DAYS GONE BY:

A MEMOIR FOR MY FAMILY

by

Moses Abramovitz

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PREFACE

What I have written here is literally a memoir: my life and something about the times in which I lived as I remember them. I have done no research, consulted no books or papers, checked no facts—a book of memories.

What I have written about my own forebears, my mother and father, their parents, and the Rumanian shtetl from which they emerged is simply what I learned listening to family talk. They kept no records. The only document with useful information was a copy of my own birth certificate.

This is a memoir for my family, first of all for Joel and Amy and for Rachel and Sarah and then, I hope, for their children and their children’s children. I feel they should know something about one of their ancestors, where he came from, how he grew up and lived, about the times in which he lived and what came of it all. But I shall also send copies to members of my extended family to whom I feel close, and also to a few close friends who may be interested.

I realize that writing a memoir like this is also a way of extending one’s own life, not only in the important sense that one hopes that through it one may live in the memories of those who come after. It has also lengthened my life in that the sheer writing of it has given me an occupation for nearly a year and many happy hours recalling my memories of the past, my life with Carrie, and so much more. Indeed, as I moved from chapter to chapter, I found myself writing more and more for myself. So the drafts became longer as I indulged myself in the pleasures of recall. Detail figures larger and so do the stories that lard my memory, stories some of which serve a serious purpose, but others that I simply find amusing. And perhaps you readers will, too.

Moses Abramovitz

August 2, 2000
Chapter One

MY FATHER AND MY MOTHER

My father, Nathan Abramovitz, was born in 1878 in a small Jewish shtetl in Moldavia, the northeastern province of Romania, very near the Russian border. His shtetl was called Stifanect; it stood close to Jassy, the capital of Moldavia. His parents were Shlomo and Chawa Abramovitz.

My mother was born in 1880 in Botosani, another tiny shtetl not far away. Her parents were Moshe Mord’che and Sarah Goldenberg. I was named for Moshe Mord’che, who died a year or more before my birth. My mother’s name, at least within the extended family, was Beluche, which I take to be a diminutive of Bella, but after coming to this country, she chose to be called Betty, and that is how her American passport later read. My father called her Bettishu, his affectionate diminutive.

My father reached this country in 1895, when he was 17, and thereby hangs an important story. My grandfather Shlomo was a wine merchant, who bought grape crops, had the grapes pressed and fermented, and sold the wine at wholesale. It must have been a good business because there were nine surviving children among whom the four oldest, all boys, went through the lycée, an expensive matter in those days. And then there was a break. In the wave of anti-Semitism that swept all Europe in the 1880s, the Romanian government decreed that Jews might no longer engage in the wine business. So the family business was lost. All the younger children were taken out of school. My father, now aged 12, was sent to Turnu Mogerilie, 200 miles from home, where he was apprenticed to an iron merchant.
I like to think that it was in this work that he began to develop the impressive biceps which, as a child, I loved to watch as they moved about when he flexed his arms. Nathan worked for the iron merchant for five years, but when he became 17, he was drafted into the army. Apparently, however, he established a good relationship with his captain because not long after induction, he was given a furlough. He went home, packed a bag, said his farewells, and departed for America. He was AWOL, but enforcement was, in the Romanian way, lax, so he traveled by rail to Hamburg, found passage on an emigrant steamer, and so came to Ellis Island and New York. There he joined his older brother, Martin, who had preceded him.

My father was virtually penniless, with no more than an elementary school education, with no English, and without important connections. Martin could do one thing for him. He steered him to a first job with a wholesale grocery firm. The job was at the lowest level; he was to be a simple laborer. And so began what I think of as a not untypical life of a Jewish immigrant in America at the turn of the century. By hindsight, however, we can see that Nathan was an unusually talented man, not only ambitious, which was common enough, but also a person of keen intelligence, who had a flair for learning and a great desire to learn. He used these talents to develop a keen understanding of business and, what was at least as important, a knowledge of people—whom he could trust and whom not and how to elicit the trust of others.

Nathan’s first job was to load a pushcart with sacks of sugar or flour and then to push the cart across the Williamsburg Bridge from a warehouse on the Brooklyn side to a warehouse on the Manhattan side, then to unload, sack by sack, and then to push the cart back, sometimes loaded again, in any case to do it all day long. Young and strong as he was, Nathan kept at it. After a time he had his reward. He was promoted to be a salesman. He took orders from grocery stores or from other wholesalers; he came to know his firm’s stock of goods and the going prices; he could exercise some discretion to gain new customers or to get orders for goods in long supply.

By the turn of the century, he had saved some money, he had met Betty, and he could think of marriage. He proposed and was accepted. For Betty and Nathan, it was a true marriage of love, and it lasted all their lives. They were devoted to each other and then to their children. For my brother, Abe, and me, this was obvious and taken for granted, but the security they gave us and that we enjoyed affected us differently. Abe grew up in undue dependence on the security his father gave him, and he never got over Nathan’s early death; it left him in worry and fear throughout the rest of his life. For me it was simply the foundation of a happy childhood and hopeful youth, and even Nathan’s death, in spite of the readjustments it required, did not chill my basic confidence that somehow I would find my own way.
Business Life

When my parents married, in 1902 or 1903, Nathan offered his bride a fateful choice. He had savings of $800. He could buy her a fine piece of jewelry or he could risk it all and go into business for himself. The answer must have been obvious. Nathan became a “commission merchant.”

Wholesale grocers who needed supplies “commissioned” him to find them at a favorable price and either paid a fee or the merchant’s markup. It was the first step in a successful business career.

After some time as a general food merchant, Nathan began to specialize. He turned to the importation of dried fruits (figs, prunes, etc.) and beans, especially beans. These he procured from many countries, from Mexico and all around the Mediterranean: Morocco, Algeria, Tunisia, Turkey, France. He was a pioneer in the business, and N. Abramovitz and Co. became known as a firm that could supply almost any variety of bean and at short notice. As a child, I was fascinated by visits to his office at 100 Hudson Street in lower Manhattan near the Hudson River piers, where the shipments arrived and cleared through customs. The office was simple and small: a room for a bookkeeper and a file clerk and a much larger room where the beans available were displayed and could be sampled. The walls were ringed with shelves on which stood row after row of the large glass bottles more familiar in the windows of old-fashioned pharmacies. Each bottle contained a sample of one or another variety of bean. It was a colorful scene.

The business flourished all through the early years of the century and in the First World War and its immediate aftermath. Nathan was admitted to membership in the New York Produce Exchange. This was a notable breakthrough. He was certainly one of the first Jews, if not the very first, to be so admitted. It was a recognition, not only of the scale and soundness of the firm’s business, but also of Nathan’s reputation for integrity and honest dealing.

It was the pioneering of the firm that gained and preserved for it a large share of the business in its specialized field. With the end of World War I, however, much larger firms, like Austin Nichols, entered the business. Their scale helped them operate more cheaply and to cut into the business of N. Abramovitz and Co. The prospect for future profitable operation began to look somewhat bleak.

Matters now took a radical turn. Abe Goldenberg, our orphaned older cousin, who lived in our house as a quasi son, had his early jobs in the costume jewelry business. When the U.S.A. went to war, however, in 1917, Abe was drafted into the Army as a member of the 77th Division, a unit made up largely of New York City draftees. He trained with the division at Camp Upton at Yaphank, Long Island, saw combat service in France during the campaigns that broke the Hindenburg Line, suffered a shrapnel wound in his shoulder, and was discharged at the end of the War, in 1918.
In the early decades of the century, the costume jewelry worn in this country was largely the product of American labor working in New England. There was, however, a European center of production in the Sudetenland, which after the War became a part of the new state of Czecho-Slovakia. Abe now formed a partnership with an older German-born friend named Philip Vetsburg. Their idea was that imports from the Sudetenland could compete profitably with domestic production. They called their firm the Colonial Bead Co.

In the new firm, Vetsburg was to develop the “line” of goods each season and arrange for the European supplies, working with a Sudeten commissionaire. Abe’s responsibilities were sales, shipping, and the management of stock. The imports were aimed toward sale in department stores who either bought directly from the Colonial or from “jobbers” who obtained the goods from Colonial.

The new venture was successful from the beginning. The imports could compete profitably. They were cheaper and often more attractive than the domestic items. And Abe and Vetsburg turned out to be good at their jobs. As the business expanded, however, it needed more equity capital. The original partners now turned to my father. He saw in the Colonial an opportunity to employ profitably the funds that became available from a gradual liquidation of N. Abramovitz and Co. So Nathan provided the capital and soon was the major stockholder in the Colonial.

Nathan did more; he assumed an active role in the business. The seasonal nature of the business and the long lag of sales and receipts behind the purchase of the seasonal supplies abroad called for large seasonal bank loans. Nathan undertook to establish and maintain adequate lines of credit at several New York banks. For these he turned to the larger Wall Street banks whose credit was less expensive than that of the “factors” and smaller banks but whose loans were available only to firms whose credit standing was high. Here Nathan’s long reputation for prompt settlement of loans and sound, honest dealing stood him in good stead. Beyond that, Nathan kept a close eye on the business generally and brought his considerable experience and good judgment to the control of the level of the firm’s exposure to the risks of changing styles in each season.

The prosperous Twenties were a favorable environment for the Colonial’s operations. As economic expansion and prosperity raised incomes, women generally indulged more in costume jewelry and were willing to buy more expensive items. The department store trade flourished. Abe Goldenberg, however, sensed a new opportunity. He saw that the variety stores, chain stores, and mail-order firms—Woolworth, Kresge, etc.—were becoming larger components of the retail market, and, even more important, they were abandoning the constraints of their old five-and-dime policies and offering goods selling for higher prices. Why not develop a line of costume jewelry to be sold through these growing outlets? The Colonial did that and
by the late Twenties had established a profitable addition to its older department store trade.

That in itself was a valuable step. When the Great Depression hit, however, it proved to be the salvation of the firm. As incomes declined after 1929 and remained low through the Thirties, more and more women turned from the department stores to the chain stores and to the much cheaper items they sold. The Thirties, therefore, were not years of depression for the Colonial. Instead the business as a whole continued to yield a good profit.

New challenges faced the firm with the outbreak of World War II; the Sudetenland as a source of supply was lost to the war, and there were serious postwar disturbances. But all that takes us beyond Nathan’s life. He died of a serious heart attack in August 1932.

The high point of Nathan’s business career, one may well think, came in 1928. The Chemical Bank, the oldest surviving great commercial bank and still an important factor in the financing of large corporations, asked Nathan to become a vice-president of the bank. In those days vice-presidencies were still comparatively rare and influential posts in a bank’s hierarchy. And Nathan would doubtless have been the first Jew to occupy such a post in one of the important sources of corporate finance. He was not insensitive to the importance of such a breakthrough.

As I think back on this episode (I was 16, still at home and well aware of developments), I think that Nathan understood the bank’s objectives very well. Hitherto the bank’s business had been almost entirely confined to providing short-term finance to large corporations. Now it was attracted by the possibilities of serving smaller firms, including the many Jewish firms of New York City and its environs. They thought Nathan a good candidate for heading an effort to develop the new market. Yet Nathan also rightly saw the proposal as a tribute to his business acumen, his reputation for integrity, and his ability to win the trust of others. So he was flattered and attracted. But the Twenties had also been years of recurrent health problems of growing severity. I speak of them below. His doctors advised him not to take on a new, difficult, and stressful job. To his regret, Nathan had to turn away the Chemical proposal.

My Parents’ Personal Lives

Business affairs filled Nathan’s weekdays. But business was never his all-encompassing interest. For both Nathan and Betty, their life together and the children were their first concerns and the purpose of all the rest. Business was not the subject of dinner table conversation. That was filled with the doings of the boys, with (extended) family gossip and sometimes the troubles of relatives. The evenings were spent in reading. There was an early phonograph. We listened to Caruso and Galli-Curci, and also to “Cohen on
the Telephone.” Nathan, especially, read widely both in newspapers and
magazines. He was determined to make good at least in part for his truncated
schooling. And there was more to it than that. Nathan thought deeply about
the significances of his actions. Looking back, it seems to me that he lived by
the maxim “An unexamined life is not worth living.”

Betty was a quite different personality. She saw her role traditionally
and accepted it simply and naturally: caring for Nathan and the children,
cooking the meals and cleaning up, generally managing the house. Actually
she had had two years in a lycée. She still remembered some French. But she
was not intellectual; she was not a reader.

From early on, there was always someone each week, a “goya,” to
wash and iron and to do the heavy cleaning. Later there was more frequent
help, which meant more time for seeing family and friends. She was
gregarious, enjoyed her visits, and welcomed friends to the house. They
talked, played card games and mah-jongg. She enjoyed this mostly peaceful
existence, and, I believe, was peaceful in her heart.

This peaceful life, however was played out against the background of
Nathan’s deteriorating health. Beginning soon after the end of the First
World War, he suffered chronic stomach troubles. Very likely, they were
aggravated, it not caused, by the strains of a busy business life with its many
risks and anxieties. In the early Twenties, a stomach ulcer was detected.
Today’s chemical cures did not exist. He was put to bed and fed almost
continuously, a tightly measured and very bland diet. Cigarettes, to which he
was normally addicted (Turkish, by preference: Helmars, Naturals,
Melachrinos), were restricted to three a day. Nathan made them last. He cut
each into three small parts and held them to his lips with a toothpick. This
regime worked; the ulcer was cured.

But Nathan’s troubles were not over. He suffered recurrent
abdominal pain. In 1925, a rectal fistula was discovered. He underwent not
one but two operations to cure the condition. There were months of anxiety
punctuated by the two operations. Betty was by his side so long as he was in
hospital. She rented the room next to his, so she could be with him
constantly.

Then finally after several better years, there was a first heart attack in
1931. There followed a second, more massive attack in the summer of 1932.
He died within 24 hours. He was just 54, a short life even in those days.

The Twenties, however, were more than years of illness. The
national prosperity and rapid growth of those times and the success of the
Colonial Bead Co. made Nathan and the family quite well-to-do. After World
War I, there was an automobile, first a touring car and a chauffeur; later a
sedan which Betty learned to drive and did. The chauffeur was dispensed
with. We took weekend drives into the further reaches of Long Island. When
Abe became old enough to drive, we went to Manhattan each weekday
afternoon to spare Nathan an after-work subway trip. One impression of this commute remains with me. Our route from the Colonial’s 38th Street office to the Manhattan Bridge took us along lower Second Avenue, where Kosher restaurants and Yiddish theater flourished. I retain a clear picture of one theater marquee. It read “Molly Picon in Oy, Oy, Die Mädloch.” I would have been perhaps 10 years old, but I chuckled, as I do today.

From early days, there was a summer holiday. At first, we went for two weeks to the Catskills. We stayed in the Flagler House, a hotel near Liberty, New York. A common pastime was a walk into Liberty along a country road together with a group of acquaintances. For me, there was milk still warm from the cows whose milking we watched. I hated it. But there was also rowboating on the Neversink River, Nathan at the oars. And there were hayrides. But as yet, the evenings of real theatricals—comics, singers and dancers—and “social directors” for which the Catskills became notorious were things of the future.

Later, from the mid-Twenties until Nathan died, Nathan and Betty made annual trips to Europe. There was a business element. Nathan visited the Colonial’s commissionaire in Gablonz in the now Czech Sudetenland. But the major time was spent “taking the cure” in Carlsbad or Baden Baden and recuperating in Lucerne or on Lake Geneva. They were always luxurious trips. The Atlantic was crossed first class in one of the great ocean liners of the time, the Aquitania, the Berengaria, the Mauretania. A great steamer trunk accompanied them. We called it “Betty’s bungalow.” A few days in Paris were at Claridge’s Hotel on the Champs-Elysées. In Carlsbad, they stayed in the Grand Hotel Pupp, an elegant place set in large lawns.

Like everyone else, their routine in Carlsbad involved first a visit to a local physician who prescribed the proper waters or baths for each patient. Each day then began with a visit to the specified spring and then a walk sipping the water so drawn. At eleven o’clock, it was time for the “promenaden konzert” and a cup of tea while listening to the music. Later, lunch and siesta and again to the waters. In Lucerne, the routine was not prescribed. It was time to rest in sight of the lake and surrounding mountains.

For Nathan, all this was a healthy and relaxing interlude. For Betty, it was an unparalleled chance to shop: tablecloths and napkins, lace-bordered handkerchiefs, dressing gowns, presents for relatives and friends.

In all these trips, Nathan refused to go to Romania, although he still had older brothers then living in Bucharest. A story from Lucerne gives some ideas of the anger he retained for the country’s anti-Semitism, corruption, and sloth. As Betty told us the story, when the time came one year to return home, they came in good time to take the train for Paris. When the train pulled in they boarded their car. Nathan immediately said, “Betty, this train comes from Romania.” “How do you know?” she asked. “I can smell it.” He
went down to the platform and, sure enough, the placard on their car read “Bucarest-Paris.” Nathan then declared, “I will not travel in this train.” He found a porter and had their baggage removed. Betty begged him to change his mind, and eventually he relented—but not before making one more gesture. He found the conductor and, for a fat tip, had their compartment freshly swabbed and cleaned. So much for Romania.

Nathan and the Jewish Community

Both Betty and Nathan had grown up in traditional households. My grandfather, Nathan’s father, said the daily prayers as long as he lived. So, of course, we always and quite naturally identified ourselves as Jewish, and this is reflected in the persistence of the family name with no attempt to simplify and shorten it, still less to adopt some Americanized ambiguity. So long as my grandmother lived with us, the house was run in accordance with the kashruth. Only kosher food entered the house, and the kitchen had the necessary sets of dishes utensils and silverware.

All this, however, was formality. Neither Betty nor Nathan was religious. For Betty, it was all simply tradition—with perhaps some admixture of superstition. It was followed but not considered a serious matter. To Nathan, however, as time passed it came to seem increasingly irrational and bereft of meaning and justification. Only his consideration for Betty’s mother, who lived with us, helped him tolerate it.

With all that, however, their lives became increasingly secular. Non-kosher food came to be eaten outside the home. Non-kosher restaurants and hotels were patronized. Because they felt a part of the Jewish community, they were always members of the neighborhood synagogue or temple. They attended, however, only at Rosh Hashana and Yom Kippur or at the bar mitzvah of a friend’s son. We boys had what passed for a Jewish education. It was a miserable substitute. A melamud taught me to read Hebrew. That is, I could make the sounds signaled by the Hebrew letters before me. In that way I could learn to read my Torah portion when I became bar mitzvah—another formality; for perhaps two years, I attended “Hebrew School” for a couple of hours a week where I actually learned the meaning of a few Hebrew words. I retain almost nothing.

A crisis in Nathan’s relations with organized Jewry came in the mid-Twenties. Already of high school age, I remember it clearly. We had been members of the Brooklyn-Jewish Center for some years, and Nathan had become friendly with leading members of the congregation. In 1925 or 1926, they approached Nathan and said that the directors of the temple wished to have him as their president. It boggles the mind to think why they would have chosen an areligious man to be their leader. Was Judaism so lacking in serious content for all these men who stood at the head of an important congregation? And what about Rabbi Levinthal, a highly trained and
thoughtful graduate of the Jewish Theological Seminary? Still the proposal was a tribute to the respect they had for Nathan. He agreed to consider the matter.

His answer ran in these terms. This congregation, he argued, was composed of a membership of relatively affluent people, some very affluent. It had so far chosen to run the center exclusively in the interest of its members. Yet bordering the Eastern Parkway neighborhood served by the center were two other neighborhoods, Brownsville and East New York, populated by much poorer people, many, if not most, of them Jewish. The center had never done anything for them. Nathan, therefore, made this proposal: if the center’s leaders would agree to establish and find the funds to support a settlement house for the benefit of the people of East New York and Brownsville, he would agree to be the center’s president—otherwise not.

The directors considered his proposal and turned it down. Nathan, therefore, would not stand for election. Thinking about the matter, as Nathan must have done, it is easy to see that the directors would have been averse to meeting the costs of establishing a settlement house and still more by the personal expense and by the effort that would be required year after year to maintain it. In Nathan’s mind, their refusal stemmed more largely from their view that philanthropic social service was not part of the mission of even an affluent Jewish congregation.

In the aftermath, Nathan developed a still more negative attitude toward organized Judaism. Indeed, the business dealings of his conforming acquaintances suggested to him an inverse association between piety and ethical behavior—doubtless a conscious exaggeration, but he harbored and sometimes expressed the thought.

I remember my parents with love and gratitude. They were, indeed, lovable and loving parents. To them I owe a happy and secure childhood and youth and the example of a wise and supportive father. My later decisions, my choices about education and occupation, were in some degree beyond his experience and horizons, but he never interfered. He decided to trust my judgment and instincts, and I had an easy start in life.
Chapter Two

THE EXTENDED FAMILY

My birth certificate, written on the official form in my father’s own beautiful script, states that I was born on January First, 1912, at 195 South 9th Street in Brooklyn, New York. It identifies my father as Nathan Abramovitz, aged 35, and my mother as Betty Abramovitz, and as Betty Goldenberg before marriage, aged 33. It states that both parents were born in Romania and that there had been one previous child. My father’s occupation is given as “Commission Merchant.” The birth is confirmed by the attending physician.

My own name is recorded as “Moe,” not “Moses.” This is not the mistake of some physician who, in those days, was often entrusted with the duty of recording a birth. It is in my father’s own hand. I take this to be evidence of two rather telling things about my parents. The more important is that 17 years after my father’s arrival in this country and perhaps 15 years after my mother’s, they were not aware, or did not care, about the American associations of the name “Moe” or even “Moses”—a tailor, a second-hand clothing peddler. They were not, or not yet, assimilationists—so my name, I am glad to say, did not become Maxwell or Monroe or Montgomery. And secondly, they were not bothered about formalities. They thought of me as Moe, not Moses, and so it was recorded. Indeed, within the family, it always remained so. I became Moses officially only when I was registered to enter kindergarten, in September 1917.

Besides my mother and father and my older brother, Abe—seven years older—our immediate family and household included two others. One was my grandmother, my mother’s mother, Sarah Goldenberg. Her husband, Moshe Mord’che, had died just before my birth. She came to live with us and
remained with us until she died, in 1921, at the age of 92. And when I was born, following Jewish tradition, I was named for her husband, my maternal grandfather. So properly speaking, my name should be Moses Mordecai, but it never took.

The other member of the immediate family was my cousin, my mother’s nephew, Abe Goldenberg. He had been orphaned, also before my birth, and came to live with my parents. He would have been perhaps 20 years my senior. He remained with us until he married in 1922 or 1923. We thought of him as an older brother both to me and my brother, Abe.

At the time of my birth, there was also a large extended family. It included my father’s father, our Zayde, who lived with his daughter Ethel. Besides Zayde, my father had an older brother, Martin; his older sister, Ethel, married to Mike Lowenthal; and two younger sisters, Rose, married to Abe Moskowitz, and Sophie, married to Julius Bruckner.

Zayde was already quite old when he joined his children in America. In this country, he never worked. We saw him often, however—at least once a week. He had taken on himself the job of buying the Friday supply of fish for his three daughters and for his daughter-in-law, my mother. So each Friday morning, he visited each of the four, drank a cup of tea, and collected their orders. He then walked to the fish man, selected and purchased the fish, and finally delivered to each house its own order, carrying the fish in a black oilcloth bag. Zayde was also the provider each winter of wonderful pickled tomatoes and cucumbers and of the finest sauerkraut I have ever tasted. All were prepared in large earthenware jugs at each house, kept outside to freeze in cold nights and to emerge with an icy rim by day, more delicious than ever.

All these families had children. So there was a spate of cousins, with all of whom my brother and I were in close touch. Besides these relatives, all living close to us in Brooklyn, my father also had four older brothers, who had remained in Romania: Zalman, Isaac, Herman, and Lazar. We were barely in touch with them. Zalman’s son, William Abramovitz, however, had come to this country and lived with his aunt, Rose Moskowitz.

William was a good deal older than the other male cousins, but Abe Lowenthal, George Moskowitz, Bill Bruckner, and my brother, Abe, were of much the same age and were good friends. I was seven years younger than my brother and so remained a somewhat lone figure.

My mother had three living brothers in America. One was her older brother, also named Abe, who had settled in Chicago. The others were an older brother, Samuel, and a younger brother, Leon; both lived in Brooklyn. But we were not as close to them as we were with my father’s brother and sisters and their families.

Incidentally, one will have noticed that the extended family included
a plethora of men named “Abe.” How to distinguish them? Our cousin Abe Goldenberg, essentially my older brother, was known just so, as “Abe Goldenberg.” My mother’s brother, also Abe Goldenberg, was “Abe from Chicago.” Other cousins named Abe were known to us by their fathers’ names. So Abe Lowenthal was “Abe Mike’s.” Abe Abramovitz, Martin’s son, was “Abe Martin’s.” And there was also Abe Moskowitz, who was “Uncle Abe.” My own brother, Abe, was known in the larger family as “Abe Nathan’s,” but in our immediate family, he was “Unser Abe.”

The larger family came together often. Each week or two, there was a large family gathering for a Saturday or Sunday supper. The staple of talk was simply family gossip. It was a large company. Dining room tables had to be opened wide, and often smaller tables were added to seat the younger children. It was a chance for the women, all good cooks, to display their culinary skills and specialties: gefilte fish, blintzes (blini) with sweetened cottage cheese filling and topped with sour cream, and strudel or coffee cake. A proper strudel dough had to be pulled to an extreme thinness. My mother insisted that it was not ready to be filled and baked until it was translucent. But some of these weekly gatherings ended in a pickup meal. Boys were deputed to go to the Hebrew National and buy “delicatessen”: tongue, corned beef, pastrami, sometimes frankfurters, all to be washed down with sarsaparilla.

The Pesach seders were properly done. As the youngest boy, it usually fell to me to ask the Four Questions; then the Haggadah was read at length, the charoses and maror were tasted and explained, and the Afikomen was hidden, duly found by one of the children and surrendered, subject to a small ransom.

