Eminent Economists
Their Life Philosophies

Edited by
MICHAEL SZENBERG
B’H

To Avi

with fatherly admiration
Great men, taken up in any way, are profitable company.

Thomas Carlyle

We all have our philosophies, whether or not we are aware of this fact, and our philosophies are not worth very much. But the impact of our philosophies upon our actions and our lives is often devastating. This makes it necessary to try to improve our philosophies by criticism.

Karl R. Popper

The ideas of economists and political philosophers, both when they are right and when they are wrong, are more powerful than is commonly understood. Indeed the world is ruled by little else.

John Maynard Keynes

The physicist who is only a physicist can still be a first-class physicist and a most valuable member of society. But nobody can be a great economist who is only an economist — and I am even tempted to add that the economist who is only an economist is likely to become a nuisance if not a positive danger.

Frederick A. von Hayek
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Preface

The idea for this collection of essays came to me some time after 1983, when, on the occasion of the twenty-fifth anniversary of the American Economist, a new feature was introduced – reflections by some of our most eminent economists on their life philosophies. The series, inaugurated by Paul A. Samuelson, has generated extensive interest among the readers of the journal. Inspired by the dearth of autobiographical writings in economics, it certainly is a step toward constructing a biographical inventory of the creative minds among economists.

“The raw materials out of which science is made,” according to physiologist René Dubos, “are not only the observations, experiments, and calculations of scientists, but also their urges, dreams, and follies.” Many in the profession assume that people act in accordance with the profession’s constructs, which are abstracted from the psychological and political aspects of economic behavior. They neglect the role of personal and social factors in the formation of economic discourse. As Herbert Simon argues, they invent systems describing individuals without individuality. Joseph Schumpeter has observed, however, that the analyses and issues economists study are influenced by their personal experiences.

The contents of this volume – twenty-two autobiographical essays – give us an intimate view of some of the dominant economists of this century, scholars whose work has changed the direction of the discipline. Why twenty-two essays? The plan was to have a volume of seventy thousand words. Since the average size of the essays was limited to about three thousand words, this prescribed the arbitrary number of twenty-two essays. Fourteen of them are original pieces written for this volume. The others have appeared in the American Economist; they are reprinted here with minor changes.

The self-portraits offer us details about the economists’ personal and professional lives that we might otherwise not have known, and they capture the significance of the total person. Moreover, they shed light on the process of economic thinking.

on their writings, and as such, they change one’s notions of what an economist can do or be.

There is in our culture a craving to share the lives of well-known individuals.\textsuperscript{2} We are boundlessly curious about their accomplishments, their motives, and the resources they bring to their tasks. We also attempt to probe the inner landscape of scientists’ lives. Our interest is in the how and the why, which can lead us to discover the wellsprings of the creative impulse. Paul Samuelson asks, “What would we not give to learn” about the creative processes of artists and scientists and to read their autobiographical accounts?\textsuperscript{3} Several years ago, there was much excitement in the scientific world in the wake of the news that the personal papers of Albert Einstein were being prepared for publication. A \textit{New York Times} editorial, “Sources of Genius,” declared that the papers were among this country’s great treasures because of their potential for advancing our understanding of genius. Unfortunately, according to Myron Coler, our current knowledge of creativity has only reached a stage analogous to Tycho Brahe’s preliminary investigation of planetary motion.\textsuperscript{4} But as James Froude, the biographer of Thomas Carlyle, has said, “We must have the thing before we can have a science of a thing.”

Some words concerning the editor’s feelings about this volume are appropriate. Preparing it has been especially exciting, for I have been an elated reader of memoirs and biographies since my childhood. It has permitted me to travel to distant worlds, places, and periods and become acquainted with events and personalities. Many of the historical figures I have met have spoken to my heart and stirred me powerfully. As George Bernard Shaw observed, “I see biography rather like foreign travel. You go to a country quite unlike your own and you pick up something of that way of life, that language, and your life is changed by the experience.”\textsuperscript{5} In other words, we intensify our own lives by living a number of other lives at the same time.


\textsuperscript{5} Quoted by Kim Heron in “Did You Hear the One About the Fabians?” \textit{New York Times Book Review} (Oct. 9, 1988). Interview with Michael Holroyd upon publication of
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My love affair with biographical writings was stimulated when, as a child, I taught myself to read using the only book available to me — the biography of Felix Dzerzhinskiy, the infamous head of Cheka, the Soviet Security Service after the Bolshevik Revolution. I read and reread the book numerous times during the last two years of the Second World War, when I was hiding from the Nazis. For me, good biography became a synthesis of fiction, poetry, and history.

