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# Allan G. Gruchy: Master Teacher of Undergraduate Economics

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Allan G. Gruchy: Master Teacher  
of Undergraduate Economics

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Allan G. Gruchy taught as a full-time member of the economics faculty at the University of Maryland for forty years---from 1937-1977. I had the privilege of taking three undergraduate courses from him in 1958 and 1959---approximately the mid-point of his teaching career. These courses were "Comparative Economic Systems"; "Modern Economic Thought", and "National Economic Planning".

Before discussing his undergraduate teaching, it is important to mention briefly the physical environment in which he taught. For unlike the classroom buildings of today with their all-season temperature control units, bright florescent lights, tile floors, overhead projectors and screens, transparencies, marker pens, microphones, metal desks, and adjustable teaching podiums, Allan Gruchy taught my generation of economics majors in the wing of a building that was the oldest classroom structure on the University of Maryland campus. It had been appended to a building called Taliferro Hall. This wing had been built before the Civil War. Legend had it that it had been the original building of the medical school before the program had been moved to Baltimore generations earlier. This wing has since been torn down. On its upper floor were the faculty offices and the departmental office. On the lower floor were three classrooms. All of the classrooms had very high ceilings---at least twice as high as any normal classroom of today. The windows stretched from the ceiling to almost the floor and every exterior wall was comprised largely of such enormous windows. It was not unusual, in fact, for students entering two of these

rooms to enter or exit directly through one of these open windows. The reason for the big windows was obvious: their function was to provide ample natural light, since this wing of the building had been constructed before there was electricity. Lights had subsequently been installed but, given the high ceilings, the artificial light they provided was still secondary to the sunlight from outside. The temperature control system was also provided by the windows: open in the Fall and Spring to let cool air in; closed during the winter to keep cool air out. The blackboards were so old and had been washed so often that they had turned a bleached grey which made it very difficult to read what was written on them with the white chalk that was exclusively used in that era. The largest of the three classrooms had these enormous windows on three sides. In it, there was only a small blackboard. It was not on the one interior wall, however, since that was where the double door entrance was located. Instead, the one panel blackboard had been nailed to a piece of the wall that divided two of those enormous windows. As a consequence, there was glass above, below, and on both sides of the board so we students had to look directly into the outside light as we looked at the board. The wooden walls were reasonably bright but much of the paint was peeling. The floors were made of cold grey concrete. There were no maps, pictures, or screens anywhere in these rooms. Our desks were wooden and rickety. One was never sure when class was over that their desk would survive to be there when he or she returned for the next class. The desks were so pock-marked and scarred from years of use that some students wrote in their laps. None of us, in other words, had any difficulty understanding Galbraith's thesis (which Gruchy taught) about the tendency of affluent unplanned societies to underinvest in public goods. We were living the paradox.

Into this seemingly barren learning environment, three times a week, at precisely 9 A.M.; 11 A.M., or 2 P.M. strode Professor Allan Gruchy. Once in the room, he immediately became the center of attention. No one noticed the dismal physical setting for the next 50 minutes. Class was in session as soon as he closed the door, walked to the table at front of the room, unlatched his gold pocket watch from its chain, and placed the watch on the table.

The opening of class was usually an occasion for a brief ceremony that was a hallmark of all of Gruchy's classes. Once the door was closed, a tardy student could enter but he/she had to stand by the side of the door and await the completion of Gruchy's opening remarks. In a few moments, he would pause and allow the latecomer to tell him and the class the reason for the tardiness. Gruchy, in turn, would comment about the validity of the excuse and gesture the student(s) to be seated. Despite how militaristic this might sound when described to an outsider, it was regarded as anything but this by all of us. It was a precious few moments of humorous affection that enhanced the bonding between teacher and student before the formal teaching began. The excuses were often witty and Gruchy's assessments were always spontaneously clever. It was an encounter that any of us might confront on any day, since there were no bells or buzzers to start or stop classes or any clocks in Taliferro Hall. The official arbiter of the precise time was Gruchy's pocket watch. It faithfully signalled the beginning and the end of each class---right to the second.

This little ritual also had its pedagogical purpose. "Time", he told us, "is the most important and scarcest of all economic resources." Punctuality should be the hallmark of any would-be economist. As fate would have it, of course, the day did come when the Master himself was late. Immediately at 2 P.M., one of my fellow students in the first

row got up, closed the door, walked to the old table, took off his wrist watch---for who among us had a pocket watch---and began to stride in front of the class, clearing his throat as Gruchy was prone to do, and standing upright in posture as he always did.

Momentarily a somewhat winded Professor arrived. He saw the setting, so he stood at the appointed spot inside the door and awaited the request to give his excuse. In a few moments, the student "instructor" turned to him and gave Gruchy his opportunity. Gruchy said he had been stopped by the Dean of the College and he informed us of another important lesson in life: there are hierarchial power structures in society that can force deviation from normal practices on unsuspecting lower life forms. There are always exceptions to every rule. As you might expect, for the next few classes, the excuses given by tardy students were that they too had been stopped by the Dean on the way to class. But Gruchy always got the better of them since none of us knew the Dean's name or could even vaguely describe what he looked like. This excuse quickly wore thin and those who continued to use it would immediately encounter a good-natured hiss from the class as well as a raised eyebrow from Gruchy. Originality, after all, was one of the ground rules of this tri-weekly institutional practice.

Among undergraduates, Allan Gruchy was extremely popular. His classes were always filled to room capacity. At least two of them required senior level status to enroll. He was a hard grader in an era when good grades were almost impossible to earn. His command of the classroom came from his warm but firm teaching style as well as the reasonableness and intelligence of his lessons. He could motivate the uncommitted. Few of my fellow undergraduate economics majors in the 1950's thought much about neoclassical economics (or the "Economics of Automaticity" as Gruchy called it). We were taught its principles in other courses but it seemed like its utility laid primarily in its

use as a screening device for entry into the economics profession. It was like requiring priests to learn Latin as a pre-condition to entering their sacred vocation. The assumptions of neoclassical economics seemed so patently naive on-its-face that no one with a positive IQ could ever take such nonsense seriously. It certainly did not describe the U.S. economy of the 1950's with its "big government", "big business", "big labor" and "big agriculture" about which we had been taught in his colleagues' courses (e.g., Professor Dudley Dillard's Economic History class and Professor Eli Clemens' Economics of American Industries class). Moreover, how could neoclassical economics---with its assumptions of Say's Law, wage-price flexibility and atomistic competition in both the product and the factor markets---ever recover from the debacle of the Great Depression with its mass unemployment which this theory said could never occur. We were undergraduate students, but we had all been born in the 1930's. Our parents had filled our minds with first-hand horror stories of what conditions had been like when we were children. We had empirical evidence that mass unemployment could occur and could persist in a free market economy. We were not graduate students. Few among us had committed themselves to the economics profession. The majority, in fact, would do other things with their lives. Hence, we saw neoclassical economics just the way the peasant child saw the proverbial Emperor---without any clothes---or without any validity or relevance in the case of this theory. In Gruchy's hands, of course, neoclassical economics sometimes could become pure intellectual farce. In one brief discussion of the alleged market clearing capacities of a free market, Gruchy had diagrammed the equilibrium position and marked-off the rectangular area representing the revenue to the firm with the four letters C-R-A-P.

On the other hand, Keynesian economics (or "Compensatory Economics" as Gruchy called it), was clearly on the ascendancy in the 1950's. It was surging toward its halcyon

days that were to come in the 1960's. But Gruchy had already spotted its major flaws which would only belatedly be recognized by others in the 1970's and 1980's. Namely, he saw the likelihood of the occurrence of high inflation as a market-oriented economy moved toward full employment. Moreover, unlike most Keynesians who saw the pursuit of economic growth as the desired economic objective, Gruchy felt that economic development would more likely be the critical policy issue to confront policymakers in industrialized nations over time. It was not the prospect of more of the same that would be the challenge but, rather, how an economy strives to adjust as economic conditions change over time that would present the real challenges.

Thus, the only logical policy course for an economy to follow would, according to Gruchy, be one that adopted economic planning as an instrument of policy guidance. He called it "Directive Economics." It was a non-Marxian paradigm whereby democratic societies would adopt a system of guidance for their future welfare. Government was not the enemy of the people as it is usually portrayed in neoclassical economics. Rather, because economic resources are scarce, industrialized society must set priorities. Only government is capable of assuming this responsibility and performing this function. As Gruchy taught, "the language of priority-setting is the language of planning". He had no regard for totalitarian societies where governments suppress all interests except their own and use unwanted methods to enforce their choices. Rather, he sought a planning system for free societies where individual preferences do exist, but where certain "societal essentials"---adequate housing, multiple cultural activities, superior education, environmental quality, and comprehensive medical care---must be assured for the good of the whole of society. Planning was necessary to be certain that there was sufficient spending on these "societal essentials". The planning was to be a collaborative process that did not rely on



the threat or use of force to carry-out its objectives. It required that a planning body be legislatively in place; an annual economic budget be set forth and adopted; and a system of policy controls be available to carry-out the plan's objectives.

This is not the place to critique the message of his teaching. All I can say is that from the undergraduate perspective what he said seemed eminently logical---especially in that somnolent era of the contemporary Eisenhower Administration. For the social time bombs that would explode in the 1960s had already been planted. The winds of social activism were picking-up. Sputnik I had been launched as had the Civil Right Movement in Montgomery, Alabama only the semester before I entered his first class. Moreover, by the Spring of 1958, the economy was in recession and, over the ensuing 18 months that I was enrolled in his classes, the national economic crisis deepened. The men he talked about---Veblen, Commons, Means, Tugwell, Keyserling, Ayres, and Galbraith---addressed their minds to real economic issues and to the "big picture." They did not waste our time on the abstract theoretical world of neoclassical economics with its artificial controversies over problems that the world did not even know it had, (e.g., the shape of the demand curve for inferior goods; or the alleged existence of a backward bending supply curve; or the role of marginal time preferences in measuring consumer buying behavior). The men whose ideas Gruchy taught focused on full unemployment, the quality of life, the preparation of the work force, the structure of the economy, and the constructive role that government could play to enhance life and to ameliorate human suffering. He also showed us in the planning course how Scandinavian countries actually implemented these ideas.

As a consequence, Gruchy's classes were always filled to room capacity. This meant there was anywhere from 40 to 75 students---depending on which one of the three classrooms he was assigned. Hence, we seldom had an opportunity for much two-way

discussion. In every class there was always some banter between him and we students. It always occurred when the class began. It was a way to break the ice and get us in the mood to learn what he wanted to teach that day. Often there would be another break about mid-way through the hour---as if he wanted to give us a moment to relax before he proceeded. The banter was always of a good-natured and of an intellectual nature. He never told jokes or did anything that would defile the integrity of the learning environment. He would, for instance, ask us about the relevant paralled lesson taught in Professor Henry Grayson's class in intermediate micro-theory which all of us were required to endure. He referred to Grayson's class as "Art 132" rather than "Econ 132"---a reference, of course, to the extensive graphical analysis used in that class. [Grayson, by the way, would good naturedly reciprocate by referring to Gruchy's class as "Storytelling 137" rather than as "Econ 137"].

Gruchy often used witty phrases to illustrate a point. We fondly called them "Gruchyisms". One I remember was a statement that dealt with the difficulty a citizen has learning what his/her elected officials actually believe. He told us that "what fur is to a grizzly bear, fog is to a politician;" or he would warn us to "beware of simple answers to complex problems;" or he'd use little self-constructed Latin phrases---like the one he wrote on the chalkboard on the first day of the first class I had from him: "Tuum Est," (which translated meant "it is up to you").

I cannot do justice in words to describe the experience of being taught by Allan Gruchy. I can only say that I remember him vividly. I still treasure my class notes and I have pirated more than a thought or two from them over the years. I am sure that he is the one who guided me into a career in economics. He raised the issues that I wanted to study like the rationale for having some form of an industrial policy; or the need for a

human resource development policy; or the ways to achieve and maintain full employment in a free society.

It is somewhat ironic, however, that though we greatly admired him and we all knew he loved to be on center stage in front of us, he was not a person who it was easy for undergraduate students to know. His office was always cluttered with books, manuscripts, and papers. Even the visitors chair in his office had stacks of materials piled on it so there was no place to sit. So, you stood up before him, you asked your question, and you left. He never tried to be a "buddy" to undergraduate students---indeed, he was somewhat aloof and quick-spoken if you asked him a direct question outside of class. But he had sort of an impish smile and a sparkle in his eyes---somewhat like that of Groucho Marx to whom---with his mustache, his use of his raised eye brows, his clear rimmed plastic glasses, and his lean physique---he bore a faint resemblance that signaled the warmth of his personality and the respect he had for us. It was the power of his ideas; the breadth of his knowledge; and the manner of his delivery that held us in his sway---then and since.

As I remember Allan Gruchy, I can only paraphrase a thought from Ralph Waldo Emerson. Namely, "there was a time when our universities had wooden buildings but they were filled with golden teachers; too often today, our universities have golden buildings but they are filled with wooden teachers". Allan G. Gruchy taught in a wooden building but he was a golden undergraduate teacher.