The seder dinner that followed was a special feast, and all the traditional Jewish dishes were served. I relished especially the candied sweet potatoes, baked, mashed, and covered with some caramel and melted marshmallow topping. Wine, kosher shel Pesach, was drunk, an overly sweet wine made from red Concord grapes that came from Rokeach. The children, even the youngest, were given a taste.

In our house, preparation for Pesach meant a busy time, at least so long as my grandmother was alive. Cartons of matzos came into the house, so many that they lined the halls. Matzos then were made by two companies, Rokeach and Manischewitz. We favored Manischewitz. Next, there were the eggs—cases of eggs—that also lined the walls. They were not primarily for breakfast, although fried matzo, soaked in beaten egg, was a favorite breakfast dish. The eggs were the main ingredient of sponge cakes and angel food cakes, dozens it seemed to me. And they were large, 15-egg cakes. And, of course, there were sacks of pesachdiche flour.

Next came the dishes, silverware, and kitchen utensils. We had sets of dishes and silverware, both milchich and fleischich, set aside for Pesach, but
were always short of some kitchenware—knives, spoons, and so on—to be used in cooking. So year-round tools had to be used, but only after being ritually cleaned for Pesach. That was my grandmother's department. The tools were first placed in a large copper bowl, carried down to the cellar, and covered with hot water. Then pieces of scrap iron, e.g. an old hammer head or two, the blade of an old screwdriver, and so on, were heated in the coal-burning furnace until they glowed red. They were then dropped into the copper bowl; the water sizzled, and all was well.

Next the whole house had to be cleaned, and there was, indeed, a thorough spring cleaning accomplished with the help of a "goya." But that was not enough, indeed not really essential. My grandmother again took care of the ritual. Crumbs of bread were first carefully scattered, especially on windowsills and doorsills. Then Bubbe went from door to door and window to window and swept up the crumbs with a large goose feather. The house was then ready for Pesach.

As I write this now, in July 1999, all the older people, those of my parents' generation, have been long dead. But even my brother and our cousins are mostly gone. Only a single cousin, Helen Kessler, born Bruckner, remains. The Kesslers were for years our neighbors in Palo Alto, and so too was her mother, my aunt Sophie Bruckner. The Kesslers, however, moved across the Bay some 10 years ago to enter a retirement community, and we now see each other only at long intervals.

I was fond of Sophie, and when she had to move to a quasi nursing home in Palo Alto, I used to pay her a visit each Sunday morning. Our talk, of course, turned almost entirely on family reminiscences, and I learned something of family feelings normally hidden from us youngsters. She often recurred to the resentment she felt against her sister, Rose, and she said her feelings were shared by their older sister, Ethel Lowenthal. The resentment apparently had two sources. One was that Rose, among all the sisters was, as a child and later, the most good-looking. Because of that, as they thought, she was their parents' favorite. She was spared from work and remained in school longer. And her undeserved good fortune went on. Rose made a better marriage, and both her sons, after early troubles, became well-to-do, even rich; so Rose had a far more comfortable old age than Sophie and Ethel did. Yet all their lives, the three sisters shared, and probably enjoyed, each other. They presented a face of sisterly affection—a sad little soap opera.

For my part, I loved to tease Sophie by repeating a story that may have been a sheer invention, concocted by my older boy cousins from whom I had it—perhaps just a joke with which to tease their elders. The story was that Zayde had set aside his first wife because she was barren. So Chawa, their own grandmother and the mother of Martin, Nathan, their sisters, and their brothers in Romania, was really Zayde's second wife. Sophie and Ethel before her thought the story demeaning, and they stoutly maintained it was untrue, which increased the fun. Nobody, so far as I know, ever tried the
story on my father and, of course not on Zayde. Was there anything to it? It helped pass the time on Sunday mornings with Sophie.

The older boy cousins, each in his way, did well, but some of their lives had their share of trouble. One may see their careers as rather typical examples of second-generation Jewish-American immigrants.

The most straightforward stories were those of Abe Lowenthal and William Bruckner. At great sacrifice, for they were not well off, Mike and Ethel Lowenthal saw Abe through law school. He built up a successful law practice in partnership with an older man named Telsey and his son. Their firm served medium-sized businesses with their contracts and other problems and handled real estate, wills, and trusts. Abe came to have a large income, and he was a patron of the 92nd Street YMHA, and especially of its music programs. He is still remembered in a scholarship he endowed there.

At still greater sacrifice, Julius and Sophie Bruckner saw their son, William, through medical school. William was a brilliant boy. He won his M.D. at Yale, and then went on to become chief resident in internal medicine at the Yale–New Haven Hospital. After his residency, he moved to Southern California and built a successful practice in internal medicine and cardiology.

The lives of Abe Lowenthal and Bill Bruckner crossed in one important encounter. In Borough Park, where all our family lived, perhaps the richest family were the Goldbergs. It was a large family, some seven children. They occupied a veritable mansion, a very large stone-fronted house. It stood behind a wide expanse of lawn, which stretched an entire block along 14th Avenue. Among the daughters of the house was Sarah, an attractive and talented girl who came to know Bill Bruckner when both were still in college. They fell in love. Our family, at least, regarded them as engaged. Marriage was delayed, however, while Bill went on with his medical training. Then, for reasons never known, they parted. Soon after, there was an engagement of Sarah to Abe Lowenthal. They married and proved to be a devoted couple until Abe’s death years afterward.

George Moskowitz’s life was far less smooth. His father died in 1923, when he was only 15. He was able to do his prelaw work and to earn a law degree at great cost to his mother and with my father’s help. And then he came down with tuberculosis. In those days, before antibiotics, there followed five years of illness and cure, including two years in a sanatorium at Saranac in the Adirondacks, lying day after day, winter as well as summer, in the open air. One of his lungs was collapsed, but he finally overcame his illness. He emerged with hollow cheeks and deep-sunk eyes, an almost skeletal appearance, and in this weakened condition, set himself to build a law practice. As the Great Depression wore on during the early Thirties, lawyers, especially young lawyers, earned little or nothing. But then with the coming of the New Deal, George made a risky choice, to specialize in labor law, then virtually a new field. He began to advise business firms on their
relations with unions, in the application of laws dealing with workmen’s compensation, minimum wages, the hours of women and minors; and he started a lively practice as a mediator and arbitrator of labor disputes. He ended as a member of a New York State Commission to deal with labor mediation and arbitration. So all his early struggles came right in the end.

George and his mother, our Aunt Rose, had other troubles as well, which in the fullness of time, solved themselves. There had been a late child, George’s brother, Louis. He was the youngest of all the cousins, perhaps eight or nine years younger than George and four or five years younger than me. As a boy, he was the bane of Rose’s life, and George, after the death of their father and as the elder son, felt responsible. Louis was a “bad boy” at school, a poor student, impatient with schooling, who barely finished a single year of college, a shame in our family of good students and budding professionals.

Louis, however, had a redeeming feature. He grew to be a tall and handsome young man, and he met and married an equally handsome young woman. She was ?? Naitove, the daughter of Samuel Naitove, the head of a leading firm of silk factors. Mirabile dictu, Lou proved to be interested in the business and a talented young banker. He was soon promoted to a position of responsibility in the firm. In the factoring branch of banking, he acquired a reputation, and became an officer of a larger firm of factors, Dominick and Co. From there, he moved to a vice-presidency of the Chemical Bank, an unusual and prestigious appointment for this old and very large New York commercial bank. Finally he attracted the notice of Safra, the chairman of the Republic Bank of New York, who made Lou its president. So the “bad boy” made good and had a successful, and affluent, happy family life to boot.

George’s life came right in other ways as well. Because of his long years of illness and recovery and of meager income, he was late to marry. But then in his late forties, he met and won a wonderful woman. They married, and then when George was 54 or 55, to the amazement and delight of the family, there was a daughter whom they named Victoria. She grew up to become a very attractive and talented woman who was the comfort and pride of her parents. And there was more. For George’s wife, Nell, this was her second marriage. She had two sons by her earlier marriage with whom George developed affectionate relations. So in the end there was a large and close-knit family, and George reveled in his role of pater familias. He lived on into his eighties, and he enjoyed retirement, busily collecting a library of early editions of books dealing with politics and the condition of labor and the poor. I myself was fond of George and, though separated by a continent, we remained in touch and I visited whenever I was in the East.

My own brother, Abe, was perhaps the only one of the older boys whose life was sad and unfulfilled. At the core of the trouble as I saw it was a weakness of personality or character. As he grew up, he came to be insecure, without confidence in his future, living in constant fear of failure and of
impending disaster, especially financial disaster. Although he obtained a law degree, was admitted to the Bar, and, with my father’s help, to a clerkship in a good law firm, he never felt he could succeed in building a practice. And since he wanted to marry, he felt he needed an adequate income, and soon. He left his clerkship and entered the family business. As his emotional insecurity became more severe, his dependency on our father increased.

Abe and Ann Krant married in 1931, and soon after, 1932, our father died. Abe was crushed. The ultimate source of security on which Abe depended was gone. I do not think he ever recovered. Although the business prospered for decades under the leadership of Abe Goldenberg, of Abe himself, and later of Murray Goldenberg, Abe Goldenberg’s son, Abe lived in the daily fear of collapse and of bankruptcy.

Secure or not, Abe and Ann had children, a son, named Neal, and a daughter, named Susan. And in time, both married and had children. Neal was a difficult youngster who, like his father, was impatient with schooling. He never completed college and, like his father, went into the family firm. He helped manage it until its ultimate liquidation. The Colonial Bead Co. was then 70 years old—not a bad record for a family business.

Abe Goldenberg’s life also had its share of disappointment and trouble. He suffered a serious early blow. In 1920 or 1921, my parents rented a cottage for the summer in Edgemere, Long Island, in the Rockaways. It was a pleasant place, very near the beach, and there was room for us all. During the summer, our cousin, Daisy Goldenberg, the daughter of “Abe from Chicago,” came for a long visit. She was an attractive and lively young woman, and soon she and Abe Goldenberg were in love, in fact, deeply and passionately in love. They proposed to get married. And there they met an obstacle. They were first cousins. Both my mother and Daisy’s father were adamantly opposed. For reasons partly superstitious, they regarded first-cousin marriage as incestuous.

I was only eight or nine years old, yet even to me, the distress of the young couple was clear to see. The older people could not be moved. These days, a young couple might not brook such interference. Eighty years ago, things were different: the proposed marriage was abandoned; Daisy went home.

Doubltless partly in rebound, Abe soon proposed marriage to Marie Lowenthal, and was accepted. But things did not go well. They had two children. The older was a daughter named Doris. She was a sickly child from birth. She fell victim to the usual childhood diseases, most of which would now be either prevented or easily cured, but not in the Twenties. I remember particularly her repeated ear infections ending in mastoiditis leading to a terribly painful operation to remove the infected mastoid bone. Doris never developed normally. When she was 20, she still had the appearance of a child, a somewhat wrinkled child. She died in her thirties. Fortunately, there
was also a younger child, a son named Murray. He grew up strong and handsome and joined the Colonial. He was an important recruit who kept things going for decades, indeed into the Eighties, and soon after he retired, the business was liquidated.

Now the family I knew and lived with as a child is gone. My parents, my uncles and aunts, my brother, and all my cousins except Helen Bruckner have died. The extended families of the time, who lived close together and enjoyed—and sometime suffered—an intimate life are largely a thing of the past. They now live scattered over the country, and I have often said that, nowadays, the normal unit of distance between parents and children is one continent.

I see these stories of success and failure, of fulfillment and trouble as fairly typical histories of the second generation, of the children of the Jewish immigrants who came to this country in massive numbers between 1890 and 1914, in flight from European anti-Semitism and in search of American opportunity.
Chapter Three

GROWING UP IN BROOKLYN

My life began, as I have already said, in Williamsburg, a poor Brooklyn neighborhood near the Williamsburg Bridge. As my father’s business affairs went forward, however, we moved to successively more pleasant quarters. When I was perhaps three, we made a first move to a small street off Ocean Parkway. It proved to be a mistake. The street still unpaved; it turned to deep mud for nine months of the year. We moved on to Borough Park, then a new neighborhood opened up by the extension of the subway. We lived first on the ground floor of a two-family house owned by the Kleinfeld family supplemented by a third-floor bedroom. We moved up the street three years later to a better house owned by the Rovinskys and finally to a still better apartment in the Ginsberg house. By the time I was 16, however, we had moved to Flatbush, another step up.

I have only one isolated memory of Williamsburg, surely my earliest memory. When I was very young, two or three years old, my grandmother took me out for fresh air and a walk. One day, as we came to a fire station, the firemen responded to an alarm. With a great clangor of bells the hose truck, the “steamer,” and the “hook and ladder” rolled from the station, each drawn by a team of four great horses. They passed directly in front of us. Half frightened, half fascinated, I have never forgotten.

My connected memories begin in Borough Park when I was “four, going on five.” We lived in a two-family house on 52nd Street between 13th and 14th avenues. The house was owned by a family named Kleinfeld. They
occupied the second floor and the front part of the third. We rented the ground floor and the rear of the third. The ground floor included a living room, dining room, kitchen, my parents’ bedroom, a small room for Bubbe, and a bathroom. The third-floor location meant a nightly terror for me during the winter months. Sent to bed early by myself, I had to climb the back staircase in the dark, stumble to find the light switch, and lie again, lonesome in the dark till at last I fell asleep.

**Playgrounds**

That, however, is the only unhappy memory of those early years. There were a number of youngsters my age on our block; we played together daily. We had two playgrounds. One was the empty lots, still numerous in Borough Park, which the subway had reached only a few years earlier. The population was still limited. The lots grew crops of tall stalks of grass and weeds, a forest in which to roam and in which to bake “mickies.” Recipe: build a fire; let it burn down to a bed of coals; drop in some baking potatoes; keep them there until the skins have turned black, then open and eat the delicious baked potato, flavored by the burnt skin.

On some lots, less overgrown, softball and touch football could be played when we were somewhat older. For the rest, we played in the street. The games were *stoop ball* (throw a rubber ball against the steps of a stoop; try to bounce it off the edge of a step to produce a fly; but if it were caught in the field, it was another boy’s turn); *punch ball* (one boy, standing at a midstreet sewer cover punched a rubber ball into the air where it was fielded by the opposing team; the puncher tried to reach base, and successive punchers tried to bring him home; a fly ball, if caught, was an out; rules generally as in baseball); *stick ball* (same thing only a small piece of broomstick is the “ball” and it is driven by a bat made of broomstick).

**Elementary School**

I entered P.S. 103 in 1918 at the age of six for a year of kindergarten and then went through the grades to graduation. In those days, however, poor students were “left back” to repeat a grade, and bright students could “skip” a grade—both without regard to the possible problems of the shifts to younger or older age groups. So I skipped a full year in primary school and later in high school another half-year. In high school, therefore, I was a year younger than most of my classmates and in college a year and a half younger. Skipping kept me on my mental toes, but I have since come to think that by college days I would have benefitted from 18 months of greater maturity.

Another important matter in my elementary school was its racial composition. Borough Park in those days was multiethnic: families were Jewish (and almost entirely East European by parental origin) or Irish or
Italian (mainly Sicilian). The groups were divided by street blocks. In our immediate neighborhood, the Jewish families lived on 52nd Street, the Irish on 53rd, and the Italians on 54th. But the children of all three groups attended P.S. 103. Relations among the three groups at school were peaceful, that is to say, nonviolent. But the Jewish children, at least, were wary; we kept a certain distance from the others. They were generally tougher; we were careful not to provoke them. So far as possible we stayed on 52nd Street. We did not arrange interblock punch ball games. Still I had a few Sicilian friends, boys with whom I felt comfortable.

Our principal was Francis X. Powers, an Irishman of florid face with broken veins on nose and cheek. The teachers were largely WASP or Irish by origin. From kindergarten through grade 6, they were all women, but the 7th and 8th grades were taught by men. Discipline was strict; both the classrooms and the schoolyard were kept in order. It was enforced by the teachers, aided and abetted by the parents. Our mothers and fathers then did not question the decisions and actions of teachers. Boys who made trouble were sent home with a note—to be returned the next day signed by a parent. And parents then acted on such warnings. Misbehavior was a shame; if a parent was summoned to school, the shame ran still deeper; so there was discipline at home. There were also sanctions at school: bad marks for “deportment”; a private lecture by the principal. Boys who were very obstreperous could be ordered to report to the “men teachers’ room.” There boys were often paddled hard or had a cane applied, English fashion. There was, in short, little hesitation about corporal punishment. And beyond all that there lay the serious possibility of suspension from school, which often also meant being left back.

Students had a small part in the job of keeping order. When the time came for school to begin in the morning or after the lunch break the school marched to their classrooms by classes. To permit an orderly march students had to form ranks in the yard by classes. Monitors were responsible for organizing the ranks. They also “oversaw” the breaks for “recess” and games in the schoolyard to ensure a reasonable degree of peace. When I reached the 8th grade I was drawn into this job. I was appointed “head monitor.” Given my personality—diffident, if not timid—and my physique—hardly a threat to a troublesome boy—it did not seem a wise choice. But I saw how to meet the problem. I was friendly with a tough Italian boy named Vito. I appointed him “assistant head monitor,” and together we did the job.

All these matters, however, were not in the center of my thoughts and feelings. I enjoyed school, I was a good student, and I got pleasure in excelling in the several subjects of the work. By the first grade, I could already read well. I cannot remember how I learned, but I became an omnivorous reader. My father became concerned—too much reading, too little outdoor play. He rationed my reading time. Anyhow, the substantial portion of time devoted to classroom reading lessons were no burden to me.
Beyond that, the curriculum stressed grammar, penmanship, arithmetic, and, in the upper grades, geography and history. I handled all of them easily, except penmanship. I could not do the so-called Spenserian exercises to which we were subjected. My handwriting left something to be desired, and it still does. And I was hopeless at “shop”—how to use a plane or to make a mitered corner? The bookcase I finally made was pretty bad. And this inability to use a tool has stayed with me.

I had a good memory; I learned the 12-times table without trouble, and all the others. So I found not only adding and subtracting easy, but also multiplication and division. I thought “mental arithmetic” fun. And I was good at the classroom number games. I liked grammar, and found parsing and diagramming sentences easy. For a good memory, geography when it came posed no problem and for a good reader, neither did history. I liked to show off these talents by answering questions with which others had trouble, My classmates must have found me a pain in the neck. In the present more violent days, I would be made to feel their displeasure, but not then. And my teachers seemed to like me, and my parents were pleased by their reports.

Reading, however, was my special joy, and, I read everything that boys might enjoy. I was early into The Book of Knowledge and Bulfinch’s The Age of Fables. I loved the old characters, the old stories, the condensed treatments of the Iliad and Odyssey, the tales of Hercules and Thor and Vulcan. A little later, there were the long series of books about the Rover Boys, Dick Prescott’s Four Years at West Point (four books, of course), Dave Darren’s Four Years at Annapolis, The Boy Allies; still later came Robert L. Altshele’s books about early pioneering west of the Appalachians, Heny Ware and Shiftless Sol scouting the Indians; and his Civil War books, The Guns of Shiloh, The Rock of Chicamanga, Sheridan, and Sherman and more. Another favorite was Henry Barbour (we pronounced it “Barbor”) and his stories of boys at the Lawrenceville Academy preparing for Princeton—a character that sticks in my mind, Dennis de Brian de Boru Finnegan, what a name!

I haunted the local public library to find the titles I wanted. We were permitted to charge out only two books at a time, one “Blue J” (fiction), one “Red J” (nonfiction). Many days, however, I found other titles I wanted. There were two ways to meet the problem: read in the library; but when that was not possible, there was a shameful device. One hid the book we could not take out behind the other books on a remote shelf in the hope of finding it when we could return. We boys knew it was wrong; we all did it.

My special friend in the first few years at school was a classmate named Norman Laidhold. His parents were well acquainted with mine, which, I suppose, first drew us together, but I found him a pleasant companion. We took to arriving well before school opened so we could enjoy a little more time together, talking, walking the narrow wall that separated the schoolyard from the street, and such like activities. And then
this early friendship came apart. Norman’s father fell victim to the classic financial scam perpetrated by a man called Ponzi. The name has since become the popular designation for this type of fraud, a “Ponzi Scheme.” Ponzi offered people the promise of doubling their money every few months if they would invest in his company. The excited stock market and real estate boom of the Twenties made an ideal atmosphere to attract the unwary. For a year or perhaps two, Ponzi made good on his promises. His secret was to use the funds of new investors to pay the promised returns to the old. But clearly this device has its limits, and the scheme collapsed, leaving the investors with little or nothing. Many, including the Laidholds, were stripped of their life’s savings, and the Laidholds became bankrupt. They moved to cheaper quarters in the Bronx, and I lost a good friend.

Summer Camp

When I was 11, which would be 1923, my parents arranged for me to go to summer camp. Their decision was triggered by the fact that a well-known Borough Park family that summer opened a new boys camp. The family was named Rabbino and the camp was called “Onibar,” their name in reverse. The active camp directors were the three sons of the family, Lester, Murray, and Abner. They were then aged between 35 and 20 years. All three were lawyers or, in Abner’s case, pointing to the law, but Lester, the oldest, was also an entrepreneur; he was the force behind the venture and was its running head.

I was delighted to go; the prospect of nine weeks of camp life and active sports was wonderful. The camp was located in the Poconos in the northeastern corner of Pennsylvania, near the small town of Hancock. It was built on a hilly slope that bordered some woods. A trail ran through the woods and led to a moderately large lake. The younger boys lived in small bungalows, the older boys in tents raised over wooden platforms. I enjoyed both but especially the tents, which kept us dry even in heavy rain and cool on hot days when the tents could be opened on all four sides. A college-age counselor lived in each bungalow or tent. A large mess hall and an assembly room served the whole camp.

The day’s routine was, for a boy, ideal. Reveille and setting-up exercises, then breakfast, followed by bed-making, cleanup, and inspection. Sports followed: real baseball, tennis or swimming lessons, all followed by a morning swim. Then lunch, a brief rest, and again sports and a swim. Time out for letter writing, then dinner. In the evening, there might be a play with a cast of campers. Once a week, there was a campfire organized as if we were a band of Indians. Lester was addressed as “Chief” and the boys were “braves.” There was singing, hand and leg wrestling, etc. Then taps and so to bed.

Other activities broke the routine. There were nature walks in which
we learned to identify 10 wildflowers: Queen Anne’s lace, yarrow (hard to tell apart), fleabane daisy, ox-eyed daisy, etc; and 10 birds, their colors, size and calls: “American Crow, all black, 20 inches long, caw-caw.” That’s all I remember. Every few weeks, a camp in the neighborhood came to visit or we went to them. Then there was intercamp competition in baseball, tennis, etc. There were also overnight hikes as well as walks to the nearest village and a chance to stock up on candy bars. Towards the end of the season, the camp divided into two halves, the Buff and the Blue, for three days of intense intracamp competition in dramas as well sports.

I liked the routine of activities, and, by the standards of the camp, I turned out to be good at baseball (second base usually) and adequate at tennis and swimming, but without style in either. I took part in the performance of plays, and since I could learn lines fast and remember them, I often had large parts. But I think that was the limit of my talent.

My special joy, however, was simply living in the open, walking through the woods to the lake, rowing along the shore. Overnight hikes were a chance to enjoy the county-side and woods even more. I remember vividly one campsite near a stream that tumbled over rocks in a waterfall into a lovely pool. I thought then and think now that this was one of the most beautiful spots I have ever encountered.

High School

By the time I was graduated from elementary school, the family had moved to a flat in another two-family house owned by a couple named Ginsberg. It was in the same neighborhood, but on a rather more pleasant street; 51st street, corner of 14th Avenue. Our flat was now on one floor. Abe and I shared a bedroom; Abe Goldenberg and Bubbe had their own rooms and so, of course did my parents.

The Ginsbergs had become well-to-do as their reward for a typical piece of innovation and entrepreneurship. They were manufacturers of women’s dresses, but not long before we became their tenants, which was in 1923 or 1924, they had made a breakthrough in design and sizing. Traditionally, dresses were constructed on the assumption that women differed from one another only in length and girth. The Ginzbergs, however, became sensitive to the fact that, given their height, women also differed in the distribution of this total length between that from soles to hips and that from hips to shoulders. Many women were, as it was called, “short-waisted.” Their solution was a line of dresses that became known as “half-sizes” to fit the structure of short-waisted women. The new line made a great hit, and the Ginzbergs profited. Mrs. Ginsberg herself was short-waisted, so that may have been the beginning of it all.

Graduated from elementary school (at twelve and a half), I elected to
attend Erasmus Hall High School. This required no great decision. My brother had gone to Erasmus and so had all my older male cousins. My choice was automatic.

Erasmus at that time was a well-regarded co-ed school. It had a long tradition of schooling to a high standard. It was an institution that was the public school successor of a private academy founded in the late 1700s when there was still a community that remembered the neighborhood’s Dutch origins—hence “Erasmus.” The school, when I joined it, still occupied the same site as the old private academy had done. By now, however, the student body was many times larger. Its modern plant was an attractive set of buildings of Gothic architecture built around a quadrangle within which stood the “Old Building,” a small wooden-frame structure that dated back a century or more. We were proud of the school’s history.

As I think back on my time in the school, I feel we were blessed with an exceptionally good faculty of well-prepared and devoted teachers. The principal was Dr. J. Herbert Low, a tall, handsome man, white-haired, Van Dyke–bearded, with a kindly but authoritative manner. He had no trouble impressing both students and faculty.

The curriculum of the school at that time emphasized mathematics and the Classics. But I stupidly harbored a prejudice against math. I was good at the courses I took (algebra and plane geometry), but I chose not to go beyond intermediate algebra. In the classics, also, I took only Latin and I passed by the chance to take Greek, although urged to do so by my teachers. I did Spanish as a second language and now remember almost nothing. But I enjoyed Latin and had three years of it. Scraps still remain. Caesar’s Gallic Wars. “Omnia Gallia in partes tres divisa est.” (“All Gaul is divided into three parts.”) Or as Stephen Leacock has it: “We shall need all of our gall to devise means to tree them parties.” Cicero’s orations against Cataline, a corrupt official and early grafter, “Quo usque tandem, O Cataline, patientia nostra? Quem ad finem sese effranata? Consul videt. Senatus intelleget. Vivit! Hic tamen vivit!” (“How long O Cataline, will you abuse our patience? For what purpose do you shock or enrage us? The Consul sees it. The Senate knows it. Yet he lives! And how he lives!”).

Apart from the Classics there were good courses in English literature and composition and in history, both American and European. I took as many as I could and enjoyed them. They gave a good start in both history and in writing. The great weakness in the curriculum was in science. I took courses both in biology and physics, but in retrospect they seem scandalously superficial. The parts of a flower: pistil, stamen, petals, etc; the major orders of animal life: single-celled, fish, crustaceans, birds, mammals, etc.; elementary treatment of modes of reproduction. And in physics: the difference between direct and alternating current and how a dynamo can generate alternating current. How an auto’s combustion engine works and such-like practical subjects.
Superficial or not, all the courses were easy for me; I was automatically a good student. I was soon elected to Arista, the school’s academic honor society and took various prizes. My extracurricular activities, however, were limited. I went out for no sports, although I did play tennis with friends, and I walked each day. I had to. From 51st Street and 15th Avenue in Borough Park I had to walk to 39th Street and 13th Avenue, a distance of about 1½ miles in order to catch the Church Avenue trolley car, which carried me to Flatbush Avenue and so to Erasmus. And, of course the same distance on the way home.

These boring walks could sometimes be eased. In those days, before the electric refrigerator, each household had an “icebox” to keep perishables cold. The ice was brought by horse-drawn ice wagons and placed in the ice box by an “iceman” who also drove the wagon. The wagons were all the same. The ice was carried in the body of the wagon to which the ice man had access by means of a step in the back of the wagon. A boy, bored by his walk, could hop on the step if a wagon passed in the direction of his home and so be carried along, sometimes for a few blocks, sometimes for many. I did that as often as chance made possible. But one day there was an encounter which might have been very serious. An ice wagon came along; I hopped on the step and for some blocks the ride proceeded smoothly. As we approached an intersection I noticed a large motor truck approaching the corner from the intersecting street. There were no obstacles to prevent the iceman and the truck driver from seeing one another and so from slowing down and avoiding a collision. I was confident they would. I was wrong. In this case, neither driver did notice the other, or else each thought the other would slow down. So neither did. At the last moment, I awoke to the possibility of collision, so I hopped off. The truck crashed into the wagon, which was overturned; both horse and iceman were badly hurt, and I was able to walk on, safe and sound. As I did, I thought I had been saved by a lucky flash of intuition, and I do to this day.

When I think of extracurricular activities, only two things come to mind. The first arose from the fact that when I was at Erasmus, the composition of the student body was changing. In former days, the school had largely served the children of the Brooklyn community called Flatbush. It was a pleasant neighborhood of single-family houses lived in by middle class or more affluent WASP families. But now, in the early and mid-Twenties, many Jewish families, the immigrants of pre–World War I days or their first-generation descendants, had become prosperous enough to live in Flatbush or, as in my case, to commute to the school from adjoining neighborhoods. So now the student body included a large number of Jewish boys and girls. The two groups, the WASPs and the Jews, did not mingle much. As a result, elections to choose the officers of the student-body “General Organization” or GO, came to be regularly contested by a WASP slate and a Jewish slate. In my time, however, some students came to think this to be a regrettable, even shameful, state of affairs. They decided to run a
third-party slate of both gentile and Jewish boys and girls. I worked with this group, and when, in one year, we won the election, the new president of the GO appointed me to be its treasurer. I served in this quite easy job for a year, and I took satisfaction from our success in helping to bring the two student groups together. This may, indeed, have been the same year when Carrie ran for the vice-presidency of the GO on the third party ticket. If not, it was in the following year, and she was elected. In either event, it was her election campaign photograph that made me aware of her and this was still in my mind when we met again years later in the Columbia graduate program in economics.

A more important activity stemmed from my interest in history, current events, and, indeed, current national politics and issues and in my desire to find friends with similar interests with whom I could talk. I joined the Debating Club and was a member of the school debating team. We debated other schools over such standard matters as capital punishment, the tariff and free trade, the progressive income tax, etc. It was fun for me and good practice. Along the same line, I entered and won a current events contest sponsored by the *Brooklyn Daily Eagle* and took part in *The New York Times*'s Oratorical Contest. In the latter, contestants had to compose and deliver in public a 15-minute “oration.” I chose as my subject, John Marshall and the influence of the Supreme Court on federalism and the power of the Federal government—not an easy subject to research and organize, but I did. And I won the contest, first the school contest in Erasmus, then the borough-wide contest at the Brooklyn Academy of Music. In the citywide contest in Town Hall in Manhattan, however, I came a cropper. When my turn came, I was overcome by stage fright and suddenly found as I stood there that my opening paragraph had completely fled my mind. I tried to compose something off the cuff. The result was a great jumble which troubled me for the rest of my time on the stage. As an “oration,” it was a bust. It may have been this experience which has made me fearful, even after a life of presenting papers, without notes or a text to read, and that has been a difficulty for me for many years.

Looking back, I can see that my high school years were good years. They confirmed me in my feeling that I was a good student, and laid the groundwork for my later willingness to consider a future as a scholar and academic. They were peaceful and happy years. They had an economic basis in the family’s growing prosperity. They were disturbed only by my father’s illnesses and surgery and by a sort of subterranean fear that he might die. Given the optimism of youth, however, such thoughts were fleeting, and I drifted along with my own concerns and activities.
Chapter Four

UNDERGRADUATE YEARS AT HARVARD

Decisison for Harvard

When I entered my last year at Erasmus, it was time to think about college. Looking back, I am amazed and a little distressed at how limited my horizon was. I wanted to go “out of town,” but only one college was in my view: Cornell. It had the best reputation of the New York schools, and it offered the advantage that I would enjoy a scholarship and so free tuition. I did well in the exams set by the New York State Board of Regents, exams that all students had to take. But I had no thoughts of other universities or of the several good liberal arts colleges within reach—Swarthmore, Wesleyan, Amherst, Williams; I applied to Cornell. I would almost certainly have gone there, but my brother Abe intervened. At supper one night, he asked, “Why shouldn’t Moe go to Harvard?” The question once posed, the answer was obvious. We knew at once, or thought we knew, that Harvard was the greatest university in the country. It certainly was the most prestigious: to be a Harvard graduate would help me in any professional career. My academic record was very good; I had a chance to be accepted, so why not try. I applied and to my delight when April 1928 rolled around, I received a letter of admission. Erasmus teachers and Dr. Low, our principal, doubtless had written helpful letters of recommendation. It would be a coup for them to see an Erasmus boy at Harvard.

Was there then a *numerus clausus* at Harvard, a limit to the number of Jewish boys, especially New York Jewish boys who could be admitted? If there was in fact a formal limit, it was a deep dark secret. That a Jewish origin was an important consideration in admissions, however, was widely believed at the time, and not only by Jewish boys. Henry Rosovksy, now a member of the small and powerful Harvard College Corporation, once the exclusive preserve of the oldest and best Boston families, who in law own the
university and are the ultimate decision-making body, has written about the matter. In effect, he says that the president of Harvard during those years, Abbot Lawrence Lowell, had formed the conviction that, if admission were based primarily on academic records, the college would be overrun by New York Jews, the children of the mass immigration from 1890 to 1913. What then would be the fate of the graduates of Phillips Exeter and Andover, the Milton Academy, of Groton, and the other famous preparatory schools? Would Harvard no longer be the source of the nation’s leaders? And so on.

At breakfast with other boys one day, we were joined by Dr. Pennypacker, who was then the director of admissions to the college. He was led to talk to us about his procedures. He told us that for his decisions, he depended heavily on the recommendations of school principals. But here he had to make a judgment. He knew the headmasters of Exeter, Andover, etc., very well. He gave their recommendations heavy weight, but he did not know or wholly trust those of public school principals, so he had to discount their letters.

The mood of the time was expressed in extreme form later in the course of my induction into Phi Beta Kappa. There was the usual program: orations in Latin and English, a poem, and then the reading of names of new members. The English oration was entrusted to an elderly Judge Story (he was not the famous 19th-century Supreme Court Justice—just a Massachusetts judge of no great distinction). He chose as his subject “The Decline of the New England Tradition.” He began by talking about the old New England families: Cabots, Lowells, Saltonstalls, etc., and their high-minded contributions to public office and political and social leadership. He went on to descant on the 19th-century New England intellectuals and writers, James Russell Lowell, Edward Everett, Whittier, Thoreau, Longfellow. And then he switched and turned with regret to the arrival of the new immigrants, the Irish, the Italians, the East European Jews, how they gradually supplanted the old families as public officers and in social influence. As he went on, he grew more excited until at the climax of his talk, he raised both arms to heaven and cried: “And shall we now give our daughters to the loins of Polacks?” To whom did he think he was talking? As said, an extreme statement, but an indication of a mood which, in more moderate form, still marked the feelings of Harvard officialdom. By Joel’s time, all this was changed (more later). Anyhow, I got by and was admitted.

Arrival at Harvard, Early Days

When I applied for rooming, I asked the college to assign me a roommate and to give us rooms for two. At that time, the freshmen were almost all housed in the relatively new buildings along the Charles which were later incorporated into the College Houses when they opened in 1930. I expected that my unknown roommate and I would be given rooms in one of
these freshmen dorms. But no, we drew housing in an old wooden structure on Shepherd Street. We would take our meals in Shepherd Hall, one of the dorms along the river. Anyhow, my roommate turned out to be David Henry Popper, a Jewish boy from White Plains, New York. He was another intellectual and a brilliant student, and we were well matched. We stayed together for the full four years.

I came up to Cambridge in mid-September 1928. I was aged 16 years and 8 months and, as one would expect, I was uncertain and, I suppose, a little fearful. But Dave Popper soon arrived, and I quickly saw that we would get along well. We had a fairly large room that served as our study, and we shared a bedroom and bathroom. In the customary practice of the time, we had the daily services of a maid, generally a middle-aged Irish woman, the “biddy” in the local slang. She made beds, swept up, and generally kept the place clean and fairly neat. So we soon settled in and felt comfortable.

Our friends at first were the other boys in the small house. Two of them remain in my memory. One was a Mexican boy who boasted an impressive name. Allowing for some misspelling, I give it to you straight: Jose Maria Lujan Ansunsulo Suliaga me Chipiastasa y del Ortega. He was older than Dave and I and delighted to tell us of his Mexican life, especially of his early and routine visits to cat houses. He professed to be amazed at our innocence, and perhaps he was. Anyhow he widened our horizons if not our behavior.

My other memory has to do with Robert Cohen. He was a Boston boy, eccentric and mischievous. He was too careless to live within his allowance but he was a relative of the Filenes, the owners of the big Boston department store, and had a charge account at the store. So he financed himself by letting friends buy at the store, charge his account, and give him cash for the bill. Presumably his parents then paid Filene’s.

More important, he would neither bathe nor change the sheets on his bed. Simple laziness or his desire to shock. The biddies revolted. They refused to touch his bed sheets, merely straightening them as well as they could using the handles of their brooms. Cohen made one partial exception to his no-bath policy. If he had a date with a girl, he doused himself with Listerine.

Cohen’s downfall stemmed from an act of social protest. In the early 1920s, the country indulged in its first Red Scare. The Bolsheviks had seized power in Russia in November 1917. Their declared aim was world revolution. Could it happen in this country? A minuscule Communist Party had come into existence here. It spent more energy in fighting between Stalinists, Trotskyites, and Lovestonites and, of course, in trying to destroy the democratic Socialist Party than they did in fighting capitalism. No matter! The country was not interested in such distinctions. Anything that fell out of the Republican and Democratic Party mainstream was suspect. Here’s a
famous story about a mythical Socialist demonstration in Union Square in Manhattan. Mounted cops are trying to disperse the crowd. They are swinging clubs and breaking heads.

Member of the crowd to threatening cop: “You’ve got me wrong, I’m an Anti-Communist”

Cop: I don’t care what kind of Communist you are.” Whack!

In this public mood, there were many police raids, arrests, and convictions of suspected radicals for all kinds of offenses. Among those who fell victim to the public fright were two anarchists name Sacco and Vanzetti. They were charged with the murder of a paymaster of a shoe company and his guard in April 1920 in South Braintree, Massachusetts. And they allegedly escaped with $15,000. Although there were many witnesses who said they could not have been at the scene, they were duly tried, convicted, and sentenced to death. Public protests, both local and in many European countries, alleging that the trial was unfair, prejudiced by evidence of the men’s political beliefs, followed. Later, in 1925, a criminal under sentence of death confessed to complicity in the South Braintree crime and exonerated Sacco and Vanzetti. Nevertheless, the original conviction and sentence were upheld on appeal. More protest, in which Felix Frankfurter took a prominent part, followed. Governor Fuller appointed a committee to advise about clemency or commutation of sentence. He named President Lowell of Harvard to be the chairman. The committee reported within a short time and advised the governor that the trial had been fair and the sentence appropriate. The men were executed in August 1927.

That was the background of Cohen’s trouble. In the spring of 1929, there was still another series of protests, one of which took place in Harvard Square. For this occasion, Cohen dressed himself in an academic gown, clearly intended to represent President Lowell. Across his chest he bore a sign which said simply “MURDERER.” It was not to be borne. He was expelled. The fact that Cohen flunked some courses was the official reason. We believed, however, that the real reason was his calculated insult to the president.

We were a pleasant group of friends, therefore, who lived in our little house on Shepherd Street. I remember one other extracurricular activity. Freshmen then had to give evidence of regular physical exercise. I did two things. I went out for the lacrosse team, chosen because few students then were even aware of it. So I figured I had some chance of making the freshman team. Mirabile dictu (remains of my Latin), I did quickly learn to handle a stick; I made the team and I played in the Yale game and so won my class numerals. And I swam regularly in the Hemenway Gym, a structure built soon after the Civil War. It held the accumulated sweat of three-quarters of a century and smelled as you might expect. And it is also reputed to be the fount and origin of athlete’s foot, and it certainly was badly
infected. Almost every Harvard student had a fungus infection, and I did too, toes, groin, and arms. The standard cure prescribed by the Harvard doctors was a strong solution of Arm and Hammer soda. It worked, but it was brutally painful. We yelled but used it.

Apart from all this, we came to know Boston little by little. From time to time there were expeditions to see a play or simply to go to dinner. Pieroni’s fish restaurant was a favorite. We Jewish boys also hunted up a kosher restaurant. One evening remains in my mind. The waiter came to take our order. Some of us hesitated over our choice. The waiter intervened. “Don’t worry. Whatever you ask for, you will still get Gedämpfte Brust!” (potted meat).

**Freshman Courses**

When I started at Harvard, I had only vague ideas about what I should eventually do. Insofar as I had a view, it was that I would go on to become some kind of professional. Again my horizons were limited. An academic and scholarly career was out of my ken. So was something like architecture. Engineering meant a lot of math. Moreover, it was allegedly a profession closed to Jews by anti-Semitism. So what did that leave? Medicine or the law. For reasons I do not understand I was antipathetic to medicine. Perhaps I was turned off by the prospect of premed science courses. So that left the law, and that’s what was mostly in my mind.

My choice of freshman courses reflected this. If I was going on to law school, the obvious choice of an eventual field of concentration would be history and literature, subjects I felt I could do well. Four freshman courses were required. I chose the freshman survey courses in history and literature for two of them. They did not impress me. I thought the history course remarkably superficial. And the literature course gave me a very unfavorable idea of what the follow-on work would be like. The professor who conducted the course was interested only in the characterization of an author’s style and in what earlier writers had “influenced” him and what later writers he “influenced.” What he was not interested in was what a writer was writing about, what he was telling us, and how the conditions of his time affected his message. Where was the history in history and literature? I later learned that these defects were not general. There were Harvard scholars who studied and talked about the content of a writer’s work. But as a freshman I did not know this.

As a freshman too, I was required to take a course in mathematics, philosophy, or the sciences. I chose the easiest “science” course I could find, geology, another quite superficial course. Learn to recognize a number of common rocks: quartz, hematite, granite, marble, composite. Distinguish the igneous from the sedimentary, and so on. Learn simple examples of how the layering of sedimentary rocks and the intrusions of the igneous help to reveal
the geologic history of an area. Recognize the evidence of volcanic action and its historical importance. Field trips to inspect examples of different rock formations were fun. None of this, however, tempted me to go further.

My fourth course was different. It was elementary economics. I was lucky. I drew an excellent instructor named Bigelow. Using Frank W. Taussig’s Principles, he introduced us to the general logic of the neoclassical theories of relative prices of commodities and of the factors of production, land, labor, and capital, to the distribution of income among these primary factors, to the theory of international trade, and to the virtues of free markets. He offered us a list of supplementary readings, one of which was called simply Supply and Demand, by an English economist, H.D. Henderson. It was a thin book, but it was a notable example of the lucid presentation of the logic of the economics of value and distribution. One could see all around one examples in ordinary life of the validity and importance of the theory. The way in which the various parts of the subject hung together in an interdependent system seemed not only analytically deep; it emerged as a beautiful structure, an aesthetic as well as a logical and tested structure. More than any other experience, it was this little book that drew me to go on with economics. When I returned to Harvard in September 1929, therefore, I chose economics as my field of concentration. And, indeed, when the economy began its collapse in October of that year, it confirmed me in my choice. It was a decisive experience.

Concentrating in Economics

Having chosen to concentrate in economics, I was assigned a tutor. Here again I was lucky. He was Edward S. Mason, then a still young assistant professor. But he was destined for both academic leadership and, as my story unfolds, for a real influence on practical affairs. Even more important for me, however, was the fact that this young man was already recognizably “wise,” a man of good judgment in both scholarly decisions and practical matters. He took a liking to me, and he remembered his friends! He was due to turn up with support and help at several critical junctures in my story.

My very first meeting with Mason was an exciting moment. It was late September or early October in 1929, that fateful year. We chatted, and then, more brash than usual, I said, “Well, Professor, when is the stock market going to break?” He answered, without hesitation, “Almost immediately.” And when I returned for our second meeting, it had happened. And then, still brash, I said, “Well, Professor, you must have made a mint of money.” And then I learned something about him and perhaps most academics of the time. He said, “Are you crazy? I have never owned a share of stocks in my life.”

The stock market crash started a series of developments, disastrous for most sections of people. Its immediate impact was on stock market
investors and traders. After some eight years of a booming bull market, they felt rich and optimistic. They saw nothing but continued growth in their personal wealth. And in a few hours, they were poor and depressed. And the market continued to sink. More important than their fate, however, was the general contraction of employment and income—the Great Depression, which now began and was to continue for 10 long and, for ordinary people, miserable years. By 1932, unemployment had risen to some 25 percent of the entire labor force. In urban areas it was higher. The real wages of those employed sank seriously. Farm prices and income, then still the basis of income for 25 percent of people, fell to disastrous levels. Farm foreclosures were rampant. These terrible conditions persisted until in 1939 the large-scale armaments program, responding to World War II, restored a large measure of employment and more normal levels of income.

None of these developments were foreseen or understood by the mainstream economics of the time. This was dominated by an analysis focused on the very long-term, corrective tendencies inherent in free markets and the exaggerated importance of maintaining the gold standard and a constant dollar value of an ounce of gold. This led to a Federal government policy of maintaining a balanced budget and thus to constricted government expenditure and to higher tax rates in the face of falling incomes, and to a Federal Reserve policy of safeguarding gold supplies and so of tolerating the contraction of money supplies due to widespread bank failures. All these government policies we now see were very strongly counterproductive, antithetic to recovery, and even an aggravation of depression.

Nonetheless, decades of general prosperity had formed the support of business leaders, government officials, members of Congress and, indeed, the general public for the validity of mainstream economies and conservative fiscal and monetary policy. These ruled without check during the administration of Herbert Hoover (1929–32). The arrival of Roosevelt in 1933 at least halted the continuing contraction and permitted at least a limited degree of recovery. The U.S. gave up the gold standard, monetary policy eased, the Federal government accepted the need for budgetary deficits in order to support welfare programs for the unemployed, public works, and bank deposit insurance. But the resistance of Congressional, business, and, indeed, much public opinion, all under the sway of older ideas, made all these policy changes hesitant and inadequate in scope. The unemployment rate as late as 1941 was still 14 percent. Only our entry into World War II produced a public deficit large enough to restore employment and income. By 1945, the labor force had grown to unprecedentedly high levels while the unemployment rate sank to perhaps 3½ percent (4.1 percent as I write in December 1999).

I set out this background because it had a powerful effect on my development as an economist. Like many, but not all, of the young economists of the time, who had no deep commitment to mainstream
economics, I saw clearly enough that mainstream theory offered us no
guidance in understanding the Great Contraction and Depression, and it was
consequently a poor basis for public policy. Something new was needed, a
theory that dealt more adequately with recurrent recessions and expansions
of business and particularly with the very serious depressions and eventual
recoveries which in the U.S. had succeeded one another at intervals of about
15 to 20 years since the 1830s. For the moment, I did not get beyond
dissatisfaction with the older wisdom, Real enlightenment came only in 1936
with the publication of J.M. Keynes’s General Theory of Employment, Interest and
Money. When I had absorbed Keynes’s reasoning, I became an enthusiastic
Keynesian and I remain so to this day.

There was also a quite personal effect of these developments on my
own work history. They prepared me to join the National Bureau of
Economic Research when the chance came in 1937 and to do empirical
research on business cycles under the direction of Wesley Mitchell and
Arthur Burns, the most notable people doing such work at that time.

Still an undergraduate in 1929, however, at the beginning of the
economic contraction and depression, I still had three years of undergraduate
work to do. Guided by Mason and later by Douglas V. Brown, I took
Taussig’s famous course in price theory at both the undergraduate and
graduate levels. Taussig was then the leading American price theorist of his
time and by far the most influential person in the Economics Department. In
these courses, conducted by Socratic methods, he clearly formed a good
opinion about me. I am sure he was of help to me behind the scenes at
several junctures. I also remember two enlightening courses, Sumner
Schlicter on Labor Economics and John Williams on Money and Banking. In
Williams’s course, I read Keynes’s earlier books and began to become
familiar with his way of thinking. Anyhow, I did well in all these courses and
in others in economics, history, and in one really interesting course in
literature. That was Irving Babbett on Rousseau and Romanticism. I was
apparently a natural-born good student and exam taker. The upshot was that
I was graduated summa cum laude and I was given a Sheldon Traveling
Fellowship.

For me, this last was more than an honor and more than a year of
support and European travel and study at a time when money was so scarce
and jobs for new college graduates almost nonexistent. My tutors and
professors, including the influential Taussig, had already been encouraging
me to think about going on to graduate study in economics and to an
eventual academic career. To my parents and my brother, such a course was
strange and uncertain. Abe began to call me “meshugana Moishele.” But it
was clear that in the end they would support me in any decision I made. And
the fellowship, which was tangible proof of the good opinion of the Harvard
faculty, confirmed me in a career choice I had already more than half made:
It was a decisive event.
Chapter Five

GERMANY IN 1932

I left for Europe in late June of 1932 after marching with my class in the Commencement exercises. My parents could not attend; they had left earlier to go to Carlsbad and then on to Lucerne, where this time my father had an important piece of business to do. The plan for the summer had me joining them in Lucerne and then accompanying them back to Paris. There I would join forces with Dave Popper, who also had a fellowship, and we would then leave on our travels.

Since my voyage was arranged for me by the Colonial Bead Co., I was booked in first class on one of the great transatlantic liners. It was a luxurious affair. I fell in with a group of young people. Dinners were elegant. According to the custom of the time we wore evening dress, and there was dancing after dinner. So gaiety ruled. From Le Havre to Paris, there was the boat train, to me a far more interesting way to enter France than to land in De Gaulle airport.

Lucerne and Business

Luxuriating again, they stayed in the Schweitzerhof and had rooms facing Lake Lucerne. We had breakfast on a balcony, warmed by the morning sun and ate delicious, crisp Swiss rolls topped with sweet Swiss butter, and drank wonderful Swiss hot chocolate.

My father did, however, have serious business. He was determined to leave to the boys (that is, Abe and me) some profitable and stable business other than costume jewelry. Accustomed to an import business, he had looked for something that had growth prospects and could be imported
profitably. He discovered a German-Jewish firm in Nuremberg that he felt had a sound reputation and a long history. The firm was Benedict and Dannheiser. The partners were two Jewish families who had lived and done business in Nuremberg for several centuries. Their major business was the manufacture and sale of products made from metallized wool, tassels for the upholstery of couches and chairs, epaulettes for military uniforms and the like. But they had only some years ago added a new line of business, to manufacture slide fasteners, “zippers” in American parlance, and it was this that interested my father.

Zippers were something new everywhere; in the Twenties, men’s trousers were still fastened by buttons. But zippers were now catching on rapidly, and the growth possibilities, the application of zippers to anything that required fastening, were obvious. My father envisaged a business that would begin by importing the Nuremberg product but then would go on to establish an American firm to produce slide fasteners domestically and so be free of the high tariff that then protected American manufactures.

The management and development of the new Nuremberg slide fastener business had been entrusted to a young member of the Benedict family, Richard, then still under 30. My father had several earlier meetings with him and came to like him and trust him. And, indeed, we found him worthy of trust. Over several years of work together, he always acted with scrupulous integrity. My father now invited him to Lucerne to work out the provisions of a contractual agreement. The main lines were clear enough. The Colonial would begin by importing finished fasteners. At the same time Benedict and Dannheiser would sell the Colonial duplicates of its machinery, teach a Colonial engineer (still to be hired) the techniques and know-how needed to operate it efficiently, and, in general, use its best efforts to help the Colonial to produce efficiently. There were, however, dozens of details to be defined, negotiated, and reduced to writing. So there were several weeks of work. Richard and my father talked and came to agreements, and I acted as their secretary and recorded the agreements as they were made. It was an instructive introduction to the making of a complicated business deal. But the sincerity of both sides was clear, and a final agreement was reached in a very friendly atmosphere.

With all that, I still had time to take some useful lessons in German conversation, and Richard and I spent a number of hours rowing on the lake.

Reaching an agreement was a happy process, but the new venture of the Colonial came to an unhappy end. My father died in September 1932. It was left to Abe to try to bring the manufacturing operation into profitable existence. It was beyond him. Neither he nor anyone in the Colonial had any manufacturing experience. Moreover, given Abe’s personality, they could not bring themselves to employ an experienced man. To Abe the whole venture was frightening and distasteful. With the best of management, several years would have been needed before the production became efficient and market
developed. But Abe could not see this as an investment for the future. To him the current losses were so much money down the drain. Every step was, therefore, done tentatively and on the cheap. I saw all this at first hand one summer when I worked for him.

To do Abe justice, however, he did face a formidable problem. The Hookless Fastener Co., which dominated the industry, was a large, profitable, and well-capitalized firm. Its manufacturing techniques and machinery were, we gradually learned, more efficient than the Colonial’s German equipment even if run well. Moreover, the equipment and techniques used by Hookless were protected by basic patents, a fundamental fact that my father had neglected to learn.

With time and money, all this could have been overcome. The basic patents were due to expire in some three years. The Colonial, therefore, had a viable option. It could have halted any attempt at manufacturing for several years and used the clever engineer it had hired to design a better product and better machinery than the German in ways that were possible when the basic patents expired. Indeed, other firms did just that. The necessary investment, with no current return, was something Abe could not face. To him, it meant simply “loss.” So the venture was closed down in agreement with Richard. As my old friend Paul Baran would have said: “Finita la Commedia.”

Paris Interlude

The history and end of the zipper business has gotten ahead of my story. To return. With the conclusion of the Lucerne agreement, my parents and I traveled back to Paris. They were pausing there before sailing for home. Dave Popper, who also held a fellowship, joined me there. We enjoyed a few days in Paris, saw a couple of museums and played tennis—at the Jockey Club no less, with the tennis players’ delight, ball boys. And we not-so-rich Americans could still afford it, so low were still the wages of Europeans.

Sometime in early September, however, we started on our program for the year. We took a taxi, waved to my parents standing in doorway of their hotel, and boarded a train for Cologne. It was my last sight of my father.

Cologne and the Rhine

Cologne stands out in my mind for three things. One was the great cathedral, a large, impressive Gothic structure of beautiful proportions. A second was our first sight of the Nazis at work. They were within a few months of taking power, but few people inside of Germany or abroad knew that yet. On the streets of Cologne, however, they were everywhere to be
seen, easily identified if they were young men because they were members of
the Sturm Abteilung (the infamous S.A., wearing their distinctive brown
uniform with the Nazi swastika, the Hakenkreuz on the armband). It was a
fertile time for Nazi propaganda. The Great Depression in Germany was
even more severe than in this country, the unemployment rate was even
higher than here, and the jobless seemed everywhere. And as in this country,
the problem was aggravated by the restrictive policies of the Brüning
government and its attempt to maintain the gold value of the mark.

My third memory of Cologne in 1932 is far less important. The most
popular or notorious product of the city was a toilet water used by many men
as an aftershave lotion. It was called Kölnischwasser (Cologne water) in
German, but simply “cologne” with a small “c” in English. It was a pungent
scent—I knew it because Abe Goldenberg used it—and when we visited the
factory, its aroma was strong. The visit remains in my memory because I was
at the factory site again in the spring of 1945 in very different circumstances.

From Cologne we took the Rhine steamer with lovely wooded
landscapes on both sides. We passed through the narrows of the river with
its steep banks on top of which according to ancient myth (see Heine), the
Lorelei sat, singing and combing their golden hair. We landed at Mainz and
found we had come on a fortunate day. It was the time of year when the
Rhine Valley grapes were harvested, and on this day in Mainz, there was a
great wine festival. All the vintners of the area—some 35 or 40, maybe
more—displayed their wines in booths that ringed a great hall. A person who
paid 2 marks (50 cents) was given a badge which identified him as a
Weinkenner, a wine connoisseur. We paid and were then entitled to have
glassfuls of any and all wines in the hall. One could then bring one’s glass(es)
to one of the long wooden tables that filled the middle space of the hall. And
there could order sandwiches or plates of sausage and wash it down with the
wines of one’s choice. It all added up to a noisy, pleasant, and vinous
afternoon. We thought we were not only scholars but were becoming “men
of parts.”

In Mainz, we rented bicycles, following the European system of that
time. A bicycle rented anywhere could be returned from any other by bringing
it to the railroad station and entrusting it to the baggage window. A tag tied
to the handlebar gave the return address. From Mainz, we pedaled to
Heidelberg. That’s where a German student should go (we thought), and we
planned to stay there for perhaps 10 days. We found a student
boardinghouse that would have us, an easy thing to do in that vacation
period. We were given a very large room by a pleasant landlady and arranged
for both food and lodging. She kept the room scrupulously clean, and she
fed us wonderfully well. I do not remember the price, but I know we thought
it very cheap, but in those hard times, I imagine our landlady felt lucky to
have two summertime boarders.

In Heidelberg, we first inspected the ancient university, then explored
the town and once again were impressed and concerned by the very visible activity of the Nazis. Besides the street-by-street solicitation of funds always by young S.A. men in uniform, there was a large, public torchlight meeting heavily attended by the population. We began to read the widely read Nazi newspaper, the *Volkischer Beobachter* (People’s Observer), and we had a first-hand view of its deceptive article.

Against this disturbing background, we explored the lovely neighborhood of the old town. We pedaled our bikes along the Neckar River, admired the cultivated countryside with its old farms, and stopped in the villages that lined the river to have a snack and a beer in the local inn. Everywhere the typical German neatness and cleanliness were evident. And in spite of Nazi chauvinist propaganda, reputedly and plausibly effective in the poverty-stricken countryside, our reception was always polite and friendly.

With the end of our stay in Heidelberg, we put our bikes in the baggage car and took a train to Nuremberg. We had been invited to stay with Richard Benedict and his wife, Gerti, and we gladly accepted this chance to live in a German household, practice our German, and become acquainted with another old German city.

At that moment Nuremberg was a very prominent city. It was early September. Later that month, the Nazi party would hold its annual rally in Nuremberg in the newly built and elaborate *Parteitag Gelände* (Party Rally Grounds) with its great new stadium, destined to be the site of its impressive parades of S.S. and S.A. men and of Hitler’s and Goebbels’s most belligerent and hate-filled speeches with their anti-Jewish diatribes. Staying with the Benedicts, we learned something about the views of many Germans and of German Jews in particular to the rise of Hitler and Nazis as a political force.

In September 1932, when Hitler’s takeover was only six months off, the coming success of the Nazis still seemed to many, perhaps most, Germans still an uncertain perhaps unlikely political development. And to many of these, the wish was father to the thought that it would never happen. This seemed to be the view of our Nuremberg contacts. And many of these harbored a further thought. Although Jewish, they felt German to the core. Their families had lived in Germany for hundreds of years. In the course of the 19th century, they had acquired full civil rights. The older generation whom we met were now in their sixties. Some had served in the Franco-Prussian War of 1870 and helped achieve the victory that put the political capstone on the unification of Germany. Some of their sons had served in World War I. They bore decorations including the Iron Cross. The older people, who had lived and been respected businessmen in Nuremberg for many years, could call themselves *Kommerzienrat* (commercial counselor) or even *Geheimrat* (privy counselor). Some of the younger generation had commissions in the Army Reserves, a proud distinction in that militaristic country. Surely the Nazis, even if they came to power, would not go so far as
to harm people such as they felt themselves to be. And in the end, some voiced the thought that if Hitler did come to power, he would expose himself as an incompetent clown, completely unfit for responsible office; public opinion would drive him out of office and discredit the Nazis for good. So the mood among our contacts was that, in a political sense, they were safe. I believe that Richard himself was wiser and more foresighted, but he was an exception.

All this was the serious side of our visit. In the midst of it, however, we were exercising our German in talks with Richard and Gerti, who bore our limitations with unfailing generosity. And when Richard’s business duties permitted, they took us touring. I remember one notable day when they brought us to Regensburg, a picturesque old walled town. Wandering through the town was itself interesting. But it happened to be a special time. The German Army was conducting its annual maneuvers, and Regensburg was the headquarters for one force. The streets were filled with soldiers among whom the staff officers, elegant in their uniforms, raspberry stripes down their trouser legs, were prominent. This was still the 100,000-man Versailles Treaty–limited German army, but it was a proud army nonetheless, all the prouder for being so elite.

Into this active and interesting experience, with Vienna and Cambridge to follow, there came a rude and terribly saddening shock. By cablegram to Richard, I was told of my father’s sudden death, and I was asked to come home as soon as I could arrange to travel. So pack up, say good-bye to these new friends, then by train to Paris and by boat train to Le Havre, there to board the old Aquitania. A week later, I was in New York.

I was met at the dock by the family and there learned how my father died. He had had a first heart attack a year earlier, but apparently had recovered. Now he was making a routine visit to his internist, a Dr. Simon Blatteis, the chief of the medical staff of the Brooklyn Jewish Hospital. Dr. Blatteis chose on this visit to give my father an injection—of what I no longer know. In any event, the injection was followed there and then in Dr. Blatteis’s office by a massive heart attack. He was gone in 24 hours. Whether there could have been any connection between injection and heart attack, we never learned. My mother, however, never put aside the thought that Dr. Blatteis was to blame.

The main thing, however, was that Betty was utterly distraught and saddened by her loss. When he died, Nathan was only 54 years old. From the time of their marriage, 30 years earlier, she had lived her life for Nathan, one might say in Nathan. And now when she herself was only 52 she had to find some new basis for going on. One son, Abe, now 28 was already married, out of the house and living up in Westchester. I was the other son, myself nearly 21. Still, I was single and unattached. It was clear that I must be with her. I was, therefore, destined to live in her comfortable apartment in Brooklyn, on St. Marks Avenue near Nostrand Avenue and not far from
Eastern Parkway.

So I resigned my scholarship and in that September of 1932 walked along Nostrand Avenue to Eastern Parkway and took the subway (IRT, Broadway and 7th Avenue Line) to Broadway and 116th Street. Half a block away, one entered Columbia. I walked in and registered and began three years of graduate work in economics. This was a big departure from the program I had thought lay before me, but I cannot remember any feeling of distress or resistance. I was glad to provide some degree of solid continuity for my mother, and I felt confident about the future. Columbia would also be a good start.
Chapter Six

GRADUATE WORK AT COLUMBIA

Columbia as a School of Economics

By forgoing Vienna, Cambridge, and Harvard, I had made a bigger change than I realized when I started in Columbia. Vienna, Cambridge, and Harvard were all centers in which understanding of the domestic economy of a country and of its international economic relations was squarely based on theoretical economics. This, in turn, was a doctrine logically derived from certain basic primary assumptions: that economic agents (consumers, savers, business firms, investors generally) were well informed, foresighted, and rational, and acted to promote their own individual interests, that they faced competitive markets and, as business firms, acted under the pressures of competition; they operated subject to the constraints of income and wealth and of market prices which they could not by their own actions significantly influence. Actions in this context were perceived as leading to an equilibrium of prices, wages, profits, etc., and of consumer satisfactions in which change might be harmful to some but would be more than offset by benefit to others. Thus, there was no room or occasion for public action except such as was necessary to enforce contracts, maintain competition, prevent or punish fraud and generally keep the peace. Changes in technology and in consumer tastes would lead to a new equilibrium of prices, rewards, incomes, etc., but such changes were viewed as “exogenous,” not the result of economic action or motivation and beyond the ken of economics.

The Columbia economists, however, rejected this structure of theory or, at least, its general application. They conceded its usefulness in explaining very simple matters: why a grand piano cost more than a pair of shoes, and, in general, why there is a rough association between the prices of commodities and their costs of production. They were skeptical, however,
about the theoretical assumptions that agents were foresighted, well-informed, and rational. They saw markets as characterized by various degrees of monopoly power, with business firms capable not only of profiting by constraining production and raising prices more than costs alone would justify; they also often had the power to shape consumer tastes, for example by advertising, and, most important, to invest in research and development and so to advance—and sometimes to retard—technological progress. They tended to see the economy as a whole, not as tending to an equilibrium, but as generating long-term growth of productivity, income, and wealth. This tendency did not, however, emerge continuously and at a stable rate but subject to recurrent fluctuations, loosely called “cyclical,” in which advance was sometimes fast, sometimes slow, and sometimes negative.

As I absorbed all this, I saw the justice of the Columbia outlook and came to appreciate its radical departure from the economics in which I had been trained as a Harvard undergraduate. Columbia economics, as it stood in the Thirties, however, had its own serious limitations. It was well advanced in its understanding of two subjects. One was in the study of the behavior of firms that had acquired and enjoyed various kinds and degrees of monopoly power. This was the province of Arthur Robert (“Columbia”) Burns—not the Arthur Frank (“Bureau”) Burns with whom I later did research on business cycles.

The other subject was another sphere of monopoly power, that of labor unions. Why were they so much less important in the U.S.A. than in Europe? What activities were successfully unionized and which not? And why? This was the area over which Leo Wolman ruled. Wolman later played a considerable role in the Roosevelt Administration, especially in connection with the disorders in the labor market stemming from the organizing drives of the AFL/CIO. He worked as chairman of the Automobile Labor Board, where he tried to keep the peace in that important industry—an effort that won him no friends in the unions. Wolman’s teaching, however, was as far from academic as can be imagined. It came directly from his own experience with labor unions. Although a professor at Columbia, he also worked as the economic advisor of Sidney Hillman, the president of the Amalgamated Clothing Workers, the men’s clothing union. Wolman learned as much as he advised. He saw clearly that in the flexible and mobile population conditions of the American continent, the only unions that could exercise strong and stable monopoly power were those operating in industries frozen in location. The newsprint industry was an example. The book print industry was not. Where the industry could move, it could flee from a union whose wage and other demands were excessive. Such a condition faced the Amalgamated, and Wolman used his influence to restrain labor’s demands. Even so, the industry moved from New York City to upstate New York, then down South, then to Chicago and on to California. It was the barrier to movement posed by small nation-states that made European unions stronger and more stable than America’s.
These subjects then were well taught at Columbia, and I felt I learned much from A.R. Burns and Leo Wolman. The basic academic tone of the faculty, however, stemmed from Wesley Mitchell. He had been the dominating influence on the faculty since he joined it just before the First World War. According to Mitchell’s own view of himself, his outlook stemmed in part from his early Midwestern origins. He was the son of a physician who was a small town practitioner in central Illinois. The down-to-earth pragmatism of the neighboring family farmers ran strongly in his personality. It was quite natural, therefore, that he should have been drawn to the philosophical schools of William James and John Dewey when these became prominent. Experience, not the logical implications of some generalized ideal, had to be our guide to life. He told about teasing his good Baptist grandmother and her conception of a God of Love who could yet condemn unbaptized infants to the torments of Hell.

As Mitchell began to study economics, therefore, he found the prevailing economics of the day—what later came to be called “neoclassical” economics, especially associated with the name of Alfred Marshall—distinctly unappealing. His basic critique developed two arguments. He contended, first, that the range of applicability of mainstream economics was limited. It was confined to drawing out the implications of assumptions which, at best, were valid and descriptive of a restricted set of conditions and circumstances, individuals and business enterprises who were well-informed whose tastes were unchanging, whose comparative abilities and initial resources (wealth, education, health, etc.) were given and who dealt with products of unchanging characteristics in competitive markets, who were devoted to maximizing money profits (in the case of business firms) and of “utility” or “satisfaction” from the consumption of goods and services (in the case of individuals). Using these assumptions, the goal of mainstream economics was to work out the relative prices of commodities and services “in the long run” and the distribution of income among individuals and to show whether—or that—these “long-run” outcomes represented a maximum of satisfaction or “welfare” that an economy could yield.

Manifestly, these assumptions were never and nowhere realized in ideal form. They existed at best only to some degree of approximation, and it was appreciated, therefore, that the outcomes implied by the basic assumptions could at best only be viewed as approximations. The insistent question, therefore, was whether this seldom-studied degree of approximation was actually sufficiently close to permit the theory to be a useful guide to economic behavior and public policy. Mitchell was highly skeptical.

His concerns went further. The concentration of theoretical interest in the long-run equilibria of prices and income distribution left a large segment of economic life in a state of neglect. What of the pronounced
fluctuations of output, employment, interest rates, commodity and asset prices, money and credit? The very stuff of daily life was no part of standard economic theory. How did these fluctuations arise and what could best be done to alleviate the distress and suffering that came with recurrent and protracted unemployment?

With respect to all this, Mitchell had a vision. It began with the notion that the fluctuations of business activity were not independent incidents, each expansion and contraction the result of some independent causes. In Mitchell’s vision, rather, the expansions and contractions consisted of a recurrent series of events and activities which occurred in a roughly repetitive fashion. Moreover, the developments at each stage were to be viewed as leading business firms and consumers responding to a commonsensical conception of motives and incentives to the actions and developments that marked the next phase. Finally, he speculated that the cumulation of developments in the course of an expansion after first strengthening the forces of growth would then assume a character that initiated a general business contraction. And now again the early developments of contraction tended at first to strengthen the forces behind the contraction, but the cumulation of such developments would tend to create more favorable circumstances and eventually lead to renewed expansion. Business cycles, therefore, in Mitchell’s vision were a self-generating process that tended to produce repeated fluctuations, not the stable equilibrium of neoclassical economics.

Mitchell, however, did not regard his vision as an empirically verified hypothesis. It is true that he first came to entertain his hypothesis because an earlier empirical investigation had suggested it to him. This was the work he had done many years earlier on the dramatic episode of inflation during the Civil War and the deflation that followed. Here he had tried to describe, as closely and accurately as the available statistics permitted, the course of prices, interest rates, employment, and output during the wartime inflation, whose culmination was the abandonment of the gold standard and a sharp decline in the value of the dollar in terms of British pounds and other foreign currencies. And he then went on to do the same for the years after 1865, the deflation of prices that followed, and the eventual return to gold in 1878. Mitchell reported the results of his work in his notable book,

Still, this was hardly enough to provide an adequate test of the recurrent fluctuations of business. In 1909, therefore, while Mitchell was a professor at UC Berkeley, he undertook a far more ambitious study. He would try to describe the course of business activity in four countries, the U.S.A., Great Britain, France, and Germany, beginning at a time when, in each country, economic life had begun to be organized generally by business enterprises operating in the markets of the time. He would try to describe, so far as possible in quantitative terms, the ups and downs of production in its various forms (farm, nonfarm, durables, nondurables, etc.; distribution and
consumption; banking and other forms of financial activity, etc.). He would use annual data where he had to, and quarterly and monthly data if these were available. He would use newspaper and other nonstatistical sources if nothing better existed. And he would try to organize the national data so far as possible in a fashion comparable across his four countries.

Mitchell carried out his scheme and reported his findings, together with his evidence, in a large book with the simple title, *Business Cycles*. The book began with a summary of earlier work relevant to the subject together with the “speculations” (one of Mitchell’s favorite characterizations of largely theoretical but inadequately verified ideas). He used these as suggestions of subjects needing investigation. There followed Mitchell’s own quantitative studies of these and other subjects: production (agricultural and other), income, sales, retail, wholesale, manufacturing, etc., commodity prices, the prices of stocks and bonds, and the profits and interest rates they paid. Mitchell’s quantitative descriptions involved tracing the fluctuations of the behavior in these activities and of their long-term trend and seasonal fluctuations so that the fluctuations connected with business cycles could be seen free of the influence of trends and seasonal factors. The book ended with a statement of Mitchell’s views of how the concatenation of the behavior of the separate activities led to expansions of business activities in general followed by similarly general contractions, which in turn produced the conditions that generated another business expansion.

Mitchell’s book made a notable impression on economists. This was partly because now, for the first time, students of economics could base their attempts to explain business cycles and to develop a theoretical model based on definite quantitative information about the typical behavior of the major business activities. But it was partly, perhaps mainly, because it gave economists at large a new vision of how economic research could be carried on. It need not mainly consist of logical deductions from a set of preannounced assumptions. It could instead take the form of observed behavior, together with empirical tests of the hypotheses so formed based on fresh observations independent of those from which the hypotheses originally proposed had been drawn. It was this vision of an empirically based economics that was the spirit of the Columbia program, and it stood in sharp contrast to the program at Harvard, where I was introduced to the subject, and, indeed, with the economics then taught in the other leading universities.

I did not give up my allegiance to Harvard easily. Two episodes illustrate my resistance. Mitchell gave a course on business cycles. I chose to take it. It was a course that, in a sense, was a duplicate of his 1913 book, refreshed by data not available in 1913. But as I listened to Mitchell’s “analysis” of one time series after another—amplitude, lead or lag relative to the “reference” peak or trough (that is, relative to the peak or trough of the general business cycle), rates of expansion or contraction in successive thirds
of the fluctuations, and more—I could make nothing of it. After some weeks I dropped the course. Mitchell signed the necessary form without demur and, apparently, never held it against me—a characteristic of his liberal and tolerant attitude.

In other respects, my year was pleasant and rewarding. I found Eli Ginzberg and began a lifelong friendship, the closest and most intimate in my life. Like other graduate students, I occupied a “cubicle” on the top floor of the new Butler Library—just enough space for a table, chair, and file cabinet. A friend said: “It’s all right if I am in there alone, but if I get an idea, I have to move into the corridor.” One day, there was a knock on my door, and in walked Eli. He had just returned from a scholarship, traveling the country and interviewing business executives, union bosses, politicians, etc. On his return, he asked Mrs. Stewart, the all-knowing department secretary, what new people were interesting. She mentioned me, and there he was. He sat down and began to tell me about his travels, the first of many sessions on the same subject.

One early reward of my new friendship was to come to know his parents. They occupied an eighth-floor apartment on 114th Street, directly behind the Butler Library. Eli’s father, Louis Ginzberg, was a professor in the Jewish Theological Seminary at 120th Street. He was perhaps the most notable Jewish scholar of his time, a specialist in Talmudic history and interpretation based on a wide knowledge of ancient Middle Eastern languages and in the history of its peoples. Eli began to bring me to their Friday evening suppers. I found old Louis to be a wise and humorous man, a fine companion and host for a pleasant evening.

On one of my first visits, Eli took me into Louis’s study to show me a lampshade that one of Louis’s students had made. The parchment shade was decorated. All around the shade were drawn the spines of books, and on each spine there appeared the title of one of Louis’s books, perhaps 14 or 15 in all. And then the student had an inspiration. He added one more spine and on it drew the title of Eli’s first book, his Ph.D. dissertation, *The House of Adam Smith.* At the time, we wondered whether Eli could duplicate his father’s achievement. In fact, he did so many times over, in quantity at least, if not always in depth—something to which Eli did not aspire.

I feel I must add one more important story about Louis. When he was still a very young man, and still working in Europe, he was invited by Solomon Schechter, the founder and head of the still-new Jewish Theological Seminary, to take a professorship in Bible Studies at the Seminary. So Louis came to New York in 1905 or thereabouts. He brought with him the German draft of his *Legends of the Jews,* a book destined to be famous. Louis wanted to publish in English, however, and he looked for a translator. The person he found was Henrietta Szold, who also was destined for fame. Henrietta and Louis then worked closely together for several years, and during this time, Henrietta fell deeply in love with Louis. And—so the story
goes—she came to believe that her feelings were reciprocated. (See Eli’s biography of his father, *Keeper of the Law.*) Apparently that was never so. Henrietta was 10 years older and may not have been attractive to Louis for other reasons. Nonetheless, in the narrow circles in which they moved, they came to be regarded as a couple who were effectively engaged to be married. Feeling as he did, it took Louis a long time to realize this. The problem was finally resolved when Louis’s father died. Louis rushed abroad to sit shiva and mourn his father. And then in Frankfurt, he met Adele. In three weeks of courtship, they were engaged, and Louis came back to New York to break the news. A frank and affectionate letter informed Henrietta, who took the news very hard, indeed; it was a sad disappointment of deep hopes nurtured over several years. The story goes on. It is said that it was in rebound from her disappointment, she founded Hadassah and saw it expand to become the leading women’s Zionist auxiliary and the founder and supporter of the Hadassah Hospital in Jerusalem, the bedrock of Jewish health care before and since the creation of Israel. The story then has a fitting end. When Eli came to marry, in 1946 (I was his best man and the witness on his *C’subah*) the bride was Ruth Szold, a great-grandniece of Henrietta.

Now back to my struggle between Harvard and Columbia economics. In that second year at Columbia, the internal conflict found two new exponents. On the Columbia side was Eli. He was someone of great personal interest to me, but as an economist, he was an eccentric. He was a skeptic about anything theoretical and served mainly as an exemplar of Columbia’s tolerance for talent in whatever way it showed itself. On the Harvard side, there now appeared a powerful supporter. He was Milton Friedman, who had come to Columbia on a scholarship for a year of graduate work. We soon became good friends. It emerged that we two were the only Columbia students who had had a real training in neoclassical price theory, the very bedrock of the economics of the time. The faculty, moreover, refused to sanction a course in the subject, and the students realized what they were missing. Milton and I undertook to do something to fill the gap. We organized a student-run seminar, worked out a list of topics, assigned students to prepare papers, and guided the presentation and discussion. The other students benefitted and so did we. We were having our first teaching experience. For the moment, however, it helped keep my mind running in the grooves of my Harvard training.

My friendship with Milton was solidified when a Columbia classmate invited us to join him in a long holiday in his family’s fishing camp on the French River in Northern Ontario, still a wild and unsettled area. It turned out, however, that our friend was ordered to work in his family’s business concern for the summer. We were invited to use the camp ourselves, and we did. So we spent a wonderful six weeks together. We drove north in my Model A Ford roadster until we reached a tiny settlement on the French River called Bon Air. There we parked the car at a general store where we hired some cots, some cooking utensils, a gasoline cookstove, and a canoe,
and where we bought some canned and packaged foods as well as eggs and Canadian back bacon. The general store owner piled all these objects in his motorboat and, with the canoe in tow, took us out to our camp 3½ miles down the river on a tiny island in the stream. We were the only inhabitants. There he literally threw our stuff on the shore and took his leave. From now on, we had to depend on our canoe to get back and renew supplies at Bon Air.

Neither of us at first knew anything about canoeing, but we had good teachers by example in the Indians from a reservation across the river. Watching them, we soon learned the J stroke and became fairly competent. We canoed to Bon Air twice weekly and soon organized our camp. We had a privy some 50 yards away. We had the usual first experience trying to cook rice, but we learned to get along. We swam twice a day, and, as we gained confidence in the canoe, took overnight canoe trips down the river. These were fun, especially because of occasional rapids which we could run going down the river but had to portage around on the way back. The one thing we did not try was fishing. In fact, we became known along the river as those strange boys who did not fish, so many men returning in the late afternoon would throw us a fish or two. We had a valuable supplement to our diet of canned goods.

The thing we did all day long, every day, was talk—about everything, but mostly economics. Milton was much less ideological then than he later became, so he was a very pleasant and agreeable companion; that was especially important in 1934, in the depths of the Depression when Roosevelt’s New Deal was just taking shape, when it included so much that was controversial, and when the menace of Hitler was becoming clearly visible.

As things turned out, however, the most important thing for me in that academic year of 1933–34 was the advent of Carrie. But that belongs in a chapter of its own.
Chapter Seven

CARRIE, JOEL AND FAMILY LIFE

As already said, I became aware of Carrie at Erasmus Hall. She was a year behind me, but when she ran for the vice-president of the student General Organization (GO) her campaign picture was distributed widely. I was interested because she ran on what was still an innovation: a ticket of mixed ethnic origins, Gentiles and Jews alike. I supported that ticket and, indeed, had served as Treasurer of the GO on a similar ticket a year earlier. And I also remember feeling attracted by her appearance. The photos of Carrie as a young woman will tell you why. But that was as far as it went.

So it was only when Carrie came to Columbia in September 1933 that we became really acquainted. It was an acquaintanceship that developed rapidly. In a few months, it was clear to both of us that we were in love. I had just bought, secondhand, a two-year old Model A Ford roadster: two seats under canvas and a “rumble seat,” no cover, behind. Purchase price $350. I took to calling for Carrie each morning to drive together to Columbia. And when spring came, we would sometimes skip Columbia and drive out to Long Island instead, usually headed for Jones Beach, an early product of the New Deal. It was a beautiful long stretch of sand and ocean with new buildings done in excellent taste. There we could buy sandwiches and picnic happily.

Unfortunately, I was ambivalent. I had had two earlier adventures with girlfriends, from both of which I had withdrawn after becoming effectively engaged. In each case, I became persuaded that we would not fit happily for any long period. Needless to say, withdrawals were painful and, for me, guilt-ridden. So I hesitated to make a real commitment to Carrie. At the same time I could not keep away entirely, but kept being drawn forward. So there were several episodes of backing and filling. I was unhappy myself,
and it was making Carrie miserable. I felt guilt about that then, and I feel
guilt about it to this day.

So things went along in this way through 1935. Now I digress for a
moment. These days boys and girls hop into bed with hardly a moment’s
thought. And parents, if they know, take it as a matter of course. Or so it
seems. For Carrie and me, it was a more serious matter. Secrecy, at least from
our parents, was imperative. And contraception, still illegal, was a problem.
Carrie was able to solve it. Guided by her teacher and friend, Teresa
Wolfson, she was put in touch with Dr. Hannah Stone, one of the pioneers
in the movement to legalize contraceptive practice. Dr. Stone, quite illegally,
outfitted her. So we began to go to bed together whenever we could. We
took happy weekends out of town. The inns of New England came to know
us well.

When I finished my graduate course work in 1935, I was given an
instructorship at Harvard, I owed it to the sponsorship of Ed Mason, my old
tutor. With all this arranged, we determined to get married. I was to have a
first year to get started at Harvard, and Carrie was to have a year to complete
her Columbia course. We would marry in June 1937. We told our parents
and friends. Everyone was pleased.

There is more about our engagement and marriage—and much
more—in Appendixes I and II to this chapter. I have said little about Carrie’s
background and life before Columbia. She tells about it herself in her
Appendix I. And here she faces up to her very difficult relations with her
parents, their effects on her and how she reacted. They gave her some hard
years. I go over some of the same subjects in my own Appendix II.

For both Carrie and me, our marriage in June 1937 opened a new
and happier time. We truly lived “happily ever after”—a long and satisfying
life together. We found each other loving and supportive companions. And
right from the start we had an easy time of it. After Carrie finished at
Columbia, she was always employed at one research job or another (see
Appendix II). Se we had two incomes and no kids; we were an early example
of DINKs. And to be DINKs in Depression days gave us a wonderfully easy
life. We had a housekeeper each day from 2 P.M. through dinner. She made
our bed, cleaned, shopped, prepared an evening meal, and washed up. Later
we often thought that these early years gave us our highest standard of living.

So it went on from year to year. There were some major changes.
After two years in Cambridge, we moved to Manhattan, and I began work at
the National Bureau of Economic Research. Then to Washington during the
War and again to Manhattan to finish the book I had started. And finally to
Palo Alto and Stanford. I tell about all this at greater length in later chapters.
I tried to give some idea of our happiness in all these years in the “poem” I
composed and read at a 25th anniversary dinner we gave in 1962 when we
were already well settled in Palo Alto (Appendix III to this chapter).
We delayed having children until the War was over, but then we were eager and anxious to begin. In 1946, Carrie was already 33. I was 34. It was high time. And then it did not happen easily. For many months, Carrie did not conceive; the trouble was probably me, not Carrie. When we reached Palo Alto, we began proceedings for an adoption. And then **mirabile dictu**, Carrie became pregnant. It was not an easy pregnancy; there were several scares. Carrie became miserable as well as very nervous. In the end, however, the pregnancy went to full term. Her obstetrician decided that Carrie was so narrow across the hips that a natural birth would be extremely hard and risky. So Joel was born by Caesarean section. The operation went well, but Carrie, who found surgery of any kind emotionally traumatic, was doubly nervous about it. So it was not easy for her, but when all was over, there was, indeed, great joy in our house.

When, after a week, Carrie and Joel came home, we had the help of Mrs. Biagini, the best baby nurse who ever lived. She did everything for us: cooked and cleaned and took care of Joel, going about her work with Joel on her hip. I remember her on the little terrace of that Palo Alto house, making pasta from scratch, mixing, rolling, dicing, and tossing the dough—all with Joel on her hip. For three weeks after Joel’s birth, it was luxurious for Carrie, and for me, too.

She had to leave, however; other babies were being born, and she was in great demand; women enrolled with her as soon as they knew they were pregnant, perhaps earlier. So Carrie and I had to face reality. Now Carrie had to shop and cook. And caring for Joel was hard. We had the benefit of a diaper service, but Carrie found that she could not satisfy Joel's demand for milk. He was voracious, and, when not satisfied, his howling and yowling were not to be borne. It was a wrench for Carrie, but we had to resort to a service that provided bottles of baby formula. They were amazed by Joel’s demand. I remember a phone call from them. “We are glad to provide as many bottles as you need, but is it only one baby?”

The problem we never really solved successfully was sleep. To get some rest, we needed to get Joel to sleep in his crib. But that he would not do. In your arms, walked about the house, held in a rocking chair, soothed by another bottle, he slept fine. Put into his crib, day or night, the noise never stopped.

The cure for all these problems was, of course, simply the passage of time. And after three years, Carrie could see that Joel no longer needed her full-time attention, to say nothing of our full-time attention. She could think again about work, and she decided to put aside economics and see whether she could make herself an artist (see the appendixes). She began by drawing and painting. Her watercolors were particularly promising, but her real talent and love were revealed when she turned to sculpture. But now she lacked a proper place to work. So in the yard of West Crescent Drive, we built a studio, the best workplace Carrie ever had, full of light, outfitted with a
proper workbench and with vises and hoists. Pieces in wood, stone, slate, ceramics, and bronze emerged in a steady stream, and Carrie began to win some recognition and to find that her pieces could sell. Her records of sales contain the names and dates and prices of dozens of pieces with the names of their purchasers. All these sales, moreover, were the result of simple word-of-mouth, and of a few shows in local galleries, as well as in competitions arranged by the Northern California Women Artists Association and similar groups. She never tried hard to find and never had a real agent.

Meanwhile, Joel was growing up. We both spent a good deal of time with him in his early years, from about 4 to 7 or 8. In those years, Joel had two major interests, railroads and reading. He had a railroad engineer’s suit, which he always wore except for the occasions when it was being washed, and he loved to be taken to the Palo Alto station to watch the trains pull in and leave. Still better, in those early years, when we went East, it was by train, which we caught across the Bay in Niles. These were special excursions for Joel. The three of us occupied two adjoining compartments, Joel in the upper berth and me below. Joel had crayons and paper. I had my recorder and some music to try to play. We all had books. When we reached Chicago, where there was a long layover to change trains, Carrie would say: “I am going to the Institute of Art. You and Joel go to the Industrial Museum,” and we did. And what did Joel want to see? Of course—the real railroad steam engine, into the cab of which we could climb, to squint ahead and to handle the throttle and the steam-driven brake lever. Very satisfactory.

As for reading, that was an unfailing interest and comfort. Joel loved to be read to. Curled in the crook of your arm, he followed your voice along the words of the page. For Carrie and me, it was an occupation that consumed several hours a day. We longed for the time when he would read by himself and let us get about our other jobs—or just rest. Of course, it was not a wholly unwelcome activity; we liked it, too. I decided to find things to read other than children’s books, which I could enjoy and perhaps he could, too. The best book I found was a story of a great mountain climbing adventure, *Annapurna*, the story of the conquest of the second- or third-highest peak in the Himalayas by a French team led by Charles Herzog, later Minister of Sport in the French cabinet. It caught Joel’s interest, and we read it together, read it and reread it several times. Obviously, Joel’s own imagination was stirred. Example: At that time, the Town and Country Village shopping center was being built in Palo Alto. Preparatory to foundation work, great piles of earth appeared. These Joel wanted to ascend. He called it “Climbing Annapurna.” So we did that many times together, arriving home with dirty hands and dirty clothing, happy, but a nuisance to Carrie. Later, in his teens, Joel joined a troop of Explorer Scouts and went rock-climbing with them until he broke his ankle. Annapurna?

We were doing our best—especially because Joel was an only child—to foster a sense of independence. Carrie’s motto was: “Better a
broken leg than a broken spirit.” We interfered with him as little as possible and did not encourage, much less require, that he tell us everything or to shape his life to suit our own convenience and desires. Only Joel can say how well we succeeded. To the extent we succeeded, however, it raised some problems for us now and again.

Back to Joel and reading. By the time Joel was 5, we sensed that he could read. On occasion we saw him apparently reading alone, but he refused to admit it. He did not want to give up the comfort of being read to. The decisive change came only when Joel entered first grade in the local public elementary school. Things seemed to be going smoothly until one day we asked him what he enjoyed most about school. He answered, “Recess.” We asked why, and he said: “Because that’s when I see the other children.” “What do you do the rest of time?” “I am in the library.” So we went to see his teacher, who confirmed Joel’s story. “You see,” she said, “Joel is already a good reader. I am too busy with the other kids and their reading to pay attention to him. So I send him to the library. If you can, you ought to transfer him to a private school.”

Well, that settled the question of whether Joel could read. And we did transfer him to a private school. The school we found was the Peninsula School in Menlo Park, which had been founded by a public-spirited Los Altos couple named Duveneck. The school was a success with Joel from the very beginning. It was run on very progressive lines, which encouraged independence and initiative on the part of the students, and it was staffed by a faculty of devoted and talented teachers. They had enough time to work with individual children and adjust the program to their individual needs and capabilities. Joel came to love his teachers, and he went to school eagerly each day for all the six years he attended. He especially like his literature and science teachers. His literature teacher was Ira Sandperl. In later years, he might have been one of the Flower Children, but he believed in bringing his students to read the most advanced books they seemed able to handle at all. One early day at Peninsula Joel came home and asked, “Have you ever heard of a writer named Tolstoy?” Under Sandperl’s guidance, Joel became a voracious reader. Early favorites at home were Bulfinch’s *The Age of Fables*, the stories of Greek and Norse mythology, and the *Book of Knowledge*, all 24 volumes of it with their articles containing history, science, and fiction. Joel devoured them all, besides the standard boys’ books of adventure. His shelves at home had all these, and he read and reread. And yet he was not just a bookworm. There was plenty of outdoor activity together with neighboring children.

A dramatic incident illustrates Joel’s attachment to reading. When he was 13 or 14, he awakened us one night after midnight. “Sorry to bother you, but I believe I have appendicitis.” “How do you know?” “I looked up the symptoms in the Encyclopedia.” We took him seriously and phoned Sid Mitchell, our internist. He also took him seriously and came immediately to
examine Joel. Mitchell said, “He does have appendicitis. I'll take him to the hospital now.” By 4 A.M., Joel's appendix has been removed. It was, in fact, a close call. Years later, when Anne Scitovsky was making a study of the cost of medical care, she came across Joel’s record. His appendix has been on the point of bursting, which would have been life-threatening. Query: Was this experience another step along Joel’s way to a career in medicine? Moral: Take your children seriously.

We were very pleased with Joel’s years at Peninsula School, but one thing disturbed us. The freedom of the school did not encourage a disciplined approach to study and work. That came, however, when we spent a year in Paris from August 1962 to August 1963 (see Chapter Seven, Appendix I). Joel attended the American School in Paris where, in spite of its name, he was given a year’s dose of British schooling. Lots of homework, lots of papers, frequent examinations, and tough standards. He responded well and learned to work. When, therefore, he returned to Palo Alto and entered Jordan Middle School and then went on to Palo Alto High School (Paly High), he was a boy with intellectual interests gained from home and the Peninsula School, and scholarly habits engendered by the American School. When he graduated from high school, he was a Merit Scholar and had advanced standing in chemistry. And he was also an energetic Explorer Scout and the goalie on the Paly High soccer team. It was all a good springboard for eventual admission to Harvard.

Summers were a high point for all three of us. Before the War and before Joel, we spent our summers in Maine. Beginning in September 1938, I had begun to work at the National Bureau of Economic Research (see Chapter Eight). There the summer routine followed the example of Wesley Mitchell, the Bureau’s director. Mitchell had a summer place on Indian Lake in northern Vermont. There he and his family spent their summers, year after year, beginning in June as soon as Mitchell’s professorial duties at Columbia ended and continuing until September. Mitchell took with him a large box of books, notes, data records, and so on, and spent three months quietly working and also enjoying his lake. At the Bureau, it was taken for granted that the professional staff would follow Mitchell’s example, and we did. Our research assistants, however, remained in Manhattan. We corresponded with them by ordinary mail in those precomputer days, giving them instructions and getting back the data and other information they worked up. Free of the telephone and other distractions, it was a productive way to work. And, with swimming, canoeing, and fishing, it was a pleasurable and relaxing time.

Carrie and I, however, had anticipated the Bureau summer pattern, starting a year before I joined the Bureau. Knowing that we were to be married in June 1937, we decided that, instead of going on a postwedding trip, we would spend the summer quietly somewhere we could both work on our Ph.D. dissertations and also enjoy the pleasures of the countryside. So in April we drove north in my old Model A roadster, heading for Maine. There
we looked for the little blue areas on the map, going from one spot to another. We found our spot when we arrived at a little town called Fryeburg in western Maine. We reached it after a frightening drive in the dark in a blinding spring snowstorm when we could barely make out the road. We checked in, thanking our lucky stars, at the Fryeburg Inn. There we had a delicious New England dinner and went to bed, grateful to be safe, sound, and warm.

In the morning, we drove the few miles to the nearby Lake Kezar and discovered a quite unspoiled bit of country, just what we were looking for. The lake lay near the New Hampshire border about at the level of Conway, New Hampshire, and in full sight of the Presidential Range of the Appalachians. The lake was some 7 miles long. Most of its eastern shore was owned by the Diamond Match Co., which held its well-wooded property as a reserve of lumber to serve its future needs. The western shore was occupied by a number of farms including one large area given to a goat-breeding ranch. Near the northern end of the lake was the small village of North Lovell. And there at the General Store we were directed to a Miss Paisley, who might have a cottage to rent.

We found Miss Paisley, and she did; and Miss Paisley turned out to be a delightful lady, already old as seen by our young eyes, but vigorous and independent. So the three of us trudged in through the newly fallen snow from her house on the road to her cottage on the lakefront. There we found all we could possibly have wanted. Her place stood on a ledge, perhaps 100 feet above the level of the water with the full 7 miles of lake stretching southward before us and, if we looked to the west, there were Mount Washington, Mount Madison, and all the others. A wooden staircase led from the house to a small boathouse and dock below. Moored to the dock were a rowboat and an Old Town canoe. It turned out that the house consisted of two cottages connected by a wooden walk. One was the “living space,” a fine large sitting room with fireplace, and a niche for a table and benches. There we took our meals. And adjoining the dining niche was the kitchen. This was a long, narrow room. Along one wall was the wood-burning cookstove, a sink with running water from a well for drinking and washing up, and an icebox, supplied every couple of days by an iceman. The other wall contained a long counter below which lay the supply of wood cut both in stove sizes and in fireplace logs. Above were closets for supplies of all sorts. The other cottage contained two bedrooms and a bathroom, sink, and flush toilet, water pumped up from the lake. And to top all there was a broad screened porch facing the lake. All this for $450 for the season, June through September.

We arrived that summer as early in June as we could, and we soon settled into a wonderful routine. We usually woke early and had a prebreakfast duck in the lake. Then our mornings were spent working, mostly at a big table on the porch. We both had our doctoral dissertations to
complete, in preparation for which we had shipped up a big wooden box of books and notes. So, with no distractions, we could work effectively. Afternoons were for canoeing, swimming, and sometimes fishing from the rowboat. Of course, neither of us knew the first thing about fishing. But we discovered that a line, sinker, and hook baited with a bit of earthworm yielded a perch or sunfish every 10 minutes. A half-hour or hour in the boat, therefore, provided a fresh supper. It was my job to scale and clean the fish. Carrie, of course, did the cooking and in just a few days she mastered the art of handling the wood-burning stove. Evenings were for reading, lit by a Coleman lamp and warmed by the fireplace. And so, early to bed. When we took a day off, we went walking in the mountains on the New Hampshire side and over a summer we climbed Mount Washington, Mount Madison, Mount Jefferson, and others, following the trails well described in the *Appalachian Mountain Guide*. An idyllic life. We kept it going until the War made it impossible—five good years.

In the Fifties, after Joel had arrived, we followed a different summer regime. Now we remained at home so long as Joel was small, but we made day trips and sometimes, on summer weekends, longer expeditions. We went to Carmel, to the Pinnacles, and walked south to the Salton Sea, Joshua Tree Park, and the cactus country, and north to Mount Lassen, Mendocino, Fort Bragg, and the redwoods country. Driving was the easy part. We developed a program we liked, and that kept Joel amused. We sang, often the songs of Carrie’s union days: “Solidarity Forever” and others I now forget. Another car game was “Imaginary Animals.” The idea was to imagine and describe—or draw—an animal never before seen on earth. Joel was good at it.

About once a year, we made a trip to New York to see Carrie’s parents and my mother, and for me to check in again at the National Bureau. We traveled by the Western Pacific, which joined the Denver and Rio Grande and took us on to Chicago. There we had to layover for about 6 hours and went on to New York by the New York Central. It was a 3- or 3½-day trip. We enjoyed two adjoining compartments with bathroom in between. At night either Carrie or I occupied one with Joel in the upper birth (naturally—he insisted) and one of us below. The other slept in the adjoining compartment. By day we were all together and well prepared. Lots of books for each of us, crayons and paper for Joel, my recorder so I could practice.

The train included a wonderful observation car where one sat in elevated seats and looked out through a glass dome. The views of mountains and plains were absorbing, and we spent some hours each day up there. And, of course, there was a dining car where excellent meals were served on stiff white tablecloths. The specialties were fresh-caught mountain trout taken aboard during the trip, and on the Midwest plains the great steaks of the region—all a far cry from the jet travel of today.

When we reached Chicago and our layover, Carrie game me our
marching orders. “You take Joel to the Industrial Museum. I’ll go to the Institute of Art—meet you at the train.” No argument; Joel and I were glad to go. At the Industrial Museum, Joel could go down a “coal-mine” and crawl to the coal face; he could climb into a classic steam locomotive, an old interest of his. These things and others occupied him well, so the layover hours passed easily.

In 1955, when Joel was 5, we took an important step. We spent the summer on Martha’s Vineyard. It came about because the Ginzbergs had gone to the Vineyard in 1954. There they had rented an old house situated on a large property with beach frontage on Vineyard Sound. It stood on the North Road in the township of Chilmark. Adjoining their place, however, was another containing a small cottage. It was a beautiful setting. So now the Ginzbergs suggested that we rent the cottage, and we did. We all liked it. It was to be the first of many Vineyard summers.

With the Ginzbergs only 50 yards away, there was company for us all: Eli, Ruth, their daughter Abby, and their two younger kids, Jeremy and Rachel. To round out the group we invited our nephew, Paul Grushkin, a year younger than Joel, to spend the summer with us. I worked mornings, but afternoons were for one or another of the wonderful beaches, walking, swimming, sometimes a lunchtime picnic. Eli and I usually took a long walk with much talk and then a swim. And so it went.

In the second summer, there was an important change. Eli had been commissioned to edit a volume of papers for the President’s Commission on Children and Youth. He wanted something by an economist and chose me. So I literally dashed off a think-piece entitled “Growing Up in an Affluent Society.” You can find it reprinted in my later book *Thinking About Growth*. The only important thing about this essay was that Eli paid me $500. With it, I bought a very small catboat, which proved to be the beginning of Joel’s lifelong love of sailing.

Joel named the little catboat *Hound Dog*. Its great virtue for us was that it was so easy to handle and to begin to master the elementary aspects of sailing: tacking, coming about, jibing. The catboat’s single sail was a great simplification. One person could handle the boat alone, but, of course, we divided the jobs, one of us at the tiller, another managing the sail.

We moored the boat on Menemsha Pond, actually a fair-sized lake, and began to practice the elementary maneuvers learned from a book and to enjoy sails on the pond. Joel’s enthusiasm started at once and only grew stronger with time. We decided to enter one of the weekly races on the pond. Because the boats in the race were of different sizes and classes, the races were run on the basis of handicaps. The smaller and, in principle, slower boats were given larger handicap advantages on a system worked out by the committee of neighbors who organized the races. In our first race, as you can imagine, we were far from brilliant. Still we managed to maneuver across the
starting line without being disqualified and then to sail around the course. At
the finish, we were next to last across the line or perhaps last, but at least we
had finished. We turned to sail back to our mooring, but were hailed by the
committee boat. “Hang around and find out how you came out.” So we
circled for a time, and then came the announcement. After the handicaps had
been taken into account, we had won the race. Joel was in seventh heaven.
Later the results were published in the Vineyard Gazette: “Winner, Hound Dog,
Joel Abramovitz, Skipper.”

Later, when Joel was perhaps 10 or 11, we sold Hound Dog and
bought a larger boat, which he named Geechee after one of his imaginary
animals, the Geechee Bird, a picture of which he painted on the stern. Geechee
was a sloop. Now we could venture out to Vineyard Sound, then sail along
the Vineyard coast or cross to one of the Elizabeth Islands, there to picnic or
swim. And now Joel was really skipper. He kept us up to mark. He always
wanted to get the most from the boat. Woe to us if we let the jib luff. By the
time he was 13 or 14, we felt he and Paul were not only competent, but had
the good judgment to sail the boat without me along. So they often went out
for the afternoon alone.

Joel’s time on the Vineyard by that time had become restricted. We
thought he ought to try summer camp. Joel was willing. He would have been
perhaps 10 or 11 during his first summer. With the help of a friend, we
found a very good camp called Killooleet in New Hampshire or Vermont, I
forget which. It was run by ? Seeger, the brother of the famous and, among
intellectuals, popular singer and guitarist, Pete Seeger. Joel loved it, and when
he grew older, he went back as a counselor.

Joel and Paul, however, continued to compete occasionally in the
Menemsha races. There was one notable triumph. On Labor Day each year,
there was a special race, and the winner was given the “Marjorie Dangerfield
Trophy” to be held for a year. The trophy was, in fact, just a cheap brass
statue of a Girl Scout. Anyhow, this special race was run without handicaps.
The larger boats had an advantage. On this particular Labor Day, we thought
the likely winner would be our friend Bob Solow, later an economics Nobel
laureate. Bob sailed a larger boat than ours, indeed a boat of a noted style,
and he himself was an avid and skillful sailor. On the day before the race, we
listened carefully to the weather predictions for Labor Day. They seemed
ominous to us; very strong winds were predicted. Would our boat with a
crew of three be heavy enough to stay fairly upright? I phoned Bob Solow,
saying: “Bob, I hear you have guests. Will you lend us one or two for the
race? “Not on your life,” he answered. “We need every pound we have for
our own boat.”

That’s how it stood when the race began. And, indeed, the wind has
heavy. Bob forged ahead. But as the race went on, the wind dropped. Now
Bob was overloaded; our crew of three was just right, and, with Joel at the
tiller, we sailed across the winners. After the race, we all beached our boats
and gathered for the presentation. Bobby, Bob’s wife, ran to Joel and threw her arms about him, exclaiming, “This was your finest hour.” What a wonderful day!

An important change took place in 1961 in our Martha’s Vineyard experience. Because we missed a summer on the Vineyard, we lost our claim to the rental of the Weckman cottage. We were impelled to buy some land and build a house. We found a wonderful site on the North Road in Chilmark on a hilltop with a sweeping view of Vineyard. There we bought 6 ½ acres, full of berry bushes—blueberries and blackberries—and a nice stand of woods behind the house site. There we had built a prefab house, which turned out well—a spacious living room, kitchen behind the living room, two bedrooms, two baths, and small space which we enclosed to make my study. We had a well and a cesspool dug and a road from the North Road to the house cleared. Total cost: about $36,000. Joel and Paul labored mightily the first summer to clear a large space around the house. There we lived summer after summer for 11 years.

We loved the place and enjoyed our summers and found it a good place in which to work as well as rest. As the years passed, however, the house became more difficult for Carrie to handle, cut off from it, as we were, for eight months of the year. And we began to feel confined. There could be no summer breaks such as people living in Boston or New York could have. It seemed to us also that Joel and Amy, when they became engaged and married, were but little interested. Not unnaturally, they had their own ideas about how to spend the summer. They seldom visited. Carrie especially pressed us to sell, and finally, with many misgivings, we did. The buyer was Franco Modigliani, an MIT economics colleague, and he and his wife, Serena, have had it ever since. The sales price gave us a good profit, but the big Vineyard real estate boom, when it came a few years later, made the place many times more valuable. Our sale was hardly a wise decision.

Our summer holidays, as I look back, were full of change, novelty, and, I hope, of interesting stories for the family to read. So I have given them much space here. But actually eight months of each year were spent at home, with only occasional breaks, and we both spent these months mainly at work. Carrie’s view of all this emerges in her essay in Appendix I to this chapter. I use the later chapter to tell about my work, but there are other things as well. The appendixes to this chapter follow immediately.
Chapter Seven, Appendix I

LOOKING BACKWARD

by Carrie Abramovitz

January 7, 1995

Yesterday I was asked to speak to a section of the Stanford Faculty Women’s Club. The choice of subject was up to me. Here I will try to tell you what I said with more personal notes added that I think will interest the family, the older ones now, the younger later.

I told the group that I would look backward over my 81 years and point to the major social and economic changes that affected me personally and the world about me and that I hoped would show how differently we live today. I said I was born in 1913, one year before the start of World War I, in a part of Brooklyn, New York, known as Brownsville. It was a quiet, low-income neighborhood. (Quiet is not a word to describe Brownsville today. It is now one of the worst crime-infested areas of New York City.) To get to our apartment, you had to walk up three flights of stairs. No central heating, only a coal-burning stove in the kitchen. No electricity; we used gas lamps. In the winter the kitchen was the only livable room. When one of us became ill, my mother tied together two wooden chairs and used pillows to form a bed near the stove. The healthy members of the family slept in unheated bedrooms under down comforters. The milkman, who delivered milk by horse and buggy, left unhomogenized milk with the frozen cream popped outside the bottle.

Cars were then beginning to be used but not by people of our income. When we visited our grandparents who lived on Hester Street on the Lower East Side of Manhattan, it was a long trip by trolley cars. In
emergencies faster transportation was available. It happened to us one day when a boy, chasing me down the steep stairwell, caused me to crash through a glass door. A deep cut on my forehead bled profusely and an ambulance was called. I was so excited by seeing this new vehicle that I exclaimed: “Mama, we are riding in a car!”

Another memory comes to mind. Close by to our apartment building was a blacksmith’s shop. I remember watching with fascination while he shoed a horse. Also nearly were the tracks of the Long Island Railroad. By 1917 the U.S. had entered World War I. We children used to stand near the tracks waving to the troops on their way for training at Yaphank on Long Island.

When I was six years old, we moved to a better neighborhood and into a better apartment. We still had to walk up three flights of stairs, but we now had central heating, electricity, and a small refrigerator. Washing machines were not available. Clothes were scrubbed in a kitchen tub and hung out to dry on movable lines outside the kitchen window. A year or so later we moved to a better apartment close by. Jean was born there. We three girls shared one bedroom, Ella and I in a double bed and Jean on a nearby cot. It was close quarters but somehow we managed to fit into one corner my most valued Hanukkah gift—a small roll-top desk with chair.

Elementary school P.S. 167 was several blocks away. Strict discipline was the order of the day. The children were of mixed backgrounds—Jewish, Irish, and Italian. Teacher’s word was law to all—children and parents alike. Rowdyism in the classroom and halls was unheard of. We marched into the classroom quietly, sat with folded hands at our desk, until teacher started to work of the day.

A major change occurred midway in my elementary school education when I was transferred to a new school, P.S. 189. Dr. Fichandler, our new principal, was of a new order and a revelation to us children. He announced that he expected us to act as ladies and gentlemen. He never used the world “children.” No strict silent marching into the assembly hall. We were to walk in quietly, talking if we wished, and take our seats as “ladies and gentlemen.” I loved that school, especially since Dr. Fichandler was an accomplished pianist who played classical music for us at assembly time.

Our new apartment was also within walking distance of the local Carnegie Public Library—a place I became so addicted to that more than once I was scolded and even whipped by my mother for getting home later than I was expected. Just too many good books to read and we were allowed to take out only two books at a time, one fiction, one nonfiction. Remember there was no TV, no radio, and only quite a long time later did we get a telephone in the apartment.

The children were kept busy. We attended Hebrew school five days a week and Sunday school to top it off. Our daily playground was mostly the
sidewalks in front of our apartment building. And let me not forget that when I was about eight years old we got our first piano, a small Steinway upright. I loved that instrument and my lessons, and I continued to take lessons all through my college years—even when I was working on Saturdays at the Lord & Taylor department store to earn my weekly spending money—$4.50 for an 8-hour day’s work.

I am getting ahead of myself. By the time I was ready for high school, our father’s business had improved and so we were able to move into a comfortable apartment in a two-family house on Carroll Street. It was a long way from Erasmus Hall High School, and to get there I had a 10-minute walk to a subway, a half-hour trip underground, and another 10-minute walk from the station to the school.

Erasmus Hall, first started as a private school by the Dutch Reformed Church at the end of the 17th century, later became one of the best public high schools in New York City. Its standards were high, and we students worked hard. I modestly admit that I became an honor student and graduated in three years because of advance placement. My love for French began there. From the first day in the beginning class our teacher, Mr. Rosenthal, spoke to us only in French, a language I have continued to enjoy and study to this day. My two years of Spanish were less rewarding. It interested me less than French.

Busy as I was with schoolwork, I also loved sports and somehow got good enough to make the girls’ field hockey and basketball teams. In swimming I managed to earn a Junior Life Saver’s certificate. In intermediate algebra, I first met Moe, whom I already knew about. He had gained distinction by becoming a member of the Erasmas Hall debating team. We were then acquaintances not friends. All that changed wonderfully when we met again in graduate school at Columbia University.

I am getting ahead of myself once more. In my final years at Erasmus I earned a Regent’s scholarship which entitled me to $300 a year, enough to pay for my tuition at Cornell University. But I never got there. My parents strongly opposed my leaving home and so refused to finance housing and traveling expenses at Cornell. I resented this bitterly, and it long remained a source of tension in the family.

So college meant the College of the City of New York, Brooklyn branch, which after two years became independent, Brooklyn College. Academically it was no disgrace to go to Brooklyn College. To qualify for entrance, your high school average grades had to be at least 85. Today, entrance requirements are much lower. Anyone with a high school diploma can now enter a city college. This, as is well known, had led to serious problems, including large numbers of students needing remedial help.

Today Brooklyn College is located in a pleasant residential neighborhood, and it has a very attractive campus. How different from my
Brooklyn College of 1929–32! Borough Hall in Brooklyn is and was a business area. Our college was confined to several floors of the Manufacturers’ Trust Co. building. We were crowded and had no library worthy of the name—just a single narrow long room that contained mostly textbooks. So we students turned to the Montague Street Public Library several blocks away. On Saturdays after working at Lord & Taylor’s department store on Fifth Avenue as a salesclerk, I used the New York Public Library late in the evening preceded by a 25-cent dinner at a nearby Child’s restaurant. At 10 P.M. when the library closed, I took the subway for an hour’s ride back home in Brooklyn.

I believe I had a good education at Brooklyn College although the programs offered and the professors who taught us were not, as a whole, on the level of those teaching at Harvard or Yale or Swarthmore. I remember Dr. Clarkson’s excellent course in American history. Dr. Slochower opened our eyes to a world of postwar European literature that made a great impression on me. Dr. Morgan thrilled us with her reading of Chaucer in Old English. Constitutional law became alive to me. Economics, which I excelled in and for which I won the Adam Smith Medal upon graduation, was not as well taught as I then thought. What I had to learn about economics had to wait until graduate school at Columbia.

At this point, I digress a bit and talk about safety in the streets and on transports in New York City. Beginning with my years in high school, then in college, and later at Columbia University for graduate work, I walked and rode through New York City at all hours of the day and night—and without fear even in poor neighborhoods. Yes, we heard about gangsters who flourished during Prohibition days. But theirs was a different world that did not touch ours. Violence, drugs in the schools and in our neighborhoods? These were not then daily occurrences in our lives. In my college years, I used to saunter alone and at ease over Brooklyn Bridge to Manhattan feeling very poetic. Many nights I returned home late from an evening at the Civic Repertory Theatre on 14th Street (25 cents for a seat on a wooden bench) or from Carnegie Hall. Eva Le Gallienne was doing one Ibsen play after another; I heard Menuhin play when he was still a young boy. And the museums meant so much to me, especially the Brooklyn Museum of Art and the Metropolitan in Manhattan. Both were visited many times, and to get to them there were, of course, always long subway rides, long but not fearsome. That is not so today.

But let me turn back again to Brooklyn College. I entered in 1929 at the beginning of the greatest depression this country has ever known. By 1932 the unemployment rate was 25 percent of the labor force. After graduation I was asked to teach a night school class given to students who worked during the day but who still were determined to continue with their education. I did this for one year. The second year I had a daytime program and this involved 15 hours of lecturing in three different subjects. After class
I took the subway to Columbia, attended graduate classes and worked in the library until 10 P.M. The inevitable and unavoidable subway ride home to Brooklyn followed on. Young as I was, that year was too exhausting, and so I was elated when Columbia awarded me the Gilder Fellowship in Economics. This meant that I could give up teaching at Brooklyn College and all the strain that teaching there involved. For the first time in my life I had a room of my own at Johnson Hall to sleep and study in, and I could walk not ride to the library and to my lectures in nearby Fayerweather Hall. What luxury!

Columbia gave me my real start as an economist. There were only three women graduate students, a very small minority in a profession that only recently has begun to change significantly in this respect. We still had competition to meet, and it was then I learned how hard I had to work to keep up, if not match, my fellow students at that time. There were Moses Abramovitz, Milton Friedman, and Allan Wallis; Allan later became president of the University of Rochester. Aside from their native talents, which were considerable, all the men came better prepared than I was in economics.

In 1936 Moe left New York to become an economics instructor at Harvard. In 1937 we were married and moved to 31 Concord Avenue in Cambridge. In Boston we bought the baby grand Steinway, which was my parents’ wedding present, and we still have it. We were serious students. Our honeymoon was delayed a year, during which time we rented a summer cottage in Maine and worked there on our doctoral theses.

My first important confrontation with discrimination against women in the job market occurred in Cambridge. I heard that Wellesley was looking for an instructor in economics. I applied, believing that I was well qualified. I had passed the Ph.D. exams at Columbia and I had teaching experience at Brooklyn College. “Well,” I was told by an eminent Harvard professor (male) who interviewed me. “Sorry, but Wellesley wants a man for the job.” Not by choice, I then turned to working full-time on my thesis, “Wage Differentials Among Unskilled Labor,” which Columbia accepted.

My work experience was different in 1938, when we returned to New York City where Moe joined the National Bureau of Economic Research. I applied for a job at the New York City Planning Commission and got it. The work was interesting and hard, but I felt accepted as one of two economists among many engineers. Our boss was Rex Tugwell, a noted New Dealer and a member of Roosevelt’s brain trust. With two incomes, we were able to hire a woman who did our marketing, cleaned our apartment, and served our dinners. Today with comparable incomes, so much service at home would be difficult if not impossible to afford.

Even by 1939, unemployment was still high although lower than at the depth of the Depression because preparation for World War II had stimulated economic activity. Apple peddlers were still on the streets. The Nazi takeover in Europe caused a large number of Jews to flee to this
country. Many were from professional classes. I remember an Austrian lawyer who knocked on our door from time to time offering grocery goods for sale.

In 1942, when the U.S. entered World War II, we moved to Washington, D.C. I then faced another experience of prejudice against professional women. I applied for a job at the Federal Communications Commission. My interviewer, an old-timer in the Civil Service, told me that despite his acknowledgment of my qualifications, I would not be hired except for the fact that with the war on male applicants were in short supply. I should add that after about six months my interviewer came to my office to tell me that he thought I was doing my job well! After two years at the FCC, I joined the U.S. Bureau of Labor Statistics as editor in the wage analysis division. There were many women working in that agency, no doubt because its forerunner was the Women’s Bureau, organized and run by women who became outstanding researchers.

Washington, D.C., during the war years was not devoid of serious social problems. Although unemployment had decreased, discrimination against Blacks was especially evident even in the armed forces. There were protests but, on the whole, they were still not strong and they were peaceful. The streets and parks were safe to walk about in and enjoy. Today Washington is among the most violent of cities. Drugs, murders, and poor education, especially among Blacks, are still part of the current scene. On the plus side, the civil rights of Blacks are better protected, and qualified professional women do not face discrimination. It remains to be seen whether the projected cuts in the size of government will in the future affect women more than men.

In Washington Moe first worked at the War Production Board, but after his induction into the Army he was assigned to the Office of Strategic Services (OSS) and remained there until he went to Paris and Moscow as a member of the Reparations Mission. Sometime in 1946 or early in 1947, he returned home. We then moved back to New York City and took an apartment on West 86th Street in Manhattan. Moe completed his work on Inventories and Business Cycles, which he had started at the NBER before the war. When Stanford offered him a professorship in the Economics Department, a new era opened up for both of us.

So in 1948 we packed up again, rode across the country for the first time and settled down in Palo Alto. After 12 years of marriage, 543 West Crescent Drive was the first home we owned. There was one exciting year away in Paris in 1962–63, where Moe worked for the Organization for Economic Cooperation and Development (OECD) and Joel, then age 12, attended the American School in Louveciennes. I, already started on my second career as an artist, enrolled in an art history course designed for the further education of French teachers in that subject. The lectures, of course, were in French. I was the only foreign student in the class. Thank you, again,
Mr. Rosenthal for my good start in that language!

I turn back again to 1948. When we arrived in California, I was then an economist although not gainfully employed. After 12 years of marriage, Moe and I wanted to have a family. We had set this aside during World War II waiting for a more secure time in our own lives. Finally, on July 19, 1950, Joel was born and my outlook on life changed. During all my adult years I had worked at various jobs. Now I was eager to enjoy being a full-time mother for as long as this seemed right for Joel, Moe, and me. And so it was for three years. When Joel started preschool I knew I had to face up to another decision.

At that time Clark Kerr, later Chancellor of the University of California, was starting a major study of social insurance. Until then, including the years of deepest depression, unemployment and other social miseries were largely handled by private agencies. Kerr’s study aimed to lay the basis for a nationwide government program. He offered me a very attractive job, but it would involve traveling daily to Berkeley from Palo Alto. With a young child at home I felt this would be too disruptive. I turned Kerr’s offer down and remained at home.

The strong desire for an independent professional life stayed with me. I had always been deeply interested in the arts but only as a viewer. I continued to play the piano but I was, and knew I would always be, just an amateur. After much self-questioning, I decided to learn to be an artist. I knew this would not be easy. I gave myself five years to find out whether this decision was the right one for me. It turned out to be so.

Not infrequently I am asked: how is it possible to switch from economics to art? The two seem to be so dissimilar! My answer is that they hold a lot in common. My training as a social scientist taught me that it takes a long time to achieve competence in three critical areas: (1) the historical background needed to understand the development of the subject; (2) the tools needed for proficient practice; and (3) probably the hardest, the development of a personal point of view. All these requirements are as important to an artist as they are to an economist. And so, now at age 81, I can say I was an economist for 15 years and an artist for 40. I hope I can continue to work, for that gives meaning and purpose to one’s life.

Stanford, California
We are going to have a short program in remembrance of Carrie, and I am going to talk for some minutes about my own thoughts. I begin, however, with thanks to all of you for being here and so for showing your own regard for her.

My plan is to say something about the sort of person I think Carrie was and what I think her life was like. Then three of Carrie’s closest friends—Leah Chodorow, Bernadette Inkeles, and Charlotte Siegel—are going to tell us their views of Carrie. And after that I shall ask whether there are others who would like to add something of their own recollections.

I can best develop my views if I give you a brief sketch of Carrie’s life and how she lived it. Carrie was the second of three daughters of Abraham and Sarah Glasser. They came to this country from different Jewish stetl, small Jewish communities, in the neighborhood of Kiev. They faced and overcame the hard life of immigrants in that time of mass immigration. But they never lost the traditional beliefs of their origins. And that included traditional views about the proper role of women, a fact that had an impact on Carrie’s life.

Carrie was born in Brooklyn in 1913 and, as she grew up, she went through the public schools of that borough. When she was graduated from elementary school, she chose to attend Erasmus Hall High School, then a well-regarded old school with a long tradition running back to an 18th-
century private institute. Since I was also a student, some friends have thought of us as high school sweethearts. Not so! I was a year ahead of Carrie, and we never really met. I was aware of her, however, for a reason that tells us something about Carrie. When we were students at Erasmus, the student body was changing its composition. The school had long served a population of well-established white Protestant families. But now many Jewish families had become prosperous enough to live in Flatbush. The two groups of families did not mingle, and that was also true, for the most part, of their high school–age children. At Erasmus, for example the student body elections had come to be contested by a Protestant party slate competing with a Jewish slate. But in our time, more liberal views were creeping in, and Carrie’s reformist personality showed itself. She ran for office as vice president of the student body General Organization on a third-party ticket of mixed Jewish and non-Jewish origins—which was, indeed, elected. And pictures of the candidates included Carrie’s. I saw them, and to that extent, I became acquainted with her.

After high school, Carrie went on to Brooklyn College, an offshoot of the City College of New York. She started in that fateful year, 1929. The Great Contraction and all it meant for people left its mark. She decided to study economics. She became a socialist of the Norman Thomas variety. She got summer jobs working for the Amalgamated Clothing Workers, Sidney Hillman’s union. Helping in the union’s organizing work, she spent two nights in jail in Utica, New York. She spent a summer with the League for Industrial Democracy and went with them to West Virginia to help the United Mine Workers organize the workers in that state.

Graduated from college in 1933, she decided to go on with economics and to enter the Columbia Graduate School. And here she came into conflict with her parents. They regarded further education as excessive for a girl. She was already qualified to be an elementary or high school teacher. Any more education would be a danger to her chances of marriage. In their minds, professional women were mostly old maids. Intolerable! They refused to support her in graduate work.

Undeterred, Carrie went ahead. Brooklyn College gave her an instructorship—and what a job it was! Fifteen classroom hours each week, three different subjects. So her normal day involved a morning of teaching, a 45-minute subway ride to Columbia, an afternoon of Columbia courses and reading, an evening of preparation for tomorrow’s classes in Brooklyn, and then the 45-minute subway ride back home. And this went on for two years. Her health suffered. For her third year, however, she won a fellowship. She could give up her Brooklyn College job and live in a women’s dorm at Columbia.

Meanwhile, Carrie and I had met. She came to Columbia in 1933; I
was a year further along but soon encountered her. It took some time, but we fell in love. Milton Friedman will remember those days. We wanted to marry, but few graduate students in those days were bold enough for that. Would one ever find a job? That changed in 1936. Once I had finished my Columbia courses, Harvard took me back to be an instructor. We were married in June 1937, and our wedding revealed another aspect of Carrie's personality and outlook. She would not have a diamond engagement ring; my mother was upset. She offended an older cousin when he bought us a glorious set of sterling silverware. Please, we would prefer to have something less showy—silver plate would be better. And we distressed her parents and my mother because we would not have a large wedding. We were married in her parents' living room—12 guests.

Carrie meanwhile had continued her graduate study, working now on a dissertation. She won her degree in 1940. There followed a succession of jobs: for the 20th Century Fund as the co-author of a book on labor and the government, on the New York City Planning commission under Rex Tugwell, and for the New York City Institute of Public Administration to help prepare a book on Trends in the New York Clothing Industry. In those days, when she phoned people in the industry, their greeting was always the same: "Hellooo Dollink." She learned that the trade spoke of dresses in two classes: those that sold at wholesale for $6.75 and up and were "creations"; those that sold for less were "gorgeous little numbers." During the war and for a time after, she worked in Washington, first at the FCC, then as an editor of the Monthly Labor Review of the Labor Department.

We returned to New York in 1947, and I rejoined the National Bureau of Economic Research, where I had worked before the War, partly to direct the program on business cycles, partly to finish my book on Inventories and Business Cycles. But I was eager to have an academic post, and when the word got around, I had invitations from Yale and Stanford. Which to choose? I favored Yale; I knew little about Stanford. At Yale, I could continue my work on business cycles at the NBER. Carrie settled matters. She felt under pressure from both her mother and mine. They complained early and often that she was neglecting them. She said: "We have to leave New York." I replied: "All right, we'll live in New Haven." To which she made a deathless answer: "Ninety miles are not enough." We went to Stanford. Carrie never looked back, and after some years, I lost my nostalgia for the East. Stanford transformed itself from a largely undergraduate institution into a great research university. I had wonderful colleagues: Tibor Scitovsky, Bernard Haley, Ed Shaw, Lorie Tarshis, Paul Baran, Ken Arrow—people and names familiar to many, perhaps all of you. And we found a circle of warm friends whom we grew to love and value. Some are still here in this room. Neither Carrie nor I can be said to be gregarious or particularly convivial, but we were devoted to our more intimate friends, and they gave us many interesting and happy years.
By 1950, Carrie’s life took a sharp turn. Our son, Joel, was born, and for three years Carrie stopped all work that would distract her and take her out of the house. She gave herself completely to the job of giving this long-awaited child a good start. And after that, she decided to try a very different sort of life: she would make herself an artist. During summer holidays, she had amused herself, dabbling in watercolors and Plasticine heads and figures. Now she would tackle the job seriously. I tried to warn her: she had no background; it would take years to develop her own style and to produce interesting results; and even then, the world of art was very chancy. Few budding artists ever enjoyed even a modicum of public response; she might well end up working for herself alone. She would not be stopped. She took one or two courses simply to learn the basic techniques: how to stretch a canvas; how to apply the gesso; something about color, etc. For the rest, she was self-taught. She began to look at art more thoughtfully and analytically: composition, palette, light and shade, etc. And she worked: first in painting, both oils and watercolors. But her real talent only emerged when she turned to sculpture. She carved in wood and slate; she made models in clay, which sometimes were baked but more often were turned into molds to be cast into pieces in bronze or cast stone. Slowly her sculpture won some recognition, and her pieces were collected in a New York museum, and came to stand in many places in Stanford and Palo Alto and in private collections in this country and in Europe.

Spinal troubles that began about 10 years ago and a spinal operation with limited success brought her work to a final stage. She could no longer swing a mallet, and like Matisse she turned to collage. Examples of her work are all around our house and now in the Cantor Center.

Carrie was still working in the early summer of this year, and then she became increasingly weak and could do no more. So, as I look back on her life, I remember that she had some difficult years. What stands out for me, however, are the many good years. We had a long life together, and for Carrie the years were filled with satisfying work: learning to be an economist, taking part in interesting research, and, most of all, teaching herself to be an artist, practicing her craft and, without the help of salesmanship or agents, winning a satisfying degree of recognition. We were able to travel, and we did in both Europe and Asia, and we enjoyed many long summers, first in Maine, then on Martha’s Vineyard. We raised a bright and active boy who went on to do us proud. We have lived with a goodly circle of intimate friends. And we had each other to love and care for. But mainly I have been trying to tell you that she was a woman of independent view, who, with courage and determination, faced risks and opposition and overcame them.

In her last months, Carrie became increasingly weak and dependent, a condition she resented; it depressed her. But the crisis, when it came, was both swift and peaceful. In a few hours, she was gone. So, much as I miss her, my dominant feeling is not grief, but gratitude and satisfaction in her
long, and, I think, peaceful and fulfilling life.
POEM IN HONOR OF OUR 25th ANNIVERSARY,
June 23, 1962 (but delivered on June 6, 1962)

by Moses Abramovitz

I
Oh, Carrie, when you married me
Did you know how it would be?
Did you see the future clearly
When you swore to love me dearly?

I’ll bet you thought that life with scholar
Would be gay—a bright new dollar
Live with wit, each phrase a-wing
The house with careless laughs a-ring.

Or did you guess I’d oft be blocked,
Storm about like one half-crocked?
Or slink away in spirit rheumy,
Mumpish, dumpish, sullen, gloomy?

Did you see that I’d be liverish
When my sentences seemed jiverish,
And curse the day that I was born
To grub in facts and turn out corn,  
Wish ourselves to regions far  
And anyplace but where we are?

Carrie, if you really knew it,  
Would you choose and still go through it?

II

Carrie, darling, as for me  
I never guessed how it would be.

The girl I wed, to tell you true  
Seemed often dressed in stockings blue.  
Beguiled me less with fetching ways  
Than with tales in Labor’s praise  
Enticed me, yes, to sportive larks  
But ringed with talk of Smith and Marx.  
Well—perhaps there was a certain moue,  
A certain mien and cast to you  
That might have caused some boyish thoughts  
To wander down to livelier ports.  
Still they hardly served to get me set  
For the change in you, my pet.

Smith and Marx? On them a pox!  
Cast them out upon the rocks.  
Labor’s state? The Nation’s future?  
Sew ’em up! Prepare a suture!  
Why be rapt with Herbert Hoovier?  
Turn your thoughts to someone groovier.

Manet, Monet, Rivera, Orozco  
Hoffman, Kandinsky, Klee, and Kokoschko.  
They’re the boys to stir the blude  
Up with Avery! Down with Wood!  
Let’s be Mooreish, let’s be Arpish,  
Fie on critics who are carpish.  
Split those rocks, tote that bale,  
Stir that plaster in the pail.  
Carve that wood, spread that paint:  
What do those guys have that my gal ain’t?

Friends, if you’ve a wife who’s pensive,  
If she’s just a bit intensive
If she walks in spirit mood-io,
Don’t stand idle! Build a studio!

Carrie, now that I’ve been through it
Would I, if I could, unglue it?
Am I sorry, do I rue it?
Can’t you guess? I don’t dare shew it.

III

Carrie, when we married us
The heavenly angels raised a fuss,
Called to God: “Upset those mortals,
Before they come to Peter’s portals.
By right and duty, a pair that’s hitched
Ought to each other to seem bewitched;
From their seeming first condition,
Altered out of recognition.”

And God, He said: “Why, sure, those sillies,
Give ’em fits! Give ’em willies!
Let’s just see if they can take it
When their youthful passion’s slake-it.”

Still, here we are, no few years later
No whit wiser, no whit sater
A little shaken, a little dafter
Ready to toast what comes hereafter.

And if one asks: How came you through it?
We say, OK; but how’d we do it?
A Harvard Prelude

We were now located in New York, and in late September 1938, I began work at the National Bureau. But first, I must record briefly our experience at Harvard that preceded it. You will recall that on completing my graduate work at Columbia, I returned to Harvard as an instructor and tutor in 1936. I spent the first year on my own; then, following our marriage, Carrie joined me there. We lived in a comfortable little apartment at 31 Concord Avenue, near the Radcliffe Yard.

It turned out to be an unsatisfactory time, which brought each of us into our only serious confrontations with discrimination. For Carrie it was a brush with what would now be called “sexism.” She heard that Wellesley was looking for a young instructor. She thought correctly that her graduate work and teaching experience qualified her. She appeared for an interview, which was conducted by John Dunlop, a Harvard professor. They reviewed her background, and, he conceded, she was qualified. And then he told her, with expressions of regret, that her application could go no further. Wellesley, a women’s college, wanted only a male.

My own problem was an example of that anti-Semitism that still infected Harvard and most other universities. During my time back at Harvard, I had taught Ec A and a course in Labor Market Economics, and I had tutored a full quota of economics majors in my tutorial rooms in Dunster House. I thought it had gone pretty well.
To this I should add the tale of an amusing development. When I returned to Cambridge in September 1937 together with Carrie, I was told by the department chairman that my salary, then $2,500 a year, would be raised by $200. And then he carefully explained that that was not because, as a married man, my expenses were higher. It was because I was married that he could add Radcliffe girls to my list of tutees. Needless to say, the relation of women to men has since changed radically. Harvard and Radcliffe are now fully merged. Women and men are now equally Harvard professors and Harvard students. The days when Radcliffe girls were thought to be at special and intolerable risk if they met an unmarried tutor have long gone.

In the spring of 1938, I received another summons from the chairman. He received me cordially, and after the usual preliminary politenesses, he explained that it was time we discussed my future at Harvard. His opening was itself a warning about what was to come. “Now, Moe, we are both men of the world.” And then he went on to say that I had done well. I had a promising future. “But you must understand; we could not promote Jakey, so you must not expect to stay on here.” I had formed no such expectation, but I understood perfectly. “Jakey” was Jacob Viner, a truly notable economist. He had done brilliant theoretical work early. He was Taussig’s favorite student. Clearly, Harvard’s president at the time was a bar. He would not accept the appointment of Jews, something widely whispered. They might be scholars, but, by Lowell’s Boston Brahmin standards, they could not be gentlemen. So all this was hardly a complete surprise. But my chairman’s quiet but open expression of anti-Semitism was a shock.

I have often wondered whether it was not really a subtle way of ending my appointment without saying that I simply had not measured up. Perhaps, but that could hardly apply to Viner, who went on to do brilliant work, and who ended his career as a colleague of Einstein at the Institute for Advanced Study at Princeton. Had a Nobel Prize for Economics existed at the time, he would certainly have been a Nobel laureate.

So I left the interview knowing that I had to make plans to move. My opportunity was not long in coming. Later that same spring, I appeared again at Columbia for the defense of my dissertation, the last step on the way to the doctorate. The committee was chaired by Wesley Mitchell, the man whose course on business cycles I had dropped six year earlier. It made no difference to the examination. Apparently, I passed easily. Indeed my thesis won the Seligman Prize for the best of the year. When the committee adjourned, Mitchell asked me to stay behind. He wanted to ask me whether I would be willing to join the National Bureau to work with him on the Bureau’s business cycles project. My salary would be $3,500 year, a thousand dollars above my Harvard salary. In my circumstances it did not take me long to decide. In a couple of days he had my answer. I would be delighted. So now, after our first summer in Maine, Carrie and I moved to New York.

I can guess now how the Bureau appointment had come about. My
friend Milton Friedman (see Chapter Six), had just joined the Bureau with an appointment like my own, but to work on another subject. Milton was a friend and also the favorite student of Arthur F. Burns, at the time Mitchell’s chief assistant, who was already the really effective head of the business cycles work. My guess is that Milton became aware of Burns’s interest in finding an associate for business cycles to work especially on the cyclical role of inventories. My dissertation included a chapter on inventories. So he probably told Burns, and then events took their course.

New York

We settled in New York in an apartment on Riverside Drive near 116th Street. It was a lucky find. The apartment itself had its virtues but also its drawbacks. It evidently represented space hacked out of an older large apartment. So the kitchen had been adapted from an old hallway. There was no second bedroom. We could not have an overnight guest. The “dining room” also was old hallway space. On the other hand, there was a living room with windows looking out over the Hudson River and Riverside Park, and there was an alcove also looking to the river. It had space for a desk and made a pleasant place to work. The location was ideal. A short walk up a hill brought us to Broadway, to shopping, to the IRT subway, and to Columbia. The rent was $90 a month. We were well content. And when Carrie also found a job at the New York City Planning Commission, we were on financial easy street. Two incomes, no kids, DINKS.

We had a housekeeper and cook who came in at 2 P.M., cleaned up, shopped, prepared dinner, and washed up. We could have dinner guests. We traded in our old second-hand Ford and bought second-hand roadster, a Buick. Parking on Riverside Drive was forbidden, so the car was housed in a parking garage. A phone call brought prompt delivery to the door, and if we came home late in the evening, we could pick up a driver at the garage who drove us to our apartment—all for an inclusive price that today would be unbelievably cheap. All these were the joys of having jobs in a still deep depression. It was a terrible time for most people.

At the Bureau

At that time, the Bureau headquarters was an upper floor of an office building at Broadway and 59th Street, on Columbus Circle. Central Park opened up just across the Circle. For me it was a short subway ride from 116th Street. Carrie had a somewhat longer trip to the Municipal Building downtown, adjacent to City Hall.

When I started, I soon discovered that, in one sense, the business cycles work was already in an advanced state. Its history went back to Mitchell’s classic book, Business Cycles, published in 1913. This was a very
large volume, and it presented the first truly comprehensive empirical and quantitative investigation of the subject. Its very title suggested what was still a relatively new idea: that business fluctuations were truly cyclical, that the structure of capitalist economies and the modes of behavior of businessmen, workers, financiers, consumers, and savers, and the incentives to which they responded were such as to produce business expansions that led to a peak and then to contractions which, in turn, created conditions that produced troughs and renewed expansion. That was Mitchell’s vision. It has remained controversial to this day.

Mitchell’s 1913 volume had four parts. The first was a review of older theories and speculation. The second presented a description of the “business annals” of four countries: the U.S.A., Great Britain, France, and Germany insofar as they referred to business fluctuations. The annals themselves were built on what the business and financial press of each country revealed year-by-year about the state and direction of change of business activity. The annals enabled Mitchell to make a preliminary table that identified the peak and trough years in each country going back to 1890, but no further. It was a very rough, but useful, procedure. It provided a framework within which a description of the activities of the several sectors of the economy: production, distribution, consumption, saving, finance, prices, interest rates, etc., could be cast.

This was the subject of the third part. In it Mitchell gathered the available statistical records of each activity, for example, for production the size of the crops of cotton, wheat, corn, oats, the slaughter of cattle and pigs, etc., and the output of pig iron, steel, textiles, clothing; for distribution, department store sales, chain store and mail-order sales; for finance, the issues of stocks and bonds, bank loans. Then came prices of all sorts and records of labor earnings, interest rates, stock prices, etc.

For each statistical series, Mitchell made a standard set of measures. Each series was corrected to eliminate the influence of seasonal factors. Then Mitchell determined the dates when the series reached cyclical trough levels and cyclical peak levels and then whether these dates (“specific cycle” dates) preceded or followed the “reference cycle” dates when the annals indicated a general trough or peak in business activity. And he calculated the average length of such leads or lags. Then came measures of the “amplitude” of a series’ fluctuations. Was this activity one whose fluctuations were relatively mild, like those of food store sales or severe like those of pig iron production? And finally, there were measures of “conformity.” Did a series typically move together with or against the movement of general activity? Or was there no regular relation? He did all this as well as he could for all his four countries.

And finally the fourth part. Some might call this Mitchell’s “theory” of business cycles. Mitchell was more modest. He called it an “analytic description.” In any case, here Mitchell tried to show how the typical
development of the various activities during a business cycle expansion, which at first produced the added employment, incomes, and consumer spending and the profits prospects that induced increasing expenditures for capital goods, later gave way to developments that brought the expansion to a halt and produced conditions that caused general contraction. This, in turn, gathered strength but, after a time, weakened and led to developments that stopped further contraction and returned the economy to renewed expansion. It was this analytic description that was the core of Mitchell’s vision of a self-generating general business cycle.

The book made a great impression on economists everywhere. But it was not the end of Mitchell’s work on business cycles. Mitchell knew better than his readers about the gaps and errors in the 1913 volume that reflected the limitations of the data with which he had to work. In the 1913 volume, in part because he was working almost single-handed, he depended almost entirely on annual data. Mitchell saw clearly that for the study of cycles that ran their course in four to seven years—and whose expansion and contraction phases were roughly half as long—annual data were far too coarse. Moreover, between the first decade of the century and the following years, far more and better data were rapidly becoming available, partly by the efforts of the Federal Government spurred by its needs in World War I, partly from the trade associations that spread rapidly in the 1920s, and partly from the studies of economists and statisticians. In the early Twenties, there appeared the first estimates of the real, as well as nominal, levels of national income covering a significant number of years. Mitchell was determined to redo his earlier work and, so far as possible, make good its deficiencies.

His chance came with the establishment of the National Bureau of Economic Research in 1919. This was the fruit of the enterprising efforts of Mitchell himself, with the help of other economists, notably Edwin F. Gay, who had been involved in improving and using the data the government needed to conduct the War effectively. They secured the financial support of the Rockefeller Foundation, which was attracted by Mitchell’s conception of the Bureau. It was to be a grouping of economists and statisticians who would work together, helped by an adequate staff of assistants, to determine as objectively as possible the quantitative evidence bearing on important aspects of economic life. To safeguard objectivity, there was to be a broadly representative board of directors consisting of members nominated by other representative institutions: the American Federation of Labor, the National Association of Manufacturers, etc.; the American Economic Association, the American Statistical Association, and other learned societies and leading universities. There were also members at large, notable people chosen by the board itself. The board, advised by a director of research, who was Wesley Mitchell for 20 years, would determine what research studies to undertake. They would review every proposed publication in part for quality and in part to enforce the Bureau’s own self-denying ordinance: the Bureau’s publications would take no political position on any issue or include any
recommendations about policies to which some might think the studies led.

The first Bureau study thus approved was to be an attempt to estimate over a number of years the size of the total national income. The second study was Mitchell’s own proposal to make a new study of business cycles. Mitchell now had the funding to support collaborative work and to obtain the help of a number of research assistants to compile data and make the necessary calculations. Mitchell started with the collaboration of two still young men hardly out of graduate school, who later would be well known to fame: Simon Kuznets and Arthur F. Burns. Kuznets, however, was soon drawn to other Bureau work. With Mitchell’s encouragement, he undertook to revise and extend the Bureau’s earlier work on national income and to go on to estimate the gross national product as the total of all expenditures on “final products”: household consumption, business capital formation, government expenditures for labor and capital, and the net balance of exports less imports. Soon he was hired to advise the Department of Commerce, which was then (about 1930) starting the work that produced the official series of national income and GNP that are now well known to the general public and that have become a central element in the formation of government economic policy. This left Arthur Burns, who soon became, in effect, something tantamount to the “executive director” of the Bureau’s business cycles work and year by year more influential in shaping the substance of the work. Moreover, since he was working so closely with Mitchell, who was aging and slowing down in the Thirties, Burns gradually relieved him of some of Mitchell’s duties as director of research and administrator for the Bureau as a whole. These were developments portentous for the Bureau’s future.

Mitchell had embarked on his new business cycles work in 1922 or 1923. His goal, as said, was to revise and extend the work reported in his 1913 book. By the time I joined the work, in 1938, some 15 or 16 years later, much progress had been made. The data bank on which the whole study depended had been greatly enlarged and had come to consist almost entirely of monthly and quarterly time series. A corps of research assistants worked day by day to “analyze” the data, that is, to calculate seasonal correction factors and to make the Bureau’s new measures of cyclical behavior: amplitude, timing (leads or lags), trend factors, conformity. Mitchell had published what amounted to a revised and greatly improved Part One in a volume entitled *Business Cycles: The Problem and Its Setting* (1927). A new Part Two had been prepared by Willard Thorp and published under the title *Business Annals*. It carried the story well back into the 19th century and, of course, forward to the mid-Twenties. Using the annals but, still more, the new information about national income and GNP and many new comprehensive series that reported the output of manufacturing, construction, retailing and financial services, the annual “reference dates,” the peaks and troughs of general economic activity had been revised, and quarterly and monthly reference dates reaching back to 1870 had been
determined. On an annual basis, the reference calendar for the U.S.A. went back to the 1830s.

The core of the new work describing the cyclical behavior of major sectors and, to some extent explaining the major characteristics of that behavior, had gone a long way. Indeed Mitchell had prepared draft “chapters” dealing with the more important elements of the job. Thus there was an 850-page (typescript) chapter on production of all kinds, a 350-page chapter on construction, a 450-page chapter on prices. A book on *Stock Prices, Bond Yields and Interest Rates*, by Frederick Macaulay, had been published. There were also much shorter “chapters” on merchandising and inventories. It was this mass of material that confronted me in September 1938. My first months were spent absorbing it.

Fifteen years of work, many draft chapters, but Mitchell was not satisfied. Persuaded by Burns’s critical reading and his own conviction that the new drafts needed revision, Mitchell decided that he would need more help. Several research associates were to be appointed. That’s where I came in, and I was soon joined by Geoffrey Moore (later the head of the National Bureau and a commissioner of Labor Statistics), Allan Wallis (later president of Rochester University and a Nixon assistant in the White House), Thor Hultgren, and Ruth Mack. There were to be others.

In later years, I came to feel that Mitchell, in his never-ending search for more and more statistical series, was behaving like Dr. Seuss’s little boy, Peter B. Hooper, in *Scrambled Eggs*, who had decided to make the most perfect Scramble ever made. For this he needed the eggs of many, many different birds. Peter, like Mitchell, also decided “the job was too big for one man to do.” So he appealed to his friends from Fazaul, which was 2 miles or so from the North Pole. His friends then jumped into their catamaside and set themselves to gather the eggs of the Grice. “Which is a bird which lays its eggs in the ice, which they grabbed with a tool which is known as a Squitch, ’cause those eggs were too cold to be touched without which.” Mitchell, I thought, also wanted to make the most perfect scramble ever made, and Geoffrey Moore and I and the others were his friends from Fazaul.

My assignment, as said, was to study inventories, describe their cyclical behavior, explain their characteristics, and assess their impact on the general state of business. Judged by the size of Mitchell’s draft chapter on production—the chapter on inventories was only 65 pages long, the available materials being scant—it was a minor matter. We were soon to learn better.

Mitchell’s sample of inventories proved to be useful, when I got down to it, to distinguish the characteristics of different kinds of stocks, purchased materials, goods in process, and finished goods ready for sale by their owners. Their behavior could be understood, and their diversity suggested that the cyclical behavior of the total must arise from some
weighted combination of their different behaviors. That was the idea at which I arrived, not Mitchell’s. The sample on its face, however, seemed arbitrary and confusing. It consisted largely of such apparently miscellaneous examples as pig iron on the Lake Erie docks, and frozen and cured meats like briskets of beef. The closest thing to an important stock series was the stocks held by department stores. One might argue that these shared the nature of all three classes: purchased materials, goods in process, and finished goods.

Mitchell, however, had no data that represented the total stocks of the economy at large. These I found in Kuznets’s new book on GNP. Since “inventory investment”—that is, the expenditure by business firms on goods that were added each period to their inventories less the value of their receipts from goods they sold by diminishing their stocks—was part of total capital formation, GNP without inventory investment would be incomplete. Kuznets, however, made the necessary estimates using a variety of indirect evidence for those sectors in which hard evidence was not available.

Kuznets’s estimates showed total inventories, the stocks themselves, moving in conformity with general business activity but with a pronounced lag. Inventory investment, the net expenditures for goods added to stocks, however, moved in perfect synchronous conformity with business activity. On an annual basis, at least, they reached their own cyclical peak levels at the same time as general business activity and their own trough levels (when inventory investment was usually negative) also coincidentally with those of general business. More important, of the declines in total GNP during minor general business contractions, some 80 percent on average took the form of a decline in inventory investment. And even in major business contractions, when declines in durable goods (automobiles, etc.) and when construction and business investment in machinery and equipment were all more severe than in minor recessions, inventory investment still accounted for 40 percent or more of the contraction in GNP.

This was news to economists when my book was finally published after World War II, in 1950. And when my picture of inventory investment behavior was amply confirmed by the results of the Department of Commerce’s regular comprehensive surveys instituted in the Thirties, it became generally accepted. No longer did economists look primarily to construction and durable goods to understand general business fluctuations. Inventory investment came to the fore.

These findings were the most striking results reported by my 1950 book, *Inventories and Business Cycles*. It was a fat and heavy volume in which the estimates that reached these results, with the accompanying discussion, required only a minor portion of the space. For the rest, I went over the behavior of Mitchell’s sample inventories. I showed the significantly different behavior of these series when they were classified as extracted or purchased materials, goods in process or finished goods (all as seen by the business firms that held them), and I presented an explanation of the behavior of each
class and found a variety of evidence that supported my views. And I showed that the behavior of the several classes, when combined into a total with proper weights of their relative importance, was consistent with the behavior of Kuznets’s independent estimate of the total. This was my approach to a general explanation.

When my book came to be reviewed, it won wide praise both for its general findings about the importance of inventories and for the insight afforded by the classification of stocks into purchased materials, goods in process, and finished goods. But the book was also severely criticized, notably in a review article by Ragnar Nurske. He agreed that my classification of stocks was valuable and my explanation of the different behavior of the three classes well grounded. But he argued that my explanation of the behavior of aggregate inventory investment was inadequate and shallow because it did not trace the behavior of stocks to business expectations founded on the behavior of past sales and output and embody such data in a general model. I believe he was right. Following Lloyd Metzler, Nurske provided an example of such a model, which, when fed with the required data, worked well. So my book must be judged to have been only a qualified success. Later studies based on the Commerce Department surveys, which cover a more extended period, have confirmed my observations. So the book continues to be used, but the Metzler-Nurske approach has become the basis for thinking about the behavior of total inventories.

Between 1946 and my departure for Stanford, in 1948, I served as director of business cycles research at the Bureau. Arthur Burns, who had succeeded Mitchell as the Bureau’s overall director of research, was my boss. We did not see eye to eye about my future role. I was eager to begin work on economic growth, to gain an understanding of the long-term trends in the output and productivity of national economies and about their sources: the growth of population and labor force, capital accumulation, and the productivities of these factors of production. It was a subject still little studied, but I sensed that such basic matters were bound to become, as they did, of prime concern to governments and to people at large. Burns, however, was not ready to approve such a project at the Bureau. He considered that the historical data, running back into the early 19th century, on which such work would have to depend, were inadequate even for the U.S.A., to say nothing of other countries.

That was one reason. Another was that he wanted me to continue to work on business cycles and to continue directing the Bureau’s business cycle studies. We compromised. I would go on directing the business cycles work, but I myself would start a new study of “long swings,” fluctuations in the growth rates of general economic activity that repeated each other at intervals of about 20 years, compared with standard business cycles whose period was approximately five years. The “long swings” had been discovered by Simon Kuznets, so they are often called “Kuznets cycles.” For me this
was a chance to learn more about the longer-term history of growth rates. For Burns, it held out the prospect of gaining more knowledge of the major depressions or periods of protracted stagnation that were invariably the culminating event of each long swing. My tiff with Burns about my assignment, however, continued to rankle. It became one of the reasons why I began to look for an academic job in which I could define and pursue my own research interests freely. In the end, this brought me to Stanford.


With all this in hand, I published several papers that set out my understanding of the mechanism and causes of the long swings. It proposed an approach to the Kuznets cycles quite different from that of Kuznets himself. Kuznets’s view was based entirely on an analysis of the growth rate of a nation’s capacity to produce; it completely neglected the demand side effects of capital formation and productivity growth on people’s incomes and expenditures, and so had nothing to say about the two-way relations between growth of capacity and the demand for capacity. It had no place for the concomitant long swings of unemployment and idle capacity and their recurrent periods of renewed growth and of the reemployment of both labor and capacity. The role of major depressions did not figure in Kuznets’s
approach. My own view gave major depressions and long swings in demand a central role coordinate with growth of capacity and to the relations between the two. [Statement to Joint Economic Committee, U.S. Congress, “Employment, Growth and Price Levels, Hearings,” 86th Congress, 1st Session, Part II, Washington, 1959, pp. 411–66; “The Nature and Significance of Kuznets Cycles,” Economic Development and Cultural Change, vol. 9, no. 3, April 1961; “The Passing of the Kuznets Cycle,” Economica, New Series, vol. 35, no. 140, Nov. 1968.] Later, in the early 1970s, I prepared a long paper, “The Monetary Side of Long Swings”; I have never had a chance to complete it. It remains unpublished. All these papers have been republished several times both in the U.S.A. and in Europe, and the view of long swings they present has become the standard way of dealing with the subject. So this project was successful, but well before it had gone far I had left the Bureau and, together with Carrie, begun a new life in the West.
Mitchell, Kuznets, and Burns were the most notable economists and the most notable personalities not only during my time at the Bureau but at any time in the Bureau’s history from its beginning until now. Each in his way had a strong influence on me. I knew them from a time when my own beliefs were still forming. They influenced my substantive beliefs. They helped shape my views about how to conduct my own research. Their beliefs and their behavior helped me form my ideas about the goal toward which I should direct my own work. As said, they were influential. But, of course, my own personality, my sense about the nature and limits of my own is based mainly on my own recollections of my contact with them and of my long-ago careful study of their writings. I have not reviewed this written material, but I have reread a few selected articles and obituaries that describe and assess their lives and works. That applies mostly but not entirely to Mitchell.

I proceed by discussing them one at a time, and I bring in their relations with each other as seems appropriate and useful.

Wesley Clair Mitchell

I begin by reproducing the opening paragraph of Joseph Schumpeter’s obituary article (in Wesley Mitchell: Economic Scientist, ed. by A.F. Burns, p. 321):

Mitchell died on October 29, 1948—active to the last, “in
harness,” as he once wrote me he would be.¹ We mourn a character of singular purity, a fellow worker of firm convictions and at the same time of infinite gentleness, a teacher who was wholeheartedly devoted to duty, an incorruptible servant of truth who was impervious to all temptations, even those subtle ones that proceed from warm and elevated social sympathies, a leader who led by example and performance, without ever asserting his authority or indeed any claims of his own. The aura of such a personality can be, and has been, felt by all who came near him, but it is as difficult to put into words as is the wide range of his interests or the effective service he devoted to so many causes—to all of them with a profound seriousness which never succeeded in extinguishing the humorous twinkle in his eyes. We loved him and we know that we shall not meet his like again.

Mitchell was born in the small Illinois town of Rushville and, as his wife, Lucy Sprague Mitchell, tells us, he “lived out his boyhood in various Illinois towns which were centers for the surrounding farm communities.” His father was a physician, forced, so to speak, by two accidents which left him crippled, to take up a professional career. His forebears, going back to 1639 according to family records, had been fishermen or farmers of small, poor Maine farms. His mother, Lucy Medora McClellan, also came of pioneer stock, first in western New York, then in Illinois. She was born in a farm in Yorkville, Illinois. Orphaned at 3, she was adopted and brought up in Chicago by a well-to-do aunt, “Grandma Seely,” with whom Mitchell as a youth amused himself by teasing her about the paradoxes in her religious beliefs. Hell created by the God of Love and so on. But Mitchell’s mother was brought up as “a young lady,” with training in music and French, who later put herself through a year in Oberlin College.

Mitchell, himself, therefore, grew up in a house filled with books and open to matters intellectual. But it was also a house that was close to the farmers who were his father’s patients. And, indeed, the family itself became a farm family when Dr. Mitchell, trying to increase his income, bought and tried to run a fruit farm, a farm on which Mitchell himself worked summer after summer and for which his father’s physical handicaps forced Mitchell, as the oldest boy, when still a teen-ager to accept managerial responsibilities.

With this family background and with these youthful experiences, Mitchell developed a personality and a cast of mind that were to remain with

¹ The unfinished manuscript, entitled *What Happens during Business Cycles*, on which he was working at the time of his death, had been mimeographed and communicated to the participants in the National Bureau of Economic Research Conference on Business Cycles that was held in New York, November 25–27, 1949. (This book was published in the spring of 1951.)
him all his life. He himself thought so, as his famous letters to John Maurice Clark and to his wife tells us.

Two of the most telling features of his character were his insistence on his own independence and his skeptical cast of mind. As to the first, Mitchell tells us time after time that he could not be happy in any job that limited his freedom to work in his own way on subjects of his own choice. And he cites examples of jobs from which he withdrew after a short time because they vested in others the authority to prescribe his activities. From his revealing letter to Mrs. Mitchell I quote the following:

What I have to make clear is my character; but I begin with auto-biography. For the life which I have led expresses my leading interests. I have not been much pushed and pulled about by things which have happened to me. Rather, I have deliberately chosen the life in which certain kinds of things were likely to happen, and as deliberately refused, after a little trial, several opportunities which led toward a different kind of life. My character has determined my life much more than my life has molded my character.

The subjects he wanted to pursue evolved over time. The Chicago professor J. Laurence Laughlin, who was his dissertation supervisor, had suggested that Mitchell study the Civil War greenbacks, the issue of unbacked paper money used by the government to finance the Civil War. Mitchell did, and the result was his History of the Greenbacks. This covered the period of the war itself. Mitchell then completed the job in his Gold, Prices and Wages Under the Greenback Standard, which carried the story to 1875 and the resumption of gold specie payments.

About these books, Mitchell tells us that “When Laughlin started me off on the history of the greenbacks, he expected me to produce one of the standard pieces of academic criticism, showing the silliness of the paper money issues. But as I worked into the materials, I worked away from his viewpoint. What seemed significant to me was the long chain of events which constrained the federal government to develop a policy which no one had planned.”

Along the way, Mitchell had fallen under the spell of the great American philosopher John Dewey. They became firm and close friends. As a “minor” subject, therefore, Mitchell first chose philosophy, “but after trial I had the courage to insist on my own way.” He went into ethnology, and “the ferment of philosophy and ethnology was gradually widening my notions of what economics ought to be.... My rather vague notions gradually crystallized into the idea that the important matter to understand about money is the money economy—that is, the cultural significance of the highly organized group of pecuniary institutions, how they have developed since the Middle Ages, how they gained a quasi-independence, and how they have
reacted upon the activity and minds of their makers.” (Quotes are from Mitchell’s letter to his wife in Wesley Clair Mitchell: the Economic Scientist, pp. 65, 66).

By Mitchell’s scepticism, I mean his distrust of grand systems of thought whose chief claim to credence lies in the consistency of the deductions made from untested assumptions about human behavior. “It is a misconception to suppose that consumers guide their course by ratiocination—they don’t think except under stress. There is no way of deducing from certain principles what they will do. One has to find out what they do. That is a matter of observation, which economic theorists had taken all too lightly.” (WCM to John Maurice Clark, ibid., p. 95.)

Following John Dewey’s ideas about how people think, Mitchell formed the view that to understand the economic theorists, one had to find out how they came to attack certain problems; “why they took certain premises as a matter of course; why they did not consider all the permutations and variants of the problems which were logically possible; why their contemporaries thought their conclusions were significant.”

“There seemed to be one way of making real progress, slow, very slow, but tolerably sure. That was the way of natural science. Not the Darwinian type of speculation—but chemistry and physics. They had been built up not in grand systems like soap bubbles but by the patient processes of observation and testing—always critical testing—of the relations between the working hypotheses and the processes observed. I loved romances—and utopias, and economic systems—but these were objects of art, and I was a workman, who wanted to be a scientific worker, who might enjoy the visions which we see in the mountain mists but who trusted only what we see in the light of common day.” (WCM to JM Clark, op cit., p. 97).

Having concluded that the goal toward which he wanted to work was a treatise on the “money economy,” which, as Mitchell conceived it, was nothing less than the workings of the economy as a whole, Mitchell began to prepare outlines and drafts of chapters. “My manuscript grew—it lies unpublished to this day. As it grew in size, it became more speculative. I was...sliding over abysses I had not explored. One of the most formidable was the recurring readjustments of prices; I had to look into the problem. It proved to be susceptible of attack by methods I thought reliable. The result was the big California monograph (i.e. Mitchell’s famous 1913 Business Cycles) Mitchell thought of this as an introduction to his ultimate goal, the general treatise on the money economy.)

All his life, Mitchell was a prodigious worker, but in no period of his life did he do more than in the years that led to the publication of Business Cycles. The big monograph—text and supporting statistical tables—was entirely prepared, with the help of only one assistant, during the three years 1910, 1911, and 1912. During the same years, he published 11 articles and
two reviews including the famous articles on “The Rationality of Economic Activity” and “The Backward Art of Spending Money.” During the same years, he served as professor at Berkeley, handled a voluminous correspondence, got married to Lucy Sprague, spent several months with her in Europe (while correcting the proofs of Business Cycles), and moved to New York. And he maintained this remarkable pace until nearly the end, in 1948. The breadth of his vision and courage and energy in working against formidable obstacles to realize it are astounding.

All these, however, are impressions founded on my recollections of what he wrote and on some rereading of writings about him. My own contacts with him, although stretching over many years, yield a much more meager harvest.

Mitchell worked mostly at home. He came to the Bureau once or twice a week to confer with Arthur Burns or with one or another of his research assistants. When he did, he often had lunch with those of the professional staff who were on hand. We found his personality complex. He was always kind and considerate; he treated everyone of us with the same beautiful courtesy, a truly old-world gentility and courtesy. Yet he was a man of impenetrable reserve. No one, not even Burns or Kuznets, thought of calling him “Wesley” or “Clair.” He remained “Dr. Mitchell” to all of us. Query: was all this Mitchell’s unconscious way of fending off intimacies? And why did he want to? Mitchell was always modest about his own work. But this was a modesty measured against his own wide goals. He knew his own worth, however, and he did not underrate himself in comparison with other economists.

At no stage of my own work on Inventories and Business Cycles did he ever either encourage or interfere with me or give me any sign that he had read any of my drafts. I doubt that he had. It was Arthur Burns and other colleagues on the research staff who helped me.

Mitchell’s modesty and reserve, and, I would add, caution are suggested by another aspect of his attitude toward his own work. He would not use it as a basis for public policy recommendations. However relevant to policy his observations and analysis, he always insisted that he did not yet know enough. And consistently with this attitude, he framed and supported the Bureau’s self-denying ordinance. No bureau publication was to voice any policy prescription. It remains in the Bureau’s bylaws to this day.

When I came to the Bureau, in 1938, Mitchell was still working hard on his study of business cycles. He had been at it since 1922. And much had been done. It begins with his Business Cycles and Unemployment in 1923, which contains a second and perhaps better version of “The Rhythm of Business Activity,” which was the culmination of Business Cycles. He published what was in effect a revision, improvement, and extension of Part I of the 1913 volume. This was his Business Cycles: The Problem and Its Setting. Willard Thorp
had added a volume on Business Annals. It was an impressive extension of what had appeared in 1913. In an advanced stage was the Mitchell-Burns volume due for publication under the title, Measuring Business Cycles (see Chapter Eight). And there were all the draft chapters on the cyclical behavior of the major components of economic activity: production, construction, merchandising, etc.

And yet, in a sense, Mitchell’s creative period had already closed. Encouraged by Arthur Burns, Mitchell decided that his long substantive chapters on the cyclical components of production were not yet satisfactory. To my mind he was right because the chapters were too rigidly descriptive and not adequately analytical. I think Mitchell himself believed that more and better evidence of behavior was needed. In any case, that’s where the new research “associates” like me and Geof Moore and others came in. Their work did add something to the Bureau’s armory of data and also something to our understanding of the various elements of cyclical behavior. These, however, were not of decisive consequence. Mitchell never felt able to tackle again the “Rhythm of Business Activity,” the concluding “theoretical” part of the 1913 volume. Of this Mitchell had written to his future wife in October 1911:

Now...I am in the full swing of imagining the big complicated processes by which a revival of business activity develops into high prosperity. Of course the imagination professes to—and does mainly—rest upon what the detailed work has taught me; but it goes with a wilful sweep of its own which is delightful to feel. (op.cit., p.69, WCM to Lucy Sprague)

How different was Mitchell’s position and feeling as the late Thirties merged into the Forties and his own powers and, indeed, his confidence had begun to wane. His last major effort, What Happens During Business Cycles: A Progress Report (1951), was a disappointment to the many economists who had looked forward to its appearance. It actually was published after his death and was edited for publication by Arthur Burns. It amounted only to Mitchell’s attempt to summarize for himself the mountain of data that had piled up by the quarter-century of work carried on by Mitchell and the Bureau’s business cycles project since 1922. It was mainly a summary in the form of averages of the Bureau’s standard measures of the cyclical behavior of the several aspects of economic activity: production, prices, interest rates, etc. etc.

With Mitchell’s death, in 1948, Arthur Burns became fully responsible for the business cycles work. That he, with all his talents, might be able to bring the work to a fitting conclusion, one that would be truly enlightening to economists and to a larger readership, was our fervent hope. But he never did. So I end this section as it began by quoting Schumpeter’s obituary. (Since Schumpeter died only two weeks after Mitchell, he never saw What Happens During Business Cycles.)
Of course, this volume is only a beginning. And if Mitchell had been able to complete his unfinished manuscript, this also would have been no more than a beginning. Work of this kind has no natural end and of necessity always points further ahead into an indefinite future. This is true of the whole of the work of Mitchell’s life. And it is this which makes its greatness and defines its unique position in the history of modern economics. Here was a man who had the courage to say, unlike the rest of us, that he had not all the answers; who went about his task without either haste or rest; who did not care to march along with flags and brass bands; full of sympathy with mankind’s fate, yet kept aloof from the market place; who taught us, by example and not by phrase, what a scholar should be.

Simon Kuznets

After Mitchell, the greatest scholar who worked at the Bureau was Simon Kuznets. Among Bureau people, it is traditional to speak of Mitchell first, and he was, indeed, the pioneer figure who defined the Bureau’s method of economic research, as much for Kuznets as for others. But I believe Kuznets’s achievement, both in his methods of work and in his contributions, outshines even Mitchell’s. It may be that I think so because I came to know Mitchell only after his great period of creativity had come to an end, perhaps also because of his reserved personality, his polite remoteness. But I feel that among scholars generally, I am not alone. There is no better symbol of the regard in which Simon was held than the great academic festival that Harvard arranged to mark his 80th birthday. More than 200 scholars representing every quarter of the globe and multiple disciplines—economics, statistics, history, and demography—came together there to talk about Simon, their teacher, counselor, and friend. It was truly an outpouring of admiration for his work and of affection for the man.

For the obituary article I contributed to the *Journal of Economic History* after his death, in 1985, see scanned copy. It sketches the main facts about his life and career. I then take up a series of topics that deal with aspects of his life and work that were especially important in shaping my own work and outlook.

Kuznets’s work on national income and product speaks for itself. His studies of long-term economic growth followed and became the core of his work and influence. I turn now to a number of subjects connected with growth that were of special importance to me.
Kuznets Cycles

The ordinary business cycles that are a staple of the financial pages of newspapers and other media and a topic of popular thought and conversation and that were the central subject of Mitchell's never-ending concern had an average duration of about five years from the early 19th century until very recent years. In a very early study, however (Secular Movements in Production and Prices, 1930), Kuznets established the existence of a longer movement with an average duration of about 20 years. After standard business cycles have been attenuated by any of a number of statistical smoothing procedures, the longer waves appear clearly in the growth rates of production of consumer and capital goods and in population and the levels of immigration. All these, in Kuznets' work, apply to the U.S.A. and to a period running from 1870 to 1914, and it was on their behavior that he based his explanatory speculations about the forces that shaped the fluctuation. In his early work, he called them “secondary secular movements,” later he called them “long swings.” But others who have taken up the subject commonly call them “Kuznets Cycles.”

My own involvement with Kuznets Cycles stems from a compromise between Burns and me when I returned to the Bureau in 1946. Burns, in effect if not in name, had now become the Bureau's director of research. He put me in charge of business cycle studies. It was not a welcome assignment. I wanted to study long-term growth. He wanted me to work on standard business cycles. After some tense interchanges, he accepted my suggestion that I work on long swings.

In a series of articles, I was able to make some extensions of Kuznets's observations. I showed that the long swings in production and population could be found as early as the 1830s. Moreover, the scope of the swings in their typical course took in also labor productivity, foreign trade, balance of payments, and the stock of money. I stressed the fact that the culminating episode of each swing was a serious business depression. And whereas the Kuznets hypothesis about the causes of long swings was built on the assumption that, as observed in the statistically smoothed data, the recurrent expansions and contractions of growth rates reflected only a rise and decline in the growth of total capacity to produce—a supply-side hypothesis—my hypothesis rested on the idea of an interaction between the growth of demand and the growth of capacity to meet demand. The swings

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2 Kuznets was not the sole discoverer of these fluctuations. CAR-Wardwell proposed their existence somewhat earlier, but they studied each other's drafts, and Wardwell did not claim priority.

involved not only a fluctuation in the rate of employment of both labor and capital. I showed that this was consistent with the available data, and I worked out the underlying mechanism of interaction. And I showed that the mechanism through which long swings arose changed in its basic character after 1914.

My hypothesis and general approach to the study of Kuznets cycles came to be widely accepted. I mention all this only because Simon himself appeared to take little notice of my work and my ideas. Indeed, the only notice by Simon of my long swings work appears in a brief footnote in his important book Capital in the American Economy (1961). Chapter 7 deals again with long swings and includes the following footnote (p. 317, footnote 1):

Since this chapter was written, Moses Abramovitz has initiated a comprehensive analysis of long swings in the American economy, with particular emphasis on capital formation. Some preliminary results of the analysis appear in the following annual reports of the National Bureau: 38th (May 1958), 39th (May 1959), 40th (May 1960). It has not been possible here to take advantage of Abramovitz’ suggestive finding, which may lead to analytical hypotheses somewhat different from those suggested in the text.

The footnote gives some promise of more attention in the future, but Simon never came back to it. It rankled a little at the time; it was the only discordant note in our long relationship.

My relations with Kuznets

For the rest, I feel only a sense of gratitude and pleasure for his kindness and for the help he gave me over many years. He was the most important influence I can identify on the directions of my work and on the methods by which I pursued them.

I encountered Simon first when I came to the Bureau, in September 1938. I quickly came to appreciate the limitations of the sample of time series on which Mitchell’s draft chapter on the role of inventories in general business cycles was based. The individual commodities for which Mitchell had found data on stocks did not, even in combination, yield a picture of the aggregate of stocks or their rate of accumulation or liquidation. But I also found Simon’s draft of his still unpublished book on the gross national product. It included a table of the year-end total of commodity stocks and of the annual value in constant prices of the increase or decline over the intervening years in the volume of such stocks (not the change in value, but the value of the physical change—exactly what I needed). I studied the Kuznets estimates carefully. They were a typical Kuznets tour de force, a set of estimates carefully built on a shaky foundation, which his genius erected into what has proved to be a durable structure. His methods were
meticulously recorded in his workbook, but I found much that puzzled me. Moreover, I found a number of significant procedures that I thought faulty, and I thought I saw how to correct and improve them. Here and there, I discovered that Simon had resorted to rather inappropriate deflators. The value of the stocks of pharmaceuticals was deflated by the price of sulfuric acid. The stocks of securities held by bankers and brokers—which should not have been included in the estimates at all; they had no counterpart in the total of value added in production—were included and deflated by the prices of office furniture. So week by week, I would knock on his door to discuss one puzzle after another. I was met by a patient concern both for my work and his own. I was treated seriously and left with never-failing encouragement to press ahead. We became good friends.

Our friendship ripened. I began to fancy that I was especially close to him, that he valued me especially highly and both trusted and liked me. It was a notion that grew. A feeling that I had a special relation with Simon crept up on me. It was a feeling that grew stronger when he drew me into collaboration with him after he had accepted a responsibility for the large SSRC project to study the postwar growth of seven industrialized countries in the light of their longer growth experience. (The story of that collaboration and what came of it is part of a later chapter.) But I gradually learned that others also came to believe that they had a special relation with Simon.

My feeling of intimacy and affection was mixed with awe. I was asked to speak at the 80th birthday celebration, and I began with this story:

When I joined the Bureau in New York in 1938, Simon was teaching in Philadelphia, but he came to New York each week for a day or two to attend to his own research. I saw a good deal of him as part of my own work on business cycles and inventories. I was trying to make use of his own new estimates of inventories and inventory investment. Then later I reviewed his books and many papers for him before he made a final draft. So we kept up with each other in the natural flow of each work week.

All this changed when I moved to Stanford. Then I came East only two or three times a year. Whenever I did I went to see Simon. We usually met at his home, first near Baltimore, then in Cambridge. I soon noticed that my visits came to have a pattern. I was greeted at the door by Simon and Edith and seated in the living room. There we exchanged family news and professional news and gossip. But Simon had little patience with such chit-chat. After 20 minutes or at most a half-hour, Simon would say, “Well Moe, let’s go upstairs.” That meant to Simon’s study. Here Simon’s first question invariably was “Well Moe, what have you been doing?” That
meant “Give me a report on your work. What is its recent progress? What new data, what new tables? What new analyses and hypotheses?”

I found this very difficult. No matter what I had been doing, it seemed trivial when I came to describe it to Simon. Hardly worth mentioning, such was my dismay when I thought of Simon’s own work and my little accomplishment. Yet Simon heard me out, made thoughtful comments and helped me through the interview. Knowing now how a forthcoming visit would go, I prepared ahead of time. Yet it remained difficult. When my visits started, I was 36, still a youngster; but I became 45, 55, 65. It never changed.

To my surprise and pleasure, as I went through my story, I sensed an empathetic reaction from the audience. Others had feelings like my own. Love mixed with awe. And when the meeting broke up, Arthur Lewis, who had just won the Nobel Prize, came to me and said: “I want to tell you, Moe, that just before the meeting I met Simon and he asked me what I had been doing. And I didn’t know what to say.”

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**Arthur Frank Burns**

Arthur Burns was born in April 1904, in Stanislau in an eastern province of the Austrian Empire (possibly Galicia). He came with his parents to America in about 1910. The family settled in ____ and there he had his early schooling. His father was a house painter, and Arthur liked to recall that he often served as his father’s helper and learned some of the basics of the trade. As an undergraduate, he attended Columbia (A.B. and A.M., 1925).

A little more is known about his later graduate work. This was in economics at Columbia. Here he had his first contacts with Wesley Mitchell, who became Arthur’s lodestar, his guide and mentor, and his entrée into research and administrative responsibility. It is clear that on Mitchell’s side there was affection as well as great admiration for Arthur’s talents. Arthur on his side remained devoted all his life to Mitchell’s ideas about the proper conduct of research in economics, to his vision of the nature of business cycles and his plan for the organization and character of the National Bureau’s work. And Mitchell doubtless came to recognize Arthur’s devotion and loyalty to himself and the Bureau, as well as his undoubtedly great talents.

Other members of the faculty had less reason to like Arthur, who set high standards for himself and equally for others. He worked hard, studied the reading lists carefully, and listened to lectures attentively and seriously. He found much in both to criticize, and he put no leash on his tongue. Professors felt the lash of his critical interventions in lectures and seminars.
He was logical and articulate. The faculty suffered many occasions of embarrassment. The story is told that when Arthur's turn came to stand the general oral examination, which was then, apart from the dissertation, the culmination of the doctoral program, Vladimir Simkhovich, the professor of economic history, went around to the other members of the examining board whispering in each ear, "Flunk the son-of-a-bitch." Of course it made no difference. Arthur was passed easily. An apocryphal story perhaps, but significant nonetheless. It reveals an aspect of Burns's personality and style of which others at the Bureau were all too conscious. Later his colleagues and subordinates at successive stages of Burns's long career—at the Council of Economic Advisors, in the White House, on the Federal Reserve Board, and in our German Embassy—came to fear the critical whip that Arthur used to maintain his standards and to enforce his views.

The story of Burns's dissertation reveals other aspects of his character and personality. Arthur not only set himself very high standards of performance, but he did so in pursuit of recognition and successful achievement of each immediate goal. This is not uncommon, but Burns brought to it an intensity of effort and attention that is very uncommon.

After Arthur had passed his general examination, Mitchell brought him into the Bureau in 1930 and set him to work on the business cycles project. The job enabled Burns to marry. His wife was Helen Bernstein. Arthur still had the dissertation task before him; he chose to work on inflation, which he felt would serve as a dissertation topic and also be relevant to the business cycles study. In his usual way, he worked at a furious pace for a long day and many hours at night. And then he did what few people do, at least in the social sciences where there is never a crucial experiment that can go wrong. He decided his results were not satisfactory. He set the work on inflation aside. None of us ever saw his drafts. He took up another aspect of the Bureau's program and attacked it with renewed intensity. The result was his great early book, *Production Trends in the United States Since 1870*. It was published by the Bureau in 1934 and won Arthur as much praise and recognition as comes to many another in a lifetime of work.

In a sense, the book covered some of the same ground as Kuznets's 1930 book, *Secular Movements in Production and Prices*. Although confined to the U.S. and to production alone, it rested on a larger database, used more rigorous methods, and went further in certain directions. Burns confirmed Kuznets's findings about the retardation of the growth of specific products and activities. But Burns also was able to organize a convincing array of evidence that output growth in the aggregate had not slowed down. It may have speeded up. In those days, before the appearance of long-term estimates of national income and product, this was news. The lesson was clear to see. The retardation of older products with a longer history was offset by the development of new products whose rate of growth was rapid in their early stages. All this was accompanied by an elegantly worked-out
rationale for retardation in later stages. It provided a firmer grounding for Kuznets's conclusion that aggregate growth involved a striking change in the composition and structure of output. On another point, Burns confirmed Kuznets’s earlier finding that particular activities in data for which the effects of standard business had been attenuated by a smoothing procedure tended to grow in a fluctuating fashion with a period of about 20 years—the Kuznets Cycles. And he went a step further. He showed persuasively that the individual activities tended to rise and fall together and that indicators of aggregate production moved in the same long swings. Altogether it was an outstanding achievement.

It did not come without cost, and Helen, his wife, has told some of us about those days. Arthur would rise late, perhaps 10 A.M. after a long night of work. The rest of the day he spent at the Bureau at work, usually remaining after hours in the quiet after others had left. Back home, there was a brief pause for a meal and nap. Then back to his desk about 10 P.M. for hours more. And this went on day after day, weekends as well as weekdays. They saw few friends, and moments of relaxation together were rare. And they often came at 3 A.M., when Arthur awakened Helen to say: “Let's walk up to Broadway and have a sandwich,” and they did. At length, the grind became intolerable for Helen, and doubtless for Arthur too. For Arthur was not unperceptive. He was driven; he wanted to work without distraction, but he must have felt guilt. They decided to separate until the book was finished. So they did and then duly came together again. With the completion of the book, they began to lead a somewhat more normal life, but Arthur’s drive never really left him.

With the publication of his book, Arthur could devote himself wholeheartedly to business cycles and to helping Wesley Mitchell. He undertook to supervise the corps of calculator-assistants who spent their days “analyzing” the time series in the Bureau's very large and growing data bank. He refined the scheme of routine measures originally devised by Mitchell. He set himself to prepare the “chapter” on construction and business cycles as part of Mitchell’s projected general report on the subject. When I came to the Bureau, in September 1938, I found a 350-page draft chapter. I thought it the most insightful of the chapters then available. And it rested on a brilliantly organized statistical treatment of a difficult subject. It remains the best of the books prepared in the course of the Bureau's business cycles project, but, sadly, it remains unpublished to this day.

The Bureau's general plan for the cycles work called for a “chapter” explaining the Bureau’s methods of measurement. Whatever Mitchell may have done, Burns also took this job in hand. It appeared as *Measuring Business Cycles*, by Arthur Burns and Wesley C. Mitchell (1946, 560 pp.). This followed an article published as early as 1935 (“The National Bureau’s Measures of Cyclical Behavior,” NBER Bulletin 57, 20 pp.). There were other bulletins in 1936 and 1938. All appeared under the same joint authorship, but we at the
Bureau had the strong impression that Arthur was the leading author by far. A 1938 article, “Statistical Indicators of Cyclical Revival,” was the start of the Bureau’s work on statistical indicators of revival and recession so well developed by Geoffrey Moore. The Bureau’s methods were taken over by the Department of Commerce and remain to this day an important element in the armory of business cycle forecasting.

_Measuring Business Cycles_ itself was characterized by Edward S. Shaw as an example of an ideal laboratory notebook, and so it was. It not only described the Bureau’s methods but reported numerous tests of alternative methods and the different results, and, as the authors thought, their deficiencies, and it exposed the limitations of the Bureau’s own methods. But it was fiercely attacked by leading members of the econometric movement, who called it “Measurement Without Theory.” How much better to start from a well-defined model. Mitchell’s (and Burns’s) repeated answer to this possibility was that there were several dozen possible models. Many doubtless contained a part of the truth. Moreover they interacted, and it would be difficult to separate their several contributions statistically.

The matter came to a head at a conference on business cycles organized by the Bureau. Jacob Marschak made the case for the econometricians’ view. He chose to illustrate its virtues with an imaginary example. A man stands in the top floor of a 40-story building and looks down at the street below. He observes very small objects which at intervals bunch together at a street corner and then in a short time disperse, and then again bunch together after an interval. Would it not be advantageous to use a model that supposes that the small objects were automobiles whose flow was controlled by red and green traffic lights. To this Burns replied simply, saying: “If we knew as much about business cycles as we do about automobiles and traffic lights, we should certainly follow your proposed method.”

World War II was a significant matter for Burns’s relations with Mitchell and the Bureau. Whereas many of the staff were either drafted into the services or took leave, like Kuznets and me, to do jobs in Washington, Burns remained with Mitchell to continue work on business cycles. And because Mitchell was becoming less and less able to keep up with his work, Burns quietly assumed more and more of Mitchell’s responsibilities as “Director of Research.” In modern parlance, it would be called “President and CEO.” This development went far, I believe, to settle the question of the succession to the weakening Mitchell. On his death, in 1948, the Bureau’s directors formally appointed Arthur to be director of research in preference to Simon Kuznets who, some of us believed, had a breadth of vision about the scope of the Bureau’s possible program that was far wider than Burns’s. It would have been more appealing to economists generally and enlarged the potential contribution of its work.

Did Simon and Arthur feel themselves to be rivals for the job?
Perhaps; but I have no evidence to offer one way or the other. Neither ever spoke of it to me or others. In any event, the Bureau continued to support Simon’s work for another decade, during which Simon brought out *National Product Since 1869* and *Capital in the American Economy*, besides a number of the subsidiary studies by others leading up to the latter study as well as several occasional papers by Simon.

Meanwhile, however, Simon had essentially shifted his major base of support. The break with the Bureau came when he asked for the Bureau’s support for a still wider study of long-term economic growth. He proposed a comprehensive project that would deal with population, labor force, capital, technological progress, aggregate growth and growth per capita and per worker, and with the changing composition of output and labor force. It would cover every possible nation and would carry back in time for each as far as data would allow.

Arthur rejