews with American Economists, 1963, Gruchy and Gambs Papers).⁵ We think Ayres’ charismatic character in leadership—shown, for instance, in his plentiful correspondence with ex-students—is possibly the greatest factor for the successful networking between the cactus branch members.

In relation to this Texas contingent, from our listing of 42 names, 10 have links with the institution either as faculty members or as degree holders. However, in closer analysis, according to the opinion of a privileged observer like David Hamilton (2004), the “mavericks,” the professors of many of the “cactus branch” institutionalists—professors like E. E. Hale, Ruth Allen, Clarence Ayres, R. H. Montgomery, and C. A. Wiley—did not form an ideal homogeneous bunch defending the same ideas. For instance, Hamilton (2004: 267–268) notices that Hale was an undisclosed Marxist and Montgomery was a [Walton] Hamilton-type institutionalist. As for the younger generation, we can surely enroll Hill as an institutionalist with plural backgrounds. After completing his undergraduate studies at Texas under the “mavericks,” he went to Columbia for his masters and PhD, coming back later to become part of Texas faculty and the first *JEI* editor. He was part of the abovementioned second cohort that went to Columbia during the years of the neoclassical rise. Therefore, albeit the outstanding institutionalists J. M. Clark, Dorfman, Bonbright, and Goodrich were active to offer courses and take part in his dissertation committee, Hill received the mentioned rigorous training in the then new mainstream economics (Hill to Ayres, 31 October 1947; Rutherford 2015: 98).

Another two remarkably important early AFEE members had indirect links to Texas. Marc Tool was a former Fagg Foster student at the University of Denver and wrote a PhD dissertation on

“The Philosophy of Neo-Institutionalism: Veblen, Dewey, and Ayres” (Tool 1982). Second, the already mentioned Wisconsin graduated Junker is another former Foster’s student. Regardless of the fact that he completed his PhD at Wisconsin, he wrote his dissertation on Ayres and always remained a faithful and rather radical Ayresian institutionalist—possibly the most radical among the early AFEE economists. He reported to have received some training in price theory at Connecticut during the 1950s, but contrary to Hill, his criticism of the then mainstream was very severe and unconditional. As we mentioned above, even though he went to Wisconsin when Selig Perlman was there for his last years, Junker remained extremely critical of the Commons type of institutionalism (Junker to Ayres, 7 March 1952; Junker to Ayres, 6 April 1972, Ayres Papers).

Finally, the early individuals in the AFEE had many other educational backgrounds and professional links. Three early AFEE members held degrees from the American University, but only John Blair got his PhD there. Louis Salkever and Wendell Gordon completed their masters at American and went to Cornell and NYU, respectively, for their PhDs. Means, who played an important role in early AFEE, was a Harvard product. Colston Warne and Goodrich were products of 1920s Chicago, roughly at the same time that Ayres was completing his PhD in Philosophy there. Theresa Wolfson mixed Columbia and Brookings backgrounds—the latter being the institution of her PhD.

In summarizing this diversity, there are some important points to consider. Rutherford’s (2011, 2015) works asserts the inter-war coherence of the institutionalist movement. Again, we agree with Rutherford’s interpretation. However, as for the early AFEE members, we should consider that out of the 42 on our list, 22 completed their higher degrees—the majority of them held PhDs—after the inter-war period. Consequently, in their contact with the institutionalist movement, they experienced a paradigm in decline and surely not as cohesive as the movement so brilliantly depicted in Rutherford (2011). Moreover, in the post-war years, they were scattered and did not form a “united front.” Witte noted this matter when he was president of the AEA and tried to insert institutionalist roundtables in the AEA’s annual meeting (Witte to Ayres, 30 April 1956, Ayres Papers). Furthermore, we stress that the two most important leaders in the movement to found the AFEE, Allan Gruchy and John Gambs, obtained their PhDs in the inter-war period but had perspectives very alike those from the second generation. This great diversity in educational backgrounds, as well as in theoretical and methodological perspectives, certainly generated fuzziness and tension. One instance in which this fuzziness appeared clearly was in the attempt to classify the economists involved in the AFEE. These tentative taxonomies show some of the roots of the tensions that would emerge and illustrates vividly the paramount diversity during the early period. The next section introduces the classification issue, some disagreements that emerged mainly in the form of mutual criticism, and the quest for a name for the association.

Disagreements, Taxonomies and the Association’s Name

Since the “cactus branch” was the most cohesive group among the AFEE institutionalists, and as they represented, mainly through Ayres’s work, an attempt to (re)construct a theoretical institutionalism in what they considered a Veblenian line, they tended to be quite critical of other institutionalists.

Regarding Commons, Ayres considered he had never been a theorist such as Veblen. According to Ayres, Commons did not develop much institutionalist theory at all. Furthermore, the leader of the “cactus branch” thought that in the middle of the 20th century, Commons’ heirs also had not developed any substantial theoretical progress. Ayres argued that Witte’s attitude of maintaining that there was no such thing as institutionalist theory was characteristic of Wisconsin institutionalism (Ayres to Gambs, 5 September 1960; Ayres to Junker, 18 April 1972, Ayres Papers). Similarly, in relation to another founding father of institutionalism, Mitchell, Ayres believed that he went so far in his obsession with statistics to the point of completely abandoning any theoretical concerns (Ayres to William Frazer, 4 May 1953; Ayres to Samuels, 15 August 1968,

Ayres Papers). Ayres was also critical of some of Morris Copeland's writings—especially the later ones (Ayres to Hill, 2 July 1968; Ayres to Junker, 30 August 1968, Ayres Papers). We consider Gambs, who was not a “cactus league” economist but very close to Ayres's version of institutionalism, provided an expressive summary of the sentiment among the Ayresian contingent regarding the inter-war generation when he identified Copeland and his former dissertation advisor, Goodrich, as, at that time, “non-practicing” (sic) institutionalists (Gambs to Ayres, 10 April 1962, Gambs Papers).

