

Negotiating the “Middle-of-the-Road” Position: Paul Samuelson, MIT, and the Politics of Textbook Writing, 1945–55

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Several historical contributions have emphasized the role that the MIT economist Paul Samuelson played in disseminating Keynesian ideas in the United States through his 1948 textbook, *Economics: An Introductory Analysis*.¹ Samuelson’s success in doing so, it is said, lay partly in his ability to introduce John Maynard Keynes’s conceptions in a larger framework that encompassed the older neoclassical tradition prevailing in economics before World War II. On the policy side, this *neoclassical synthesis*, a term Samuelson coined in 1955 in the third edition of his text, presents itself as a middle ground between *laissez-faire* and governmental planning, arguing that free markets and private initiative need to be supplemented by state intervention to ensure economic efficiency. Nevertheless, because the range of economic policies embodied in this framework is large enough to be subject to conflicting interpretations, many scholars have also tried to locate retrospectively in *Economics* evidence that Samuelson’s middle

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1. See Elzinga 1992; Pearce and Hoover 1995; and Colander and Landreth 1996.

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ground is in fact ideologically biased. Defenders of Samuelson, on the other hand, have argued that whatever may be found ambiguous in his policy recommendations only reflects his adopting a scientific stance, something that the author himself described on several occasions, which I examine further in this article, as a “middle-of-the-road” position.²

The object of the present article is not to side with either the critics or the eulogists, or to locate in Samuelson’s textbook some signs of his “true” political positioning. Instead, I am interested in the making of the text itself and in the way it was revised and defended in its early years. More specifically, using archival materials,³ I describe how the various political pressures Samuelson faced while preparing his book for publication affected its content. The central thesis of this article is that Samuelson’s “middle-of-the-road” position is the result of a political negotiation, something that he had to come up with to balance conflicting views on economic policy and address his critics. Of course, Samuelson was not acting alone in this process; he had to discuss and collaborate with MIT officials, his editors at McGraw-Hill, other economists, and the various reviewers of his work, and proceed to subsequent editorial changes.

In various autobiographical pieces, Samuelson himself has mentioned or hinted at these political elements.⁴ However, to my knowledge, no historical contribution so far has fully attempted to substantiate Samuelson’s claim and to provide a larger narrative of the context surrounding the making, the editing, and the revising of *Economics*. What has not been studied, in particular, is the influence of the political context on the making of the textbook and Samuelson’s ethos. Although Samuelson first intended to write a policy-oriented textbook with a strong Keynesian inclination, the changes he introduced, while keeping most of the substance, made it a more theoretically inclined text whose policy recommendations were presented in a softened fashion.

1. Samuelson’s Arrival at MIT and the Writing of “Modern Economics”

Samuelson was appointed assistant professor at MIT in October 1940 after MIT lured him with a better offer than Harvard, where he had been

2. For unsympathetic appraisals of *Economics*, see Linder 1977, Skousen 1997, and Nelson 2001. On the hagiographic side, see Gottesman, Ramrattan, and Szenberg 2005.

3. Paul A. Samuelson Papers, David M. Rubenstein Rare Book and Manuscript Library, Duke University; hereafter cited as PASP.

4. See Samuelson 1997 and Samuelson et al. 1999.

a graduate student and junior fellow, was prepared to make (see Backhouse, this volume, “Samuelson’s Move”). Soon after his arrival, he helped develop a graduate program in economics and supervised Lawrence Klein’s PhD dissertation. Then he had to cease momentarily these activities to join the Radiation Laboratory in 1944, where, in the mathematics and statistics group, he conducted research on fire control problems. Samuelson’s commitment to wartime science also included his participation in the elaboration of Vannevar Bush’s influential report *Science, the Endless Frontier* (July 1945), whose aim was to secure the funding of American science in the early postwar period while preventing too much state intervention in this domain.⁵ More relevant to the genesis of *Economics* was the work Samuelson had done as early as 1941 under the supervision of his friend and mentor Alvin Hansen for the National Resources Planning Board (see Backhouse 2011). Created in 1933 by Harold Ickes and chaired by Frederic Delano, President Franklin Roosevelt’s uncle, the NRPB issued a few reports in the early forties showing how governmental planning could help ensure full employment in the aftermath of the war. The work Samuelson undertook for these reports was fairly technical, but it undoubtedly established his reputation as an applied economist while allowing him to encounter the statistical material he would include in his textbook. In addition, Hansen’s influence made him more outspoken as a political Keynesian, leading him to write a series of articles for the *New Republic* and the *Washington Post* in 1945 in favor of the Full Employment Bill, which was to be voted on by the US Senate.