As the editor of this volume, I took the occasion to outline what I thought was appropriate ground to cover beyond the ideas implicit in the series title. The essays were not structured. Each contributor was free to determine his own approach and method of treatment. In several cases, I asked the authors to clarify, to shorten, or to expand on certain aspects of the discussion. The pieces thus differ not so much in length as in degree of analytical emphasis. I quote a passage from my letter to the authors to enable the reader to evaluate what was intended and to judge how well it has been realized:

Regarding the essay’s content, contributors certainly have latitude in interpreting its title and in responding to it accordingly. Still, besides the usual biographical sketches, the essay should ideally be interspersed with philosophical issues, some perspective on the nature of life and of the universe, and the relationship between economics and other disciplines. Contributors are encouraged to probe and articulate — perhaps via personal anecdotes — how background and upbringing molded their attitudes, ethics, religion, and how these, in turn, affected choice of occupation, political preference, selection of original research areas, and the related methodology — the theorizing matrix. Also, teachers and colleagues play an important role in the process. There is strong reason to believe that these elements in the configuration are not entirely independent and mutually exclusive.

The rationale for the selection process was a simple one. It was based on the recognition accorded to the authors by the scientific awards bestowed on them and by their election to various learned societies. After all, as Paul A. Samuelson remarked in his presidential address to the American Economic Association, the scholar works for the only coin worth having — peer applause. Initially, I tried to select participants irrespective of age, but after some communication with several of the younger eminent economists, I decided to concentrate on the older generation. Otherwise, the selection of contributors from the younger members of the profession would have been idiosyncratic. The younger economists felt they were still too young to be considered for this honor, and they asked to be reinvited in five years or so. Perhaps they felt they could not write of their accomplishments without laying themselves open

vol. 1 of his three-volume biography of GBS: Bernard Shaw: The Search for Love (New York: Random House, 1988). Holroyd has so far spent fifteen years on Shaw, with two more volumes to come.
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to the charge of egotism. The writing by and about oneself is not soft
ground to plough for a young scholar with intellectual attainments. One
young economist suggested that reaching celebrity status, such as being
awarded the Nobel Prize, might be justification for him to elaborate
on his life philosophy. He did not wish to bank on the award, however,
even though he is so acclaimed as to be a shoo-in for the prize in the
next decade. The story is told of Albert Einstein, the 1921 Nobelist, who
was so confident about receiving the prize that he promised his estranged
wife the Nobel Prize money in 1919, as alimony. Another young econ-
omist looked on the senior participants with such awe that he declined
to be included in the same volume with them. He suggested that I edit
a volume of similar essays for the younger eminent economists.6

To my surprise, only a few economists declined my invitation to con-
tribute an essay. Several of them could not meet the deadline due to other
commitments. One wrote that it was an honor for him to be invited but,
as far as he knew, he did not have a life philosophy. This reminds me
of John M. Keynes’s famous remark at the end of his most important
book,7 about policy makers who claim that they do not subscribe to any
theories. Keynes suggested that such persons are slaves of defunct the-
ories. Another invitee felt that he would be in trouble if he ever tried to
figure out his life philosophy. He related the famous anecdote about the
bearded man who was asked whether he slept with his beard above or
below the blanket – and was never able to get a good night’s rest after-
ward. Advanced age prevented two economists from completing the task
and another, known for his outspoken views on the direction of the
discipline, argued that an elaboration of his philosophy would require
more than five hundred pages.

One eminent Eastern European economist was invited to contribute
to the volume. He enthusiastically accepted the assignment, but later
contacted me while on a visit to the West to tell me that, with the changes
Eastern Europe is now undergoing, it would be better from his standpoint
not to express his life philosophy openly. He said that in Eastern Europe
a life philosophy is a sensitive subject, and he preferred to avoid com-
lications and conflicts that might interfere with his scientific work at
this time. I am sympathetic to his plight. After all, there is a risk that the
few flowers now allowed to bloom in the Eastern European garden might
wither away. This should draw our attention yet again to the inevitable

6 I am reminded of the admiration Marquis de L’Hôpital felt for Isaac Newton, which
prompted him to ask in seriousness whether the great Newton ate and slept as other
humans.

7 John M. Keynes, *The General Theory of Employment, Interest, and Money* (New York:
Harcourt, Brace, 1936).
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conflicts between the social role of the scientist and his or her value system.  

One midwestern U.S. economist requested a compensation of about $10,000 for his essay. To borrow George Stigler’s opinion of Samuelson when the latter published his best-selling text, the invited economist, having achieved some fame, is now looking for a fortune. Since I considered the invited pieces priceless, I had to turn down his request and continue my search for an equally eminent but more generous author. Paul A. Samuelson requested that his fee from the publisher be donated to the Honor Society in Economics. 

Clearly, there are omissions, and my selection will not satisfy every reader. Just how personal such selections are can be seen from a paperback that came to my attention after completing this volume. The list of entries includes one hundred leading economists. Maurice Allais, the 1988 Nobel laureate, is not on that list.

I was surprised to learn that even in the West such a seemingly innocuous reflective piece can be damaging to its author. In October 1989, the London Financial Times printed a passage from a life philosophy essay in the American Economist series written by Sir Alan Walters, at that time the economic adviser to British Prime Minister Margaret Thatcher. In the passage, Sir Alan expressed his opposition to the plan of the chancellor of the exchequer, Nigel Lawson, to integrate Britain into the European Monetary System. The disagreement was propelled onto the front pages of newspapers, which led to the resignation of both officials, a reshuffling of the cabinet, and what was considered by observers to be the worst political and economic crisis in the past decade (see Michael Szenberg, “The Walters–Lawson Affair and the Two Worlds of Communication: A Collision Course,” American Journal of Economics and Sociology, July 1990, 293–6).

In the aftermath of the Walters affair, an eminent economist and a leading candidate for nomination to the Supreme Court of the United States decided not to publish his life philosophy essay in the American Economist series. The recent rejection by the Senate of Supreme Court nominee Robert Bork and the easy confirmation of Justice David H. Souter may very well justify the position taken by the U.S. economist. The existence of what is called a “paper trail” – publications containing personal opinions – is damaging to confirmation to high positions as bits and pieces from the articles are dragged into the mass media, where they are given instant rather than deliberative analysis and judgment. We are thus entering, unfortunately, an era of publish and perish.

Acknowledgments

Editing a book is a social activity, not only because it draws on many people’s ideas, but also because it depends on the support of colleagues, friends, and family. I have been fortunate in this area, and I am very grateful to my daughter, Naomi, serving as a medical resident, and to my son-in-law, Dr. Marc Kunin, for bringing much joy and happiness to my wife and mother. I would also like to mention my teenage nephew, Chaim Jonathan, who lives with us and exemplifies that rare combination of wisdom of learning and wisdom of life experience. Paul Samuelson is only partly right to point out that having children is the biggest kick in life. For me, a more exhilarating kick comes from watching the ball go over the goal posts, that is, seeing my children develop into productive members of society.

I have accumulated many debts in the preparation of this volume. I should like to acknowledge in particular the cooperativeness of the contributors. I thank them for their congenial partnership, and especially for the lessons in scholarship that working with them has taught me. To illustrate, in the case of one contributor’s essay, getting the final version in order took about eight submitted drafts, fifty letters and cables, and numerous telephone calls. This is meticulousness of the highest order on the part of the contributor. I intend to show the many versions of the essay to my students so they understand that inspiration, in the words of Tchaikovsky, “is a guest that does not visit lazy people.” Also, as Polanyi has pointed out, being brought in contact with an eminent mind “will reveal the way he chooses problems, selects a technique, reacts to new clues and to unforeseen difficulties, discusses other scientists’ work, and keeps speculating all the time about a hundred possibilities which are never to materialize.”¹ This certainly cannot be transmitted through formal schooling.

More than to anyone else, this book owes its existence to the members of the Executive Board of the Honor Society in Economics: Professors


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Colin Day, past editorial director of Cambridge University Press and currently director of the University of Michigan Press, favored me with helpful comments at the initial stage of this project. Mary Racine, production editor of this volume, deserves accolades for her professionalism. Thanks are extended to my colleagues at Pace University: William C. Freund, chair of the Economics Department; Elainy Bernay, director, Center for Applied Research; Arthur Centonze, dean, Lubin Schools of Business; and Joseph M. Pastore, provost of the university—all provided support and an atmosphere that was both encouraging and stimulating.

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Finally, I would like to express my appreciation to Professor Frank Genovese, editor in chief of the American Journal of Economics and Sociology, Professor Pascal Bridel, chair of the symposium entitled “Editing Economists and Economists as Editors” organized by the Center Walras-Pareto, Université de Lausanne, and the editors of Revue Européene des Sciences Sociales for permission to use material published in article form.

It is to my son Avi, who was studying in Yeshivot Mir in Jerusalem while this volume was being written and is currently attending the University of Pennsylvania Law School, and his bride Tova that I affectionately dedicate this book. They are learning that the purpose of our existence in this world is not simply to raise our intelligence quotient, but primarily to ennoble our moral character.

As I write these words, I must record with sorrow that one of the contributors, Karl Brunner, died on May 9, 1989, of cancer. I regret that he did not live to see this volume, in which he showed deep interest.