Conversely, as noted by Rutherford (2011: 336, 2015: 109), Ayresian ideas were not well received by many institutionalists. For example, when Schweitzer, in organizing the 1964 meeting, received Junker's plans for that year's main paper, he had to dissuade Junker to deliver a paper mainly exalting the accomplishments of Ayresian institutionalism (Rutherford 2015: 109). After Schweitzer's request, Junker toned down his eulogy of Ayresian institutionalism and wrote a more inclusive paper. In Schweitzer's words: “...I would expect that the instrumental theory would have a divisive effect on the group...” (Schweitzer to Junker, 6 June 1964, Gruchy Papers).

Looking for the ideological core and identity of the group, Gambs, for the period of his sabbatical leave in 1963, traveled throughout the US undertaking interviews with economists he considered would be interested in the founding of a new association (O'Hara 1995, Rutherford 2015). Gambs talked to about 40 dissenting economists. He interviewed people from the West, Southwest, and Northeast, but did not talk to economists at Wisconsin or Michigan State—the “Commons” area” (Rutherford 2015; Report on Interviews with American Economists, 1963, Gambs Papers and Gruchy Papers).⁶ In attempting to classify the dissenters, Gambs divided them into two key groups: Veblenians and non-Veblenians. Obviously, both groups were dissatisfied with the AEA's leanings. On one hand, among the Veblenian contingent, the majority of economists seemed to be mainly more or less in the Ayresian tradition. According to Gambs, with some variation in interpretations of Veblen, they generally considered “Veblen's chief concern was with the problems created by the rapid evolution of technology and the slow evolution of institutions.” On the other hand, many among the non-Veblenian group bitterly rejected the idea of joining a group of “institutionalists”; yet, they agreed to participate in an organization focused on the “reconstruction of economics” (Report on Interviews with American Economists, 1963, Gruchy and Gambs Papers). Gambs's taxonomy has been reported in other accounts of dissent and AFEE history, but we consider it important to cite again because this classification stresses the interest of non-institutionalist dissenters in forming an association such as the AFEE.⁷ However, in fact, we consider Gambs's classification pushed all institutionalists too close to an Ayres–Veblen version of institutionalism.

Schweitzer offered two taxonomies we consider are more illustrative of the actual eclecticism present in the AFEE's early years. In 1964, commenting on the narrowness of Junker's eulogy of Ayresian institutionalism to the AFEE's broader audience, he mentioned three divisions among the AFEE's members: non-institutionalists, people he considered “not sufficiently impressed by any of the main institutionalist thinkers of the past”; institutionalists who disagreed with Ayres's interpretation of Veblen, whom he called “Neo-institutionalists”; and Ayresian institutionalists (Schweitzer to Junker, 6 June 1964, Gruchy Papers and Bulletin of the Wardman Group, November 1964, Gruchy Papers). Nonetheless, a couple of years before, Schweitzer had introduced an even more revealing categorization. Then, his categories were: (1) Veblenians, (2) students of certain Europeans (Sombart, Weber, etc.), (3) economic historians, (4) students of labor, (5) students of economic growth, and (6) other dissenters, not easily classifiable (Minutes of the Meeting: AEA Group, 28 December 1962, Gruchy Papers).

The most interesting aspect of Schweitzer's classification is his combination of theoretical and thematic criteria to arrive at a taxonomy. The thematic classification reveals how economists in some specific sub-fields were dissatisfied with the path taken by the then mainstream economics. The disappointment of economists in the sub-fields of labor economics, economic growth, and economic history possibly was a combined by-product of the new post-war mainstream and the survival of institutional elements in more applied areas. The then new mainstream was largely a

type of economics mainly concentrated on Keynesian macroeconomics and imperfect competition microeconomics. Actually, Schweitzer observed that the “received macro and micro theories” could not handle problems in fields such as labor and underdevelopment, and this was why some specialists in those fields were moving toward institutionalist theories (Schweitzer to Gambs, 11 April 1960, Gambs Papers).

Another interesting taxonomy of the institutionalists is that presented by Junker. His categorization divided the field rather radically, and, essentially, politically. His view was one of “an institutionalism of the left and an institutionalism of the right.” For Junker, the Veblenian and Ayresian institutionalism fell in the former category, while Commons’s and Mitchell’s versions fell in the latter. Bitterly criticizing Commons’ and Mitchell’s versions, he remarked that the Ayresian and Veblenian institutionalisms were closer to some developments in Marxist economics than to the “institutionalism of the right” (Louis Junker to Ayres, 6 April 1972, Ayres Papers). A political divide would be an important matter in the tension generated by Gambs’s attempt to extract a convergence among AFEE members, something we comment on in the following section of this paper.

Gruchy also advanced a taxonomy of dissenters. He divided the dissenters involved in the early AFEE into two broad categories. First, there was a non-academic type, comprising economists who were dissatisfied with the path taken by economic science and feared the consequences of such a move. Gruchy stated that this group called themselves institutionalists but did not know exactly why. This category, according to Gruchy, represented a great part of the AFEE membership during the early years. The second broad category consists of academic types, which included two sub-categories. The first academic type encompassed dissenters who would like an economic science more realistic and socially inclined, as well as less dedicated to merely technical issues. They demanded more work that should be empirical and an inter-disciplinary approach combining law, economics, sociology, and other social sciences. For Gruchy, this contingent was comprised mainly of the heirs of Commons. The second academic type encompassed economists who believed that conventional economics was too limited in scope and, consequently, needed more radical reconstruction. Their objective was mainly to replace conventional economics analysis in its entirety. Gruchy called this type “mainstream institutionalists,” that is, the Veblenian wing. In Gruchy’s opinion, the tensions in the AFEE emerged chiefly from these different academic perspectives (Gruchy 1969; 1978; Gruchy to Gambs, 29 July 1975, Gambs Papers).

In our opinion, the variety of all taxonomies shown above depict two important aspects of the eclecticism of the early AFEE years. On the one hand, the various groups and ways to group the dissenters participating in the AFEE simply indicate that many different economists were dissatisfied with the path taken by the then new economic mainstream. On the other hand, the taxonomies expose how the tensions that would arise were multi-dimensional. In fact, the tensions were not only about which type of theoretical perspective was most adequate, but also about the degree to which the then new mainstream was misguided, the association’s objectives, and the political stance early AFEE members needed to follow—or whether they needed to follow, as a group, any particular political position.

Finally, we consider another illustrative instance regarding the diversity among early AFEE members is worthy of mention: the difficulties of finding a name for the association. In that respect, the rejection of the term “institutionalism” is the most interesting point. Hill and Ayres were two of the few early AFEE members who suggested adopting “institutionalist” or “institutionalism” in the name of the group. Hill suggested the name “Institutionalist Studies Group.” Ayres, noticing that the word “institutionalism” had been misused, considered it a term in circulation for a long time, and believed they should go under a banner by which they were known. For Ayres, the adoption of a new term would almost certainly lead to misuse (Hill to Gambs, 8 June 1960; Ayres to Gambs, 19 March 1962, Gambs Papers).

Nevertheless, “institutionalism” or “institutionalist” faced strong opposition. Mainly, we believe the trouble with the word in the association’s name was related to what could be noticed as too strong a link with a Veblenian version of institutionalism. During the early 1960s, Gambs sent

letters to several prospective members attempting to draw them closer to the association. Some of the responses Gambs received are examples of the opposition faced by institutionalism as a banner under which they could group themselves. Dowd, for instance, wrote Gambs that the idea of an association and a vehicle to publication, as a journal, are good ones, but he did not think that even an implicit “loyalty oath to Veblen” should be part of it (Dowd to Gambs, 8 May 1962, Gambs Papers). Another economist who declared to have worked “in the institutionalist vineyard,” but who notified Gambs that he would not like to be a part of a dissent movement mainly identified with Veblen, is Charles Hession. He wrote Gambs he would dislike following a movement identified “with any one writer” and he explicitly noted that the word “institutional” was surrounded by too much misunderstanding. Thus, he preferred to be called a “behavioral economist” (Hession to Gambs, 27 January 1964, Gambs Papers).

It is important to stress that aversion to the label “institutional economics” or “institutionalism” did not mean aversion to the institutional approach—as defined by Walton Hamilton (1919) and developed by Interwar institutionalists. Several AFEE’s early members identified themselves and worked in the broad tradition that Walton Hamilton tried to define using the expression “institutional economics.” The rejection for the institutionalist label was about what institutionalism could mean during the postwar period. David Hamilton’s words about it are a good illustration. In a personal correspondence with the late Fred Lee, David Hamilton affirmed that “[i]n the United States for several decades a favorite way of putting down the creditability of an economist was to refer to him/her as ‘an institutionalist.’ In some departments of economics that appellation would automatically be cause for exclusion. Sad, but true!” (Hamilton to Lee, 28 February 1998, Fred Lee’s Archive of Personal Communications).

Trying to solve the problem of finding a name for the association, in 1964, Ben Seligman, the first AFEE’s Secretary-Treasurer, proposed the rather neutral name “Association for the Reconstruction of Economic Science” (Rutherford 2015). Maybe this name was too neutral. Finally, in 1965, Gambs and Gruchy, associated with Patton, Trebing, and Kendall Cochran suggested “Association for Evolutionary Economics” (O’ Hara 1995). The most active members voted by letter and, at last, agreed with this name.

Two Projects and Three Leaders Facing the Overwhelming Diversity of the Early AFEE Members

Considering this variety of perspectives present in the early days of the association, an inevitable question arises: how did the early AFEE main organizers deal with this diversity? To suggest an answer to this question, we consider it interesting to examine the roles of those we consider the three most important characters in the foundation of the AFEE: John Gambs, Allan Gruchy, and the AFEE’s first president, Clarence Ayres. In analyzing their roles regarding pluralism in the AFEE, we chose to examine their opinions in two illuminating episodes from the early years: the process of tentatively writing a volume intended to summarize the middle 20th-century institutionalists’ views and an official AFEE project for a series of papers—called the “Position Papers”—planned to extract some convergence from the AFEE members. However, before turning to this analysis, we provide a brief description of the three leaders mentioned.

John Gambs was the chief organizer of the AFEE in its early years. Allan Gruchy called the first meeting; however, in 1960, Gruchy did not attend the AEA meeting in St. Louis and Gambs acted as the main organizer. From that year, until the official inauguration of the association, Gambs took over the organization of the rump sessions and strove for support from prospective members (Gambs 1980). Hence, at the time of the official foundation of the AFEE, his central role was widely recognized. Ayres, for instance, when invited by Gruchy and Gambs to be the first president of the association, responded that Gambs should be the president since he was the founding father of the association (Ayres to Gruchy, 24 October 1965, Ayres Papers; Ayres to Gambs, 22 September 1967, Gambs Papers). Likewise, many other dissenters involved in the early

arrangements recognized Gambs as the main character behind the early arrangements (Foster to Ayres, 18 October 1967, Ayres Papers; Robert Patton to Gambs, 1 July 1964, Gambs Papers; John Blair to A. Baylor, 29 October 1964, John Blair Papers; David Hamilton to Fred Lee, 27 January 1998, personal communication).

Allan Gruchy was a leading institutionalist scholar in the middle of the 20th century—not as famous as Ayres, but fairly well known among dissenters.⁸ In relation to the establishment of the AFEE, his role seems to be second only to Gambs' role. As Gambs himself stated, “[f]or a period of more than fifteen years, Allan Gruchy gave much of his time, energy, and heart to the creation and guidance of an association supporting heterodoxy in economics” (Gambs 1980). Indeed, Gruchy's role was crucial because he used his influence among dissenters for inviting many participants. Gambs did not have as much influence as Gruchy had. He also dealt with a lot of administrative work: writing reports, minutes, bulletins, helping in the executive committee, and trying to gather all sorts of support for the association. In addition, according to Rutherford (2015: 104), Gruchy's attempt to redefine institutionalism based on the argument that it is a “holistic” approach to economic theorizing has had pronounced resonance among institutionalists. Since this idea helped institutionalists to step away from comparisons with natural sciences, something common even in Veblen's work, the references toward institutionalist methodology as a type of “storytelling” or “patter modelling” have followed Gruchy's concepts.

Finally, Ayres was the undisputable leading figure of the post-war institutionalism (Rutherford 2011: 335). As Bob Coats (1992: 373) put it, his work is part of the “mainstream of the American dissent.” Witte, one of the last of the AEA's institutionalist presidents, told Ayres that people referred to him as “the Dean of all institutional economists now living” (Witte to Ayres, 30 April 1956, Ayres Papers). In line with this, in the archives we gathered, it is clear that Ayres acted as a counselor for many institutionalist economists, chiefly for those in the “cactus branch.” Moreover, even though Gambs and Gruchy were not from the Southwest, they always asked Ayres for his opinions on various matters regarding the organization of the AFEE. In fact, for many years in the middle 20th century, Ayres had played exactly the role with which Witte said he was entitled to be referred. We consider his opinions about keeping the AFEE wide open to a broader membership and participation were crucial in establishing eclecticism and plurality as one of the association's hallmarks in the early years. Gambs and Gruchy were always hesitant and ambiguous about openness. We credit a great part of the openness in the association to Ayres' counseling.

Initially, just after the first meeting, the original participants indicated to Gruchy, who conducted a survey thereon, that they would prefer the continuation of a small group, not larger than 30–40 people (Gruchy to Gambs, 8 June 1960, Gambs Papers).⁹ Nonetheless, somehow they decided to strive for wider support and, consequently, for a wider membership. The question of how open the membership would be remained as one of the most important issues during the 1960s. In the abovementioned 1963 report, Gambs defended openness as a policy toward membership (Report on Interviews with American Economists, 1963, Gambs and Gruchy Papers). However, later, Gambs would reveal that, despite the fact that he accepted and even defended openness and eclecticism, he and Gruchy always felt uneasy about the seemingly irreconcilable pluralism among members (Gambs 1980). Thus, whereas Gambs accepted openness as a policy toward membership; he always endeavored to extract theoretical and political consensus from the group. To construct this compromise, he undertook two projects, both failing to produce any significant results in convergence but becoming sources of tensions.

As early as 1960, Gambs attempted to organize a book to summarize and convey the middle 20th-century institutionalist views on economic science. In particular, he wanted to collate a book along the lines of Rexford Tugwell's “Trend of Economics.” Gambs and others believed the lack of networking among the institutionalists was the main reason they were incapable of producing consensus. The writing of the volume generated the idea that a series of meetings should be arranged. Gambs's idea was quite ambitious because he would seek funding to arrange several meetings throughout a period of 2–3 years, in a central place like Chicago, to discuss issues of

dissent regarding the construction of a consensus (Gruchy to Gambs, 8 March 1960; Gambs to Ayres, 5 September 1960, Gambs Papers).

The institutionalists consulted by Gambs received his project well, even though some responses seemed to be merely diplomatic. Gruchy and Schweitzer immediately cheered Gambs's plan. Nonetheless, because they all knew of ample disagreement among the institutionalists, the project required extra thoughtfulness. For instance, Schweitzer observed that the volume could bring to the fore how much they disagreed with each other, something that would surely be harmful to the already diminished image of the institutionalists within the profession. Thus, according to Schweitzer, they should not concentrate on bitter criticism of the then mainstream economics, but on positive proposals for constructing an alternative (Gruchy to Gambs, 8 March 1960; Schweitzer to Gambs, 11 April 1960, Gambs Papers).

When Ayres first received Gambs's idea, he seemed very excited about writing such a volume. He considered the result could be "considerably better than Rex Tugwell's 'Trend of Economics'" because, in his opinion, the institutionalists had more in common than they realized at that time (Ayres to Gambs, 27 September 1960, Gambs Papers). Later, arguing along the same line as Schweitzer, Ayres commented that the fault of Tugwell's book was its lack of focus on common issues, something that did more damage than good to institutionalism. Consequently, in Ayres view, "an effort should be made to focus the various contributions as sharply as possible on common issues" (Ayres to Gambs, 19 March 1962, Gambs Papers).

An important aspect of Ayres's counsel about the project should be stressed. Although "the dean" asked for focus on common ground, he did so in a rather pluralistic way. For example, as mentioned above, Gambs saw Goodrich and Copeland as "non-practicing" institutionalists, and Ayres asked for their names to be included in the project. In fact, Ayres was very emphatic in stating that "they should be included in any serious effort to project an institutionalist consensus" (Ayres to Gambs, 19 March 1962, Gambs Papers). Furthermore, in a considerably surprising way, Ayres told Gambs he thought the majority of the profession would agree with three issues that made institutionalism deviate from the classical tradition. (1) Technology is the vital force behind economic development. (2) The community must accept its responsibility for "operating the economy" ("for designing 'institutional supplements' to the prevailing scheme of things"). (3) There was a necessity to expand consumption, principally in the lower levels of the income scale. Therefore, for Ayres, the majority of economists "privately accepted" the institutionalist principles, but were not "publicly avowed" of them. Hence, he hoped the publication of a carefully projected and written book would call the attention of the entire profession (Ayres to Gambs, 19 March 1962, Gambs Papers). Thus, Ayres demanded inclusivity; he certainly did not want to see a volume aimed only at an audience of a small group of institutionalists. Their discourse should communicate with the entire profession.

In the year after these discussions, Ayres presented another defense for broadening the scope of authors to be included in the volume. The "dean" asked that the project not be confined to "confessing institutionalists" and should avoid any appearance of sectarianism. He repeated his belief that the profession was "groping" in the direction of the institutionalist critique—namely, the need for more realism in theory building. Thus, in his words, he affirmed "that encouraging and facilitating such groping is more important than trying to form a community of the 'saved,' or trying to draft an 'Apostles Creed' of true-blue institutionalists." In addition, once more Ayres suggested that names linked to the old cohort of institutionalists, such as John Maurice Clark, should be included; he also recommended the inclusion of Means and Adolph Berle—two economists who constantly refrained from being labeled institutionalists (Ayres to Gambs, 6 June 1963, Gambs Papers).

Nonetheless, the book project was never completed. First, Gambs had to abandon the idea of a series of meetings because he could not find funds. Second, a persistent absence of agreement seems to be the major reason behind successive decisions to postpone the project. Then, at some point in 1964, Gambs and Gruchy decided that writing a Festschrift for Ayres was a much more achievable project. Some famous economists agreed to contribute to this new project, among them,

Joan Robinson. However, in 1966, Gambs wrote to her in disappointment, telling of the possibility that the new project would not succeed. “A series” of publishing houses rejected publication of the work with the common critique: uneven quality from the contributors and lack of a unifying thesis. Furthermore, as the name of the association was finally chosen, “two of the most promising contributors” backed down because they considered the name remembered too much “Veblen’s 1898 paper” (Gambs to Robinson, 13 May 1966, Gambs Papers).

Abandoning these unfulfilled projects towards convergence, after the official foundation of the AFEE in 1965, Gambs insisted on an official AFEE project called the “Position Papers.” This new project was a venture the AFEE would officially support; nevertheless, the group did so in a kind of unassured way. In the 1968 March issue of the *JEI*, Gambs (1968) published a manifesto to gather support for his new endeavor in extracting consensus. In a paper named “What Next for the Association for Evolutionary Economics?,” Gambs urged the writing of a series of “Position Papers.”

Two features are clearly noticeable in the argument presented in Gambs (1968). First, the paper was written along an unmistakably Ayresian line. He argued that “from talks with many of you [AFEE members]”, it seems we agree our “task, at least on the economic plane, is to lend our energies toward the narrowing of gaps between institutions and technology or among institutions.” (Gambs 1968: 70). Following this, using the argument Ayres used in his abovementioned letter, Gambs contended that standard economists might agree with principles and objectives dissenters or institutionalists supported. Metaphorically speaking, he stated that the institutionalists “married” the principles they advocated, while standard economists simply “flirt” with them (Gambs 1968: 70). Second, he pleaded for a clear-cut political action on the part of AFEE members. He even cited Frederic Bastiat’s writings against the candlemakers’ claims for tariffs as the paragon for the type of discourse he wanted for the Position Papers (Gambs 1968: 77). In the paper, Gambs’s position is very clear, the AFEE must take action in political stances, and to do that, it had to work on reaching consensus on common (political) grounds. One cannot stress too much the precedence of the political over the academic in Gambs’s argument, in his words: “From Sismondi to the present, dissenting economic thought has produced its share of great, scholarly, imaginative minds. If I did not earlier [in the paper] speak of scholarship and research as goals of the Association for Evolutionary Economics, the reason lies in my confidence that the sincerity of a dissent group generates sound scholarship as an inevitable by-product” (Gambs 1968: 79).¹⁰

Gambs’s increasingly intense defense of extracting consensus worried Ayres. Actually, he was truly emphatic in a letter to Gruchy, telling that Gambs’s reiterated attempts at “hammering out” a commitment among members might be detrimental to the AFEE. In his words: “...I think it would be a great mistake for AFEE to try to hammer out any sort of ideological platform, let alone an ‘Apostles’ Creed’ to which members are required to give assent. There are many people of whom perhaps Maurice Clark was the arch-type (sic) who would shy away from any such a commitment” (Ayres to Gruchy, 30 September 1967, Ayres Papers). Contrary to what is clearly the content of Gambs’s 1968 paper, Gruchy responded to Ayres that it was not the intention of the Position Papers to foster any kind of ideological content for the AFEE, but only to address the path that institutional economics was taking (Gruchy to Ayres, 6 February 1968, Ayres Papers). In the end, lack of consensus prevailed and the Position Papers never came into existence. Plurality among membership seemed to prevail over the association’s founding fathers’ attempts to extract convergence. Later, Gambs (1980) would lament this.

Even in the face of divergence and tensions, the AFEE thrived. After its official establishment in 1965, its membership grew fast. In that year’s meeting, the involved economists urged for a membership campaign—there were 97 paid-up memberships reported in the minutes of the 1965 meeting (Minutes of the Membership Meeting of AFEE, 1965, Gambs Papers). We could not find data for 1966 but, for 1967, Seligman, who was the Secretary-Treasurer, reported to the executive board a huge increase in membership. In March, he annotated that the membership was “close to” the 300 mark. Then, in December, he wrote, “the membership is now past 650” (Seligman to Executive Board, 17 March 1967; Seligman to Executive Board, 6 December 1967,

Ayres Papers). In 1968, the total membership reported was 789; in 1969, it rose to 964 (Minutes of the Meeting of the Executive Board, 28 September 1968; Minutes of the Meeting of the Executive Board, 28 December 1969, Ayres Papers). In 1970, the total membership decreased to 840; however, paid membership rose. Furthermore, because many libraries and members subscribed to the *JEI*, at the beginning of the 1970s, the AFEE was reported to be in “good financial health” (Report of the Secretary-Treasurer, 22 December 1970, Ayres Papers).

Before concluding our history of the early years, we present a brief account of the early years of the journal, which has been the principal vehicle in transmitting and advancing the original institutionalist heritage. The *JEI*'s history is inextricably linked to the institutionalization of pluralism and eclecticism within the AFEE.

The JEI Early Years

After assuming office, the first AFEE's executive board and president, Clarence Ayres, decided to create a journal alternative to the traditional outlets for economists' research such as the *American Economic Review* and the *Quarterly Review of Economics*. In early 1966, Ayres knew that the State University of New York had agreed to sponsor partially the AFEE's new journal. By the terms of the arrangement, the university would provide the required technical services and partial funding. The editorial board would be in part composed of economists from the sponsoring university—all AFEE members. At that time, the proposed name for the journal was the *Journal of Contemporary Economics* (Ayres to Gruchy, 27 March 1966, Gruchy Papers). Nonetheless, the arrangement between the AFEE and the State University of New York did not materialize.

However, the need for an outlet for the research which could not find place in the traditional journals was considered so important that Gruchy suggested the association to begin a journal even without an institution behind it, in a very modest basis. Therefore, Gruchy believed they could publish just an “AFEE Bulletin”; nevertheless, the idea to publish a *Journal of Evolutionary Economics* remained as the foremost objective (Gruchy to Ayres, 19 April 1966, Gruchy Papers).

After a while, possibly under a move from Ayres, the University of Texas at Austin agreed to sponsor and publish the AFEE's new journal. Ayres proposed Hill as editor. Gruchy received the suggestion for Hill to be editor very well and, then, initiated the first arrangements to setting up the effective running of the new journal (Gruchy to Ayres, 14 June 1966, Gruchy Papers). Since Hill was to choose the members of the editorial board, the question of openness soon emerged. Gruchy defended the journal should not be oriented toward only institutional economics—he used “social economics” to define what he considered must be the scope of the new journal. “It seems to me that the journal should have as wide as appeal as possible and should, therefore, be a kind of journal that would be of interest to the members of AFEE as well as to non-members who are interested in social economics. From my point of view, ‘social economics’ includes institutionalists as well as a wide variety of economic dissenters who are found in the membership of AFEE” (Gruchy to Hill, 21 July 1966, Gruchy Papers). Hence, regarding the journal's affairs, Gruchy clearly considered openness the policy to follow.

Ayres also defended openness as the best policy for the new journal. When Junker complained to Ayres about Hill, mentioning that the journal staff could not be “overloaded with Veblenians,” Ayres responded by defending openness. For the first AFEE president, the only standard the journal should seek was to publish high-quality texts from writers not been frequently found in established journals (Junker to Ayres, 5 January 1967; Ayres to Junker, 10 January 1967, Ayres Papers). In doing so, Ayres, the president of the AFEE, supported the idea of a open and eclectic journal that could be a vehicle for the ideas of different sorts of economists to publish high-quality papers.

Based on the archival evidence we found, the name *Journal of Economic Issues* was suggested by Hill in 1966 (Gruchy to Ayres, 29 September 1966; Ayres to Gruchy, 30 September 1966, Gruchy and Ayres Papers). The name, without “institutional” or even “evolutionary,”

obviously suggested openness. In June 1967, Hill sent a promotional letter to more than 250 people with the summary of the two first editions of the journal. The promotional material stressed the general scope of the *JEI*, encouraging people to contribute, underlining a call for papers in the areas of economic change, economic institutions, and economic methodology. In addition, Hill stated that their objective was to value interdisciplinary concerns and the history of economic thought as well (promotional letter by Hill, 29 June 1967, Ayres Papers). After 1 month, before the first issue had been distributed, Hill communicated to Ayres that more than 100 libraries had subscribed to the *JEI* (Hill to Ayres, 7 July 1967, Ayres Papers). The first issue was from June 1967, but was delivered after the end of August. At that time, the subscription rose to 400 AFEE members and 200 libraries. Hill continued to send promotional letters and to seek new subscribers during the whole year of 1967 (Hill to Ayres, 28 August 1967, Ayres Papers; Hill 1967).

However, the years under Hill's editorship were tense and confused. The instability through which the *JEI* passed during those years would only end in 1971, when Samuels assumed office as the new editor. Fortunately, with regard to the *JEI*, the sources of tensions and troubles this time were not regarding the issue of openness.

After noticing some delays in the circulation of the *JEI*, Gruchy revealed his preoccupations with the internal status of the *JEI* at the University of Texas, suggesting that the department opposed the sponsorship of the journal (Gruchy to Ayres, 5 July 1969, Ayres Papers). At that point, it was clear for the AFEE organizers that the *JEI* was experiencing problems with respect to timely circulation and responses to contributors—the latter was an even more serious problem because it could jeopardize good-quality contributions. Thus, in a meeting of the executive board of the AFEE in 1969, the *JEI*'s mailing delay was the most pressing problem demanding a solution. Seligman, the then vice-president of the AFEE, highlighted the importance for the AFEE to bring out the *JEI* on schedule. He perceived the problem as so severe to the point of offering himself and the University of Massachusetts Press to bring out the delayed 1968 issues. In response, Hill stressed that his experience with the University of Texas Press had given him enough background not to delay the publishing of the journal any further. In addition, Hill presented a schedule to mail the delayed issues. It was a very overdue schedule. The June 1968 issue would be mailed in June 1969, the September 1968 issue, in July 1969, and the December 1968 issue, in August 1969 (Minutes of Meeting of the Executive Board of the AFEE, 12 April 1969, Gruchy Papers).

In the end, the executive board decided to help Hill to cope with his responsibilities. Specifically, aiming at letting Hill regularize the timely circulation of the *JEI* until 1970, the board members divided some overdue tasks among themselves. Allan Gruchy would assist with the 1968 editions and Seligman would assist Hill in selecting papers for the 1969 edition. Robert Heilbroner also agreed to help handle some tasks related to editorship. In addition, the board asked Hill to send the tables of contents of the forthcoming four issues as soon as possible to Harry Trebing (Minutes of Meeting of the Executive Board of the AFEE, 12 April 1969, Gruchy Papers).¹¹

Hill failed to send the table of contents in time, however. This initiated a process of Hill's substitution as *JEI* editor. The first move was to investigate carefully the status of all the processes concerning the journal, mainly the status of submissions and responses to contributors. Seligman carried out an in-depth investigation, which included a visit to Austin and interviews with Hill and other faculty members. The memorandum he wrote to the board contained a lot of information concerning the disordered state of the *JEI*'s editorship in the early years of functioning. Seligman's main conclusion was that Hill involvement in several tasks made him neglect the editorship. He suggested that departmental issues regarding Hill's commitments to other work was among the reasons why he could not dedicate much time to editing the journal. Indeed, in their interviews, Carey Thompson and Ayres mentioned that Hill's resignation from the editor position would result in a "cleaning of the air and improvement of the departmental situation" (Memorandum to the Executive Board, 6 May 1969, Gruchy Papers, Gambs Papers, and Ayres Papers).¹²

Then, at the end of 1969, the board of directors agreed to substitute Hill as editor officially. Seligman introduced a proposition to take the journal to his department at the University of Massachusetts at Amherst. The university agreed to provide a 5-year budget to the *JEI* and Harvey

Segal, who was a faculty member there, would be the editor (Minutes of the Meeting of the Board of Directors of the AFEE, 27 December 1969, Ayres Papers). The board accepted the proposition and Segal assumed the *JEI*'s editorship.

During Segal's tenure as editor, some controversies regarding the representativeness of AFEE members within the *JEI* editorial board emerged. Gruchy complained when Segal requested help and wanted to choose an associate and assistant editors. For Gruchy, the editorial board did not represent the wide membership of AFEE, and he was apprehensive about the prospect of an editorial board too limited to Segal's geographical area—Massachusetts and New York (Gruchy to Seligman, 20 October 1970, Ayres Papers). In addition, Gambs wrote to Seligman stressing roughly the same points made by Gruchy (Gambs to Seligman, 22 October 1970, Gambs Papers). In the meeting of the executive board, in December 1970, Segal agreed to consider geographical and wide membership as criteria for selecting his assistants (Minutes of the Executive Board Meeting, 27 December 1970, Ayres Papers).

Even though Segal was editor, Seligman remained very important during Segal's editorship. Seligman was the main link between his university and the AFEE, so much so that his sudden passing seems to be the main factor behind the termination of Segal's short period as *JEI* editor.¹³ At the 1970 executive board meeting, in December, just after the passing of Seligman, the members discussed if the University of Massachusetts would agree to continue sponsoring the *JEI* and the alternatives if it would not. Shortly thereafter, Segal officially communicated to Daniel Fusfeld, then the AFEE president, that he wished to be released from the position as *JEI* editor from July 1971 (Segal to Fusfeld, 8 July 1971, Ayres Papers).

After a short period full of uncertainties for the *JEI*, in which the board members examined some proposals for sponsorship and editorship, Michigan State University made a very good offer to the AFEE. In this arrangement, the university would take care of the administrative and editorial tasks of publishing the journal without any costs to the association. The AFEE would cover only the direct costs of printing and mailing the journal. The department of economics at Michigan would provide a new editor, Warren Samuels. Strassman and Robert Solo would assist Samuels in his duties as editor (Minutes of the meeting of the executive board, 8 July 1971, Ayres Papers). Samuels' editorship and the Michigan State University sponsorship conferred to the *JEI* a highly needed period of stability. Samuels would be *JEI* editor for a decade.

We believe that Samuels's period of editorship deepened AFEE and *JEI* eclecticism. As is widely known among institutionalists and historians of economic thought, Samuels was a radical pluralist. He went so far in his pluralism that he named his position a "limited but affirmative nihilism" (Samuels 1993). In a book about new perspectives on pluralism, with chapters by many heterodox advocates of pluralism—such as Sheila Dow, Bruce Caldwell, and Tony Lawson—Samuels's contribution stands out as the most pluralist proposal (Samuels 1997). His "matrix approach" to economics, according to John Davis (2012: 6), has two implications. First, truth, as Samuels understood it, can only be disclosed by the "complex interchange of people operating from different perspectives." Second, and consequently, criticism is necessary and is the way through which ideas on economic policy and theory can acquire coherence and impact. Furthermore, in what might be one of the most interesting exchanges we found in the archives researched, Samuels, just after his nomination as the new *JEI* editor, conducted a discussion with Ayres in which he revealed the ample extension of his pluralism and eclecticism. In one of the most revealing passages in Samuels' letters, he taxonomized himself as "an institutionalist with an appreciation for orthodox theory and with an appreciation of the limits of both; i.e., as an institutionalist sans alienation and rebellion, though I feel I can appreciate both the alienation and the rebellion" (Samuels to Ayres, 27 August 1968, Ayres Papers).

Certainly, Samuels imprinted his highly eclectic and pluralist mode of thought on the *JEI* and even expanded the openness of the *JEI* to publishing some neoclassical-inclined economics. Consequently, his period was not one without hardheartedly controversies. Indeed, it seems that Samuels's orientation as editor brought to the fore Gambs's and Gruchy's feelings of uneasiness about what they thought was AFEE's overly broad openness and eclecticism. Gruchy, the caller of

the first rump session, even resigned his membership in protest. The most discontent AFEE members created the Association for Institutional Thought (AFIT). In a document called “AFIT Report to AFEE,” the authors presented critiques of the AFEE similarly to those defended by Gambs in his call for the Position Papers. They wrote: “We think AFEE has failed to have much influence on the trends in theoretical and applied economics because it has not been able to develop any clear-cut image or thrust in terms of either theoretical analysis or economic policy” (AFIT 1979: 3). However, it is not our intention to defend or attack what Samuels did, we end this section with the same expression Rutherford used to finish his 2011 book on the history of institutionalism: these are “other stories for other times.”

Concluding Remarks

According to Lee’s (2009: 203-204) history of heterodox economics, AFEE was the first heterodox economics association to be established. Consequently, the association received much interest and attention from a variety of economists who were dissatisfied with the state of the science of economics in the mid-20th century. For a group of geographically scattered dissenters who suffered, just a few years earlier, a considerable obstacle in being an active part of a reputable academic organization, the Association of Evolutionary Economics has revealed itself a great success.

However, in the time when AFEE was founded, the institutionalist movement was not anymore as cohesive as the interwar institutionalism described by Rutherford (2011). The recurrent unusual taxonomies, discordances among institutionalists, and difficulties of finding a name are illustrations of the eclecticism and, at the same time, the lack of coherence in the AFEE in the 1960s and early 1970s. Tensions resulted from this state of affairs. Two of the main organizers accepted and on many occasions even defended openness; however, as they would reveal later, they always felt uneasy about what they considered an overly broad scope. Somewhat surprisingly, as the dean of the institutionalists and counselor, Ayres had a decisive role in advocating openness. As AFEE’s early members could not agree on unified core principles (and even on political stands) the mission of AFEE and the JEI remained sufficiently vague so that the opportunity for subsequent eclecticism and pluralism within the association resulted. We also think that the lack of agreement contributed to deepen the decline of institutional economics in the post-war period.

Archive Collections

Allan Gruchy Papers, in possession of Prof. Fred Lee and Prof. Malcolm Rutherford (kindly provided to us by Professors Malcolm Rutherford and Fred Lee)

Clarence Ayres Papers, Center of American History, University of Texas at Austin, Austin, TX.

John Gambs Papers, Hamilton College, Clinton, NY.

John M. Blair Papers, National Archives, Washington, D.C. (kindly provided to us by Professor Fred Lee).

Fred Lee’s Archive of Personal Communications (kindly provided to us by Professor Fred Lee).

Notes

¹ Even though the literature and oral tradition refers to this early group as the Wardman Group, this name would be adopted as the group's official title only in 1963. Before, they experimented with other names. "Wardman" is taken from the Wardman Park Hotel, the former name of the hotel where the 1959 AEA meeting took place. In 1959, the hotel name was Sheraton-Park Hotel (Allied Social Sciences Associations 1959, Bush 1991, Gambs 1980, Rutherford 2015).

² The lists are the following. From the literature on the history of institutionalism we took Rutherford's (2015: 109–110) and Dale Bush's (1991: 342–343) listings. We also used "Gruchy's eleven"; the list compiled by Gruchy containing the 11 economists who attended the first meeting. Then we took the Presidents, Vice-Presidents, Executive Board members, and editors of the *JEI* from 1968, 1969, and 1970. After eliminating the repeated names, we removed from the resulting list four names for which we could find no relevant information and without any further important participation in the early arrangements of the AFEE. Our ultimate list contains 42 names. They are: Bushrod Allin, Clarence Ayres, A. A. Baylor, John Blair, Kendall Cochran, Dudley Dillard, Joseph Dorfman, Douglas Dowd, Fagg Foster, Daniel Fusfeld, John K. Galbraith, John Gambs, Meredith Givens, Washington Glade, Carter Goodrich, Wendell Gordon, Allan Gruchy, David Hamilton, Robert Heilbroner, William Hewitt, Forest Hill, Louis Junker, William Kapp, Gardiner Means, Walter Neale, William D. Pardridge, Robert Patton, James Reese, Julius Rubin, Louis Salkever, Warren Samuels, David Schwartz, Arthur Schweitzer, Harvey Segal, Ben Seligman, W. Paul Strassman, Marc Tool, Harry Trebing, Colston Warne, Murray Weidenbaum, Theresa Wolfson, and George Zinke. We research individuals' backgrounds mainly in the AEA directories (AEA, 1948, 1957, 1970, 1974). We supplement the little information we did not find in the AEA documents with research on the internet.

³ It is important to notice that Gruchy's critique of Keynesianism result in great part from the fact that in the Post-war Keynesian macroeconomic planning displaced a broader conception of national planning—the one advocated by Interwar institutionalists and economists such as Gardiner Means and Adolph Berle. Balisciano (1998) is a nice study presenting the history of Keynesian macroeconomic planning droving out from the economic discourse broader conceptions of planning from the Interwar Era. Along with the the displacement of the broader conception of national planning, Keynesianism was also crowding out institutionalist macroeconomic theories in economics textbooks.

⁴ Sturgeon (1981) included individuals in the following institutions under the "cactus branch": University of New Mexico, North Texas State University, University of Missouri - Kansas City, University of Denver, and University of Oklahoma. According to Hamilton (2004: 169), we could add to the above list Texas Tech, Sam Houston State University, and the University of Tennessee.

⁵ In fact, besides the Southwestern Social Science Association, the people from the "cactus branch" tried to organize meetings for institutional economists since the late 1940s and early 1950s (Abe Melton to Ayres, 19 March 1947, 4 February 1950, Ayres Papers).

⁶ However, Gambs recognized the Commons group as an important group of dissenters (Report on Interviews with American Economists, 1963, Gambs and Gruchy Papers).

⁷ For example, Bush (1991), O'Hara (1995), and Rutherford (2015) cited the 1963 report by Gambs.

⁸ Later, Ayres would recognize the important role the choice for "evolutionary" in the association's name had in attracting good papers from different heterodox perspectives for the *JEI* (Ayres to Seligman, 18 October 1970, Ayres Papers).

⁹ In a 1953 letter, Ayres told Gruchy that he (Ayres) considered him (Gruchy) as that time's "...leading interpreter of institutionalism" (Ayres to Gruchy, 16 September 1953, Ayres Papers).

¹⁰ Fagg Foster confirmed to Ayres that to remain a small group was, indeed, the early members' intention (Foster to Ayres, 18 October 1967, Ayres Papers).

¹¹ Other early AFEE members defended views very similar to Gambs's. For instance, Junker and Patton always advocated a more political commitment on the part of the AFEE (Junker to Ayres, 6 April 1972, Ayres Papers; Patton to Gambs, 1 July 1964, Gambs Papers).

¹² Trebing was the Secretary-Treasurer and a very active member within the executive board.

¹³ In personal communication with Gruchy, Ayres made remarks very similar to those in Seligman's memorandum concerning Hill's editorship (Ayres to Gruchy, 20 July 1969, Gruchy Papers).

¹⁴ Seligman passed away on October 23, 1970 (Trebing to Ayres, 28 October 1970, Ayres Papers).

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