When Samuelson returned to the Department of Economics and Social Science in October 1945 as an associate professor, MIT was faced with some important demographic changes. Following the adoption of the GI Bill, which helped war veterans pursue higher education, there was a dramatic increase of students in American universities. Many of those who chose to study engineering were likely to occupy executive positions in businesses or in the administration after graduation. The consequence, as shown in Kaiser 2010, was that the training of engineers at MIT had to change dramatically. The war experience had shown that the boundaries between pure technique and political relevance were blurry, and engineers,

5. On *Science, the Endless Frontier*, see Hollinger 1990. Bush’s report was specifically written against the claim, famously made by the West Virginia senator Harley Kilgore, that science should be organized by the state toward democratically determined needs. Bush’s victory over Kilgore was a landmark in the emergence of “laissez-faire communitarianism” in American science.

therefore, should be taught the human consequences of their work. Actually, the introductory economics course, Ec11, had been compulsory for all engineering students for many years. Accordingly, the economics class was expected to provide the students with a complete picture of the American economy and a toolbox to confront the issues of the day. The difficulty in teaching such a course was made worse by the absence of an introductory text that would combine solid theoretical content with some statistical information presented in an appealing way for nonspecialists. The leading principles textbooks of the time were austere and almost devoid of actual data on the economy, while the textbooks devoted to nonspecialists were often poor on the analytical side.⁶ According to Samuelson (1997), this is why Ralph Freeman, chair of the department, asked him to write an introductory text to fill the void. What began as a mimeographed document intended for his students at MIT soon transformed into a full textbook when Samuelson got a publishing contract with McGraw-Hill.⁷

Even so, pedagogical concerns alone could not explain why Samuelson, a prolific technical writer, would spend months working on an undergraduate textbook. There was also a more political agenda involved in his decision. Following his experience as a wartime planner and as a columnist for the *New Republic*, Samuelson was in search of a new way to spread the economics of Keynes to the public. In addition, there was a growing interest among publishers in releasing such a text. This was clearly reflected in Samuelson's correspondence with his former PhD student, Lawrence Klein, whose main project at the time was to write a Keynesian essay drawn from his dissertation. In April 1945 Klein wrote to him: "A book salesman from Prentice-Hall . . . proposed to me to write an introductory textbook on the economics of full employment, but when I read your mimeographed notes, I decided you could actually do a much better job by carrying on from there. The salesman thought that there would be a good market for such a book now."⁸ Samuelson's answer, although quite elusive about his own project, was that "there [was] a real need for more than one text book on this subject."⁹ A few weeks later, as he may have

6. On economics textbooks before World War II and a comparison with their postwar counterparts, see Solow 1997 and Giraud 2010.

7. According to Kenneth Elzinga (1992), Samuelson chose McGraw-Hill as his publisher because it had previously published Joseph Schumpeter's *Business Cycles*. Although the company was not particularly well known as a publisher of economic texts at the time, it was already a leader in the marketing of textbooks devoted to engineering students (see Burlingame 1959).

8. Klein to Samuelson, April 9, 1945, PASP, box 45, folder "Klein, Lawrence R."

9. Samuelson to Klein, April 17, 1945, PASP, box 45, folder "Klein, Lawrence R."

secured a contract with McGraw-Hill in the meantime, he made his intent clearer to his former student: “To my shame I am putting in some time writing an elementary one semester text book along the lines we discussed. Don’t breathe it to a soul.”¹⁰

This preliminary version, titled “Modern Economics: An Introductory Analysis of National Income and Policy,” included thirteen chapters, some of which analyzed the determination of the national income and the causes of unemployment. Still, it also included a quite detailed introduction to the theory of supply and demand and, more surprisingly, an incursion into business management, including some elements of accounting and a 1941 business report—which was removed in subsequent revisions of the text.¹¹ Samuelson’s manuscript differed from preexisting texts not only in method but also in the way it addressed political issues. Besides the inclusion of up-to-date economic analysis, large portions of text commented on the respective merits of the free market system and government interventions to alleviate unemployment and poverty. Samuelson’s statements were written in a discursive manner uncharacteristic of a mathematical economist. Concerning the economic analysis itself, two features of this early manuscript stood in sharp contrast to the preexisting literature: first, there was the emphasis on income distribution and inequalities, with the Lorenz curve used twice in the corresponding chapter, along with a passing reference to Karl Marx’s class struggle; second, whereas Samuelson made it clear in the beginning of the text that the capitalist system in which most of his analysis was located worked well most of the time, a large portion of the subsequent analysis was devoted to unemployment and the way government intervention could help things out, drawing on wartime experience.

By 1946 Samuelson had written a more advanced draft version of his textbook, which had now adopted its definitive title: “Economics: An Introductory Analysis.” The table of contents listed twenty-eight chapters, of which only eighteen were included in the mimeographed version. This manuscript was divided into four sections: “Basic Economic Concepts and National Income,” “The Level and Fluctuations in the National Income,” “The Economics of Full Employment”—which included the study of supply and demand—and “The Economics of Progress.” This final section was supposed to include two chapters, one titled “The War

10. Samuelson to Klein, July 24, 1945, PASP, box 45, folder “Klein, Lawrence R.”

11. “Modern Economics: An Introductory Analysis of National Income and Policy,” 1945, PASP, box 91.

and Postwar Reconstruction” and the other “Basic Trends in the American Economy,” but neither was included in the manuscript at this stage.¹²

This second preliminary manuscript was printed as a mimeograph and distributed to all MIT students. It was apparently so successful that it was soon used outside MIT by a few neighboring institutions willing to provide a vibrant introduction to economics to their students.¹³ However, Samuelson’s insistence on the drawbacks of imperfect competition and involuntary unemployment as characteristic of the failures of the “free enterprise system” in this manuscript provoked the anger of some local businessmen, who tried to influence its content and prevent its publication.

2. The Virulence of Conservative Attacks on Samuelson’s Manuscript

In 1947 Walter J. Beadle, a business executive working for DuPont in Wilmington, Delaware, and a member of the MIT Corporation, chaired a visiting committee, whose mission was to appraise the content of courses taught in the Department of Economics and Social Science at MIT.¹⁴ Its attention focused on Ec11 and its accompanying manuscript, which circulated among the various members of the committee and outside referees for appraisal. This followed Ralph Freeman’s suggestion that Samuelson himself wanted someone at MIT to review his text before its publication by McGraw-Hill. The reaction of the readers, however, was less than enthusiastic. A June 1947 report by a Mr. Peterson, an economist at the First National Bank of Boston, found Samuelson’s approach to be “neither sufficiently objective nor complete.” “Apparently,” he wrote, “the author believes that some managed capitalism is necessary and presents theories along these lines as established facts without presenting alternative theories or points of view.”¹⁵ Building on this report, Beadle wrote to Freeman a letter listing all of Samuelson’s statements about the economy that he

12. “Economics: An Introductory Analysis,” second preliminary edition, PASP, box 91.

13. A 1947 letter from Professor Chelsie C. Bowland of Brown University suggests that the text may have been available at the time for others to use, although Samuelson’s answer was that he wanted to keep the last available copies in preparation for the published version and correct some imperfections, for reasons I examine later (Bowland to Samuelson, November 25, 1947, PASP, box 12, folder “B—General Correspondence 1939–1951”).

14. The MIT Corporation was created in 1862 and includes businessmen, scientists, civil servants, and professionals from both the Boston area and other US states. Some of them hold a lifetime membership. Beadle sat there as an MIT alumnus.

15. Peterson, “Economics, an Introductory Analysis,” Report, June 26, 1946, PASP, box 80, folder “Criticism of the Textbook.”

believed should be reconsidered, either because they “could not be justified by a consideration of all the facts” or because they seemed “open to serious question.” One example of the latter was the following: “Sometimes the mistakes which a flock of independent competitors make—for instance in all overbuilding as in 1929, or in continually entering the already overcrowded grocery store business—could have been avoided by advanced centralized planning.” Appealing to the authority of another textbook writer, Fred Fairchild of Yale, whose latest edition of his *Elementary Economics*, written with Edgar Furniss and Norman Buck, was to be published in 1947, Beadle concluded: “If [Samuelson] approaches the matter as objectively as a professor in an engineering school approach[es] a problem of this kind, I am hopeful that the text which is eventually to be published will attain recognition everywhere as reflecting credit on both M.I.T. and the author.”¹⁶

The letter was passed on to Samuelson, who replied amicably. Thanking Beadle for his “very constructive letter,” Samuelson assured him that it would be possible “to reword six out of ten of [his] selected quotations,” while “three other had already been changed in revised versions.” He also provided Beadle with a list of scholars who had commented on previous drafts of his textbook, without citing any name but mentioning that one of them was “Fairchild’s successor in public finance instruction.” Noting that his manuscript had also been “criticized by both conservatives and radicals,” Samuelson concluded: “What I do wish to avoid is a departure from a middle-of-the-road position, as compared to my present generation of economists. And I am sure that your comments have been most helpful in this respect.”¹⁷

Simultaneously, Beadle had chosen to address similar concerns to MIT president Karl T. Compton. Noting that Samuelson lacked “the knowledge and capacity to make himself effective outside the narrow area of mathematical economics,” Beadle expressed his hope that “under adequate administrative supervision the Institute may be able to bring him to maturity.”¹⁸ Frank Chesterman, another committee member, voiced his discontent to Compton more virulently:

16. Beadle to Freeman, July 15, 1947, PASP, box 80, folder “Criticism of the Textbook.” It should be noted that Fairchild was not only one of Samuelson’s competitors in the textbook market but also an economist who had adopted an opposite political stance to that of Samuelson and was often quoted in the press as a virulent opponent to postwar planning (see Backhouse 2011).

17. Samuelson to Beadle, July 31, 1947, PASP, box 80, folder “Criticism of the Textbook.”

18. Beadle to Compton, July 15, 1947, PASP, box 87, folder “MIT Archives Photocopies 1 of 3.”

I am astonished to find that a teacher of economics at M.I.T. shall enunciate some of the absurd thinking which is quoted in Walter's letter to you. It is perfectly obvious that the young man is socially-minded if not strictly communistic. It would be a terrible reflection on M.I.T. if the book in its present condition were published. . . . I question whether Samuelson is a member of the subversive societies we hear so much about because his line of reasoning and method of expressing his thoughts are those of that group.¹⁹

Having read Samuelson's reply and dissatisfied with what he saw as mere cosmetic adjustments from him, Beadle strengthened his position and extended his criticism. In another letter to Compton, he assessed that "more drastic correctives would be required with respect to the teaching of economics at the Institute" and that the economics department should be "subject to severe censure for having permitted the text, in the form in which the Committee reviewed it, to be passed out to the students of Ec 11 and used as a basis for classroom instruction."²⁰

The virulence in Beadle's letter prompted Compton to write an equally straightforward response: "There is no question that every member of our Economics department is a wholehearted advocate of the free enterprise system. . . . Professor Samuelson has taken your criticisms and suggestions in excellent spirit and has modified a number of parts of his manuscript where this was not inconsistent with his own beliefs."²¹ Although there was no doubt that Compton and Vice President James Killian Jr. were both fully committed to Samuelson and his home department, the author felt it necessary to provide the MIT president with more justification about his methodology: "The book is in no sense a 'left-wing' work; and I have never, myself, been connected with left-wing organizations of any kind, or with organizations working with such groups, or—for that matter—with any labor organizations whatsoever. . . . The methods of analysis used are those that have been employed by 90 per cent of the active academic economists under the age of 50 over the last decade."²² Following this letter and in regard to what he saw as inadmissible pressures

19. Chesterman to Compton, July 21, 1947, PASP, box 87, folder "MIT Archives Photocopies 1 of 3."

20. Beadle to Compton, August 6, 1947, PASP, box 87, folder "MIT Archives Photocopies 1 of 3."

21. Compton to Beadle, August 6, 1947, PASP, box 87, folder "MIT Archives Photocopies 1 of 3."

22. Samuelson to Compton, August 7, 1947, PASP, box 80, folder "Criticism of the Textbook."

from Beadle and his allies, Compton issued a more explicit statement: “If either your committee or I were to go beyond suggestion, advice and criticism in respect to the views or publications expressed by any member of the faculty the institution would be wrecked. There would be wholesale resignations irrespective of whether or not other members of the staff felt that the criticisms were justified.”²³

In consequence, the discussion moved to the larger question of whether an intervention by the MIT Corporation on the publications of a faculty member should be seen as a violation of academic freedom. Not all of the visiting committee members agreed. Charles Spencer and Ellis Brewster, for instance, believed that the visiting committee should not interfere with the book’s content, even though they were critical of Samuelson’s views. That Beadle was partly disavowed by his colleagues did not put the MIT president at ease. Killian, in particular, feared that Beadle might want to go public about his claims, which would probably harm MIT’s reputation. Consequently, Compton and Killian decided to release a statement about the position of MIT toward academic freedom in the economics department. It asserted that the policy on appointments and teaching in economics was the same as in any other field, namely, that “it seeks . . . to give the student a scholarly treatment of the subject which stimulates and trains him to do his own thinking . . . and which encourages him to reach his own conclusions of all relevant facts and points of view.”²⁴

Yet Beadle’s persistence in criticizing Samuelson’s *Economics* did not vanish. The recent publication of a new textbook, *Elements of Economics* by the Stanford economist Lorie Tarshis, which was severely criticized in the conservative press for its Keynesian inclination, did nothing to dissipate the feeling among MIT benefactors that some kind of socialistic conspiracy was brewing in American academe. For Beadle’s superior Lamont DuPont, Tarshis’s textbook was “an aggravated example of what [Samuelson had] done in a milder way,” which was bad enough to justify that Compton be disturbed.²⁵ That the American Economic Association

23. Compton to Beadle, August 8, 1947, PASP, box 87, folder “MIT Archives Photocopies 1 of 3.”

24. Statement, August 28, 1947, PASP, box 87, folder “MIT Archives Photocopies 1 of 3.”

25. DuPont to Beadle, September 12, 1947, PASP, box 87, folder “MIT Archives Photocopies 1 of 3.” On the controversy over Tarshis’s textbook and its subsequent failure, see Colander and Landreth 1996. In the existing literature, as well as in Samuelson’s own reminiscences (Samuelson 1997; Samuelson et al. 1999), it has often been stated that the two textbooks were quite similar in content but that Samuelson’s scientific credentials served as a bulwark against criticisms, allowing for a more successful output. This story, as the present narrative shows, needs some qualification.

awarded Samuelson the very first John Bates Clark Medal in December 1947 represented a welcome assistance for the MIT president. Both Compton and Killian never failed to mention this fact when they responded to the critics.²⁶ For a short period, the pressures loosened up.

3. Changes, Increased Criticisms, and Further Changes

Once published, *Economics* was a smashing success. Advance orders were so high that McGraw-Hill printed forty-five thousand copies, an exceptional run for an economics text at the time. In August 1948 Samuelson wrote to Compton: “The book has been adopted for use at such institutions as Yale, Princeton, Harvard, Duke, Columbia, Purdue, etc. In terms of royalties it has been a profitable venture beyond my fondest expectations.”²⁷ Compared with the 1946 manuscript that Beadle and his allies had read, however, the final version of *Economics* included a few editorial changes. These revisions did not represent a drastic departure from the overall pro-interventionist message of the initial manuscript, yet some controversial aspects had been toned down. For instance, the passage that Beadle had mentioned in his first letter to Freeman had been rephrased as the following:

But sometimes the mistakes which a flock of independent competitors make—for instance in all overbuilding as in 1929, or in continually entering the already overcrowded grocery store business—would be lessened in an economy characterized by planning. (Of course, fallible bureaucrats might perpetrate a series of planning errors of their own, and new problems of individual liberty would be introduced.) (Samuelson 1948, 39)

Samuelson’s efforts to find a reasonable middle ground to address the political issues of the day while providing a good introduction to technical economics is something that most of the younger generation of economists appreciated, as exemplified by the Columbia professor Albert Gailord Hart’s (1948, 912) review for the *American Economic Review*:

26. Killian almost immediately sent a letter to Beadle, attaching the notification Samuelson had received from the American Economic Association about the award (Killian to Beadle, December 15, 1947, PASP, box 87, folder “MIT Archives Photocopies 1 of 3”).

27. Samuelson to Compton, August 31, 1948, PASP, box 1, folder “MIT Archives Photocopies, 1 of 3.”

The supreme merit of the book, to my taste, is a systematic effort to find points of contact between different points of view which students and their neighbors in society may hold. Samuelson's own policy position is middle-of-the-road. . . . In consequence of this tone of reasonableness and tolerance, his book should prove congenial to teachers and students over a wide range to right and left of Samuelson's own political position.

However, one early reviewer disagreed. For the conservative economist Lewis Haney, Samuelson's textbook had a "snappy style" and "drop[ped] to wisecracks at times," making "the inferior student (and teacher) feel good." The "economics of Keynes" it incorporated broke "with the evolutionary development of economics as science" (Haney 1948, 221). Having written these comments in the *Annals of the American Academy of Political and Social Science*, Haney subsequently published a column in the *L.A. Examiner*, calling on readers to write to the publishers and to "the trustees of various colleges in which the book is said to be used."²⁸ Haney's call to arms was one instantiation of a larger campaign against Samuelson's textbook launched by a group of economics columnists writing in conservative periodicals. One such publication was the *Educational Reviewer*, in which Charles Kraemer, a professor of business administration at Wagner College, had written a widely circulated attack on *Economics*. According to Kraemer, Samuelson's method was characteristic of a group of "econometricians" who tried to use mathematical formalism "to justify their national planning control."²⁹

Kraemer's review, as Haney suggested, provoked reactions of letters sent to Killian, who had by now succeeded Compton as MIT president,³⁰ as well as to James McGraw Jr., Samuelson's publisher. To the latter, Beadle's colleague Lamot DuPont wrote: "The name of the publisher of this book is so close to the name of your company that I assume there must be some connection. Understanding that the book is still being published and sold, I cannot understand how you can permit it, knowing your feeling for

28. Haney Comment on "Economics" book, *L.A. Examiner*, January 20, 1950, PASP, box 80, folder "Criticism of the Textbook."

29. Charles L. Kraemer, Review of *Economics: An Introductory Analysis*, *Educational Reviewer*, October 15, 1949, PASP, box 80, folder "Criticism of the Textbook." It is notable that, like many of these reviews, this one barely quoted Samuelson's text. The only quote in Kraemer's review was "socialist Britain (1948) has more civil liberties than did the United States in the 1920s era of rugged individualism" (Samuelson 1948, 590).

30. Compton resigned in October 1948 to become chairman of the MIT Corporation, which then elected Killian as his successor.

free private enterprise.”³¹ McGraw’s answer to DuPont signaled that Samuelson’s publisher was well aware of the situation at MIT:

As you know, there are wide differences in opinion between recognized authorities in the many fields of science and technology served by our Book Company just as there are such differences among the members of university and college faculties, including that of Massachusetts Institute of Technology. . . . In matters of this sort, I think the friend to whom you refer in your letter [i.e., Beadle] did exactly right when he got the authorities at the Massachusetts Institute of Technology to prescribe required reading material that would complement the presentation in Professor Samuelson’s text. That is an eminently proper way to deal with differences of opinion in such matters.³²

Beadle and his allies, conscious that they would not manage to alter much of the content of *Economics*, had turned their attention to issues of diversity in the economics curriculum. Their view was that Ec11 should include a wide variety of readings supplementing Samuelson’s text and expressing different points of view—meaning others than those in favor of governmental intervention in the economy. For Beadle, this was a way to counteract Compton’s and Killian’s defense of academic freedom, by defining freedom not as the freedom for the researcher to express his own opinions but, rather, as the freedom for students to benefit from the largest range of existing opinions in order to forge their own views on economic subjects. These issues resurfaced as the campaign against Samuelson’s *Economics* in the conservative press gained increasing importance. In particular, Benjamin Namm’s (1950) critique in *Collier’s Weekly* did not go unnoticed. Namm was a New York merchant and an officer of the United States Chamber of Commerce. The chamber had decided to investigate the issue of “subversive teaching” in colleges and to take to task anyone who would question the ability of the free enterprise system to solve the economic problems of the day. Admittedly, commentators such as Namm had little credit as economists, but they had an audience, and some of their readers, astonished by what they read about an MIT professor, wrote to Killian in good faith to know if there was any truth in these

31. DuPont to McGraw Jr., December 30, 1949, PASP, box 1, folder “MIT Archives Photocopies 1 of 3.”

32. McGraw Jr. to DuPont, January 25, 1950, PASP, box 87, folder “MIT Archives Photocopies 1 of 3.”

statements. Although the MIT president was prone to reject these allegations every time they appeared, his endorsement of Samuelson's textbook did not go as far as saying that he agreed with its policy conclusions. Killian's responses to alarmed MIT supporters consisted in asserting that many MIT faculties, including himself, often disagreed with Samuelson's policy advice but that because his analysis relied on the latest developments in the field, it was the surest way to let the students exert their own freedom of thought. Accordingly, Killian wrote Samuelson: "I do feel there are many businessmen with a thoroughly honest and liberal outlook who are troubled about what they feel to be the Keynesian outlook and who have gained the impression that colleges have succumbed to one-sided propaganda. . . . Do you agree that there is an opportunity to do something constructive about this situation rather than remain always on the defensive?"³³ Samuelson's answer was a clear qualification of the argument that what he taught was Keynes's doctrine:

I myself think that much of what is called Keynesianism is incorrect and in need of qualification. Much of my text is concerned with such qualifications and criticisms. . . . I myself rarely use the words Keynesianism and have repeatedly deplored the formation of "schools of thought" in economics. I accept and use whatever parts of the analysis of saving and investment, income-determination, and inflation that Keynes and anybody else has contributed—so long as the analysis seems to add to our knowledge of the facts of economic behavior.³⁴

Despite Samuelson's willingness to explain his position whenever necessary, the matter got worse in 1951, as suspicious inquiries multiplied after the publication of William Buckley's *God and Man at Yale*, which criticized liberal education and quoted from Samuelson's textbook. To Freeman, Killian confessed: "Everywhere I go now practically, business people speak to me about [Samuelson's book]." John Burchard summarized the situation: "The President is in a terribly difficult position on this. He takes the beating. He has no desire, I am sure, to do anything but find a good affirmative position. I myself do not think the affirmative position could be made by simply getting some classical economist (if indeed one now exists)."³⁵ There was another way, however, to bring classical econo-

33. Killian to Samuelson, August 29, 1950, PASP, box 87, folder "MIT Archives Photocopies 1 of 3."

34. Samuelson to Killian, August 30, 1950, PASP, box 53, folder "MIT."

35. Burchard to Freeman, March 1, 1951, PASP, box 87, folder "MIT Archives Photocopies 2 of 3."

mists into the classroom, hence the revived idea of a readings volume that would incorporate some other texts and particularly those advocating an unconstrained free enterprise system and accordingly critical of governmental intervention. Freeman, in a letter to Killian, referred to the existence of “a small book of readings” that MIT students were required to purchase and that presented “different points of view.”³⁶

In the meantime, similar measures had been taken at McGraw-Hill in response to the increased attacks on *Economics*. John Taylor, the editor in charge of college textbooks, had ordered a detailed memorandum responding to all the critiques addressed to Samuelson. The resulting document reported all the quotations in Kraemer that had been taken out of context and recommended counterbalancing them with a series of quotations from Samuelson that “stress[ed] the values of capitalism and free-enterprise, and show[ed] his basic opposition to socialist and welfare-state tenets.” The report also reproduced portions of Hart’s review in the *American Economic Review*, mentioning the passage on Samuelson’s “systematic effort to find points of contact between different points of views.”³⁷ At the same time, during the summer and the fall of 1951, Taylor and Samuelson concretized the publishing of the supplementary readings volume. Their correspondence made it clear that *Readings in Economics* was not the sole idea of the editor but a joint decision between McGraw-Hill and the MIT economics department. The making of this volume, indeed, involved three other economists at MIT: Robert Bishop, John Coleman, and Cary Brown—although the latter would not appear as a coeditor of the published version. As soon as November 1951, before the volume was published or even completed, Freeman referred to it in a letter to Killian:

As I indicated to you in a recent conversation, a group of the Department staff is preparing a new book of readings to supplement the textbook which we use in Economic Principles. . . . As you will observe, the projected book of readings aims to present a variety of points of views ranging from radical to conservative, from Marx and Engels to

36. Freeman to Killian, May 9, 1951, PASP, box 87, folder, “MIT Archives Photocopies 1 of 3.”

37. “Discussion of the textbook entitled ‘Economics: an Introductory Analysis’ by Paul A. Samuelson,” report to John Taylor, PASP, box 80, folder “Criticism of the Textbook.” It is possible that the author of this report was Hans Apel, a professor at the University of Bridgeport (Conn.). Apel spent a considerable amount of time battling his institution’s decision to drop *Economics* in the wake of Kraemer’s 1949 review. He subsequently collaborated with McGraw-Hill on this matter and, as a member of the American Association of University Professors, participated in the writing of a code of ethics designed to support academic freedom (see Backhouse 2013).

Pope Leo XIII. There are also readings from classical economists such as Adam Smith, Ricardo and Bastiat. Articles criticizing recent government policies are included as well as various opinions on the economics of the defense program.³⁸

Killian immediately made use of this material in order to respond to criticisms. To one Pittsburgh businessman, he wrote: "Included in the various readings . . . are such documents as 'Meaning of Competition,' published by the National Association of manufacturers, Crawford Greenewalt's 'Dupont and the Problem of Bigness in Industry,' Hayek's 'The Road to Serfdom,' and the Standard Oil Company of New Jersey's report, 'A Stockholders Meeting.'" ³⁹ All these texts were included in the version McGraw-Hill released in 1952, as well as a series of left-wing texts, such as an excerpt from Marx and Friedrich Engels's *Communist Manifesto*. The editors stated in the volume's introduction that they had included "arguments *for* and *against* various policies and viewpoints" to provide "an enhanced and informed appreciation of the merits of the American economy" (Samuelson, Bishop, and Coleman 1952, vi).

As for the textbook itself, it was revised to help prevent further criticisms. In particular, Samuelson and his editors at McGraw-Hill took great care in changing most of the passages quoted in Buckley's book. These paragraphs were simply omitted in the second edition or their wording was reworked to soften the argument, replacing, for instance, a passage on the defects of *free* competition by another one criticizing *perfect* competition. These changes in the second edition did not go unnoticed. Alvin Hansen, undoubtedly one important influence on Samuelson in the writing of the first edition, was now quite critical of the new presentation his former protégé had made of macroeconomic policies. In December 1954 he wrote to Samuelson, expressing his dissatisfaction with the way that the issue of public debt was treated in *Economics*. Hansen's argument was that Samuelson insisted too much on the detrimental effects of public debt and therefore undermined its favorable redistributive aspects and its ability to serve as a cushion for the financial system during depressions. He wrote: "I feel strongly that your analysis is not altogether well-balanced and indeed, at points, leaves the reader with unsound conclusions."⁴⁰ In his answer to

38. Freeman to Killian, November 19, 1951, PASP, box 87, folder "MIT Archives Photocopies 1 of 3."

39. Killian to D. M. Gray, November 20, 1951, PASP, box 87, folder "MIT Archives Photocopies 1 of 3."

40. Hansen to Samuelson, December 14, 1954, PASP, box 36, folder "Hansen, Alvin H."

Hansen, Samuelson conceded that he should give “appropriate (or even *equal*) weight to the many advantages that the debt’s existence implies to our present-day economy.”⁴¹ Yet he also notified Hansen that his third edition was in press, and that he would not be able to take these remarks into account at this stage. It is in this edition that Samuelson famously came up with the *neoclassical synthesis* label, a term he introduced several times in the text, but more preeminently at the end of chapter 18, on the treatment of public debt. In Samuelson’s own words, the neoclassical synthesis embodied not only a theoretical result—that the new Keynesian theory of income determination underwrote rather than disqualified the old neoclassical price theory—but also a policy principle: “By means of appropriately reinforcing monetary and fiscal policies, our mixed enterprise system can avoid the excesses of boom and slump and can look forward to healthy progressive growth” (Samuelson 1955, 360).

These changes in *Economics*, together with the publication of the *Readings* volume, put a final note on the questioning of Samuelson’s legitimacy as a textbook author and as a teacher of introductory principles at MIT. While conservative criticisms remained quite frequent until the early 1960s, they were counterattacked ferociously by everyone at MIT. In 1961 even Beadle asserted to one of the remaining skeptics that “Samuelson [had] made real improvements from a business standpoint in each of the five editions that [had] now been published.”⁴²

4. The “Middle-of-the-Road” Position: Between Rhetoric, Political Consciousness, and Economic Expertise

There are several ways to interpret the preceding account of the making and subsequent revising of Samuelson’s *Economics*. One interpretation would be to see *Economics* as a project doomed to failure: the writing of a “truly” Keynesian textbook. What the story shows, indeed, is that Samuelson’s textbook was at first a policy-oriented manual, with the clear objective of promoting the demand management policies that the author had been witnessing since the early 1940s by working at the National Resources Planning Board with Alvin Hansen. In 1945 this project was deemed viable for a variety of reasons: from an academic point of view, these policies

41. Samuelson to Hansen, January 3, 1955, PASP, box 36, folder “Hansen, Alvin H.”

42. Beadle to Willard J. Rockwell, November 14, 1961, PASP, box 87, folder “MIT Archives Photocopies 3 of 3.”

and the theoretical apparatus that justified them were the rage among younger economists; from a pedagogical point of view, teaching the economics of full employment and its consequences for the economy was the best way to raise the interest of students, especially newcomers and non-majors stemming from the GI Bill; from a publisher's point of view, finally, there was the need for a new generation of economics textbooks that would treat the latest advances in the field in an accessible way. All these reasons, mutually reinforcing one another, allowed for a successful textbook. Yet because of the conservative attacks that occurred at a very early stage and grew in virulence in the early 1950s, Samuelson's textbook was rephrased and reshaped in a way that would soften its pro-interventionist message and mix it with the older, neoclassical analysis. If we see the preceding story in that fashion, then, there is an obvious feeling that something got lost in the process. Accordingly, it might be tempting for those willing to adopt a moral interpretation of the past to see it as the story of Samuelson's abandonment of his political convictions in pursuit of career objectives. In this interpretation, the "middle-of-the-road" position that Samuelson put forward would be considered a mere rhetorical device, something he would have come up with to justify the reversal of his initial left-wing position in favor of a more balanced view.

However, the archives suggest a different, subtler interpretation. In 1949 Samuelson received an invitation from Evans Clark, a liberal philanthropist and director of the Twentieth Century Fund, to advise on the composition of a committee devoted to devising a basic economics course for high school students. Samuelson replied: "My own limited experience makes me think that a committee of recognized authorities who are known to be middle-of-the-road people is better than a committee that tries to arrive at a mean balancing somebody at one extreme against somebody at the other extreme."⁴³

What we see emerging in Samuelson's response to Clark is the figure of the economic expert, who is able to acknowledge the various political positions but is not taking a stand when giving policy recommendations. Therefore, it is also possible to interpret the preceding narrative as an important episode in the construction of the image of the economist as expert in the postwar period (see also Maas, this volume). Although Samuelson clearly intended his textbook as a policy-relevant treatise, there is no reason to think that he ever quite considered his own policy orientation as strongly partisan from a political point of view—at most, he considered himself a

43. Samuelson to Evans Clark, October 10, 1949, PASP, box 72, folder "T—General Correspondences, 1938–1968."

liberal Democrat whose beliefs were compatible with his scientific practice.⁴⁴ Then he soon realized that the groups of people whose criticisms he was facing had their own policy agenda, one that he viewed as much more crudely ideological than his. Moreover, these critics projected their own political prejudices onto the textbook, arguing that it was Samuelson who was the ideologically committed one. Having to deal with this rather strange culture as a textbook author, Samuelson's main concern in revising his text was to show that his policy recommendations were not tied to predetermined political convictions. The "middle-of-the-road" position emerged as a way to respond to these critics, by stepping *aside* rather than *against* them.

Far from being anecdotal, therefore, the controversies that surrounded the publication of *Economics* in its early years should rather be seen as foundational in the identity of what historians are trying to identify as "MIT economics," which Robert Solow once defined as "an atmosphere of rigor-with-policy-relevance" (see Cherrier, this volume). More generally, they should invite us to reconsider from a historical viewpoint the relationship between *politics* and *policy*.

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44. In this respect, Samuelson's views on the separation between science and politics did not strongly differ from those of his most famous opponent within the neoclassical orthodoxy, Milton Friedman (see Cherrier 2011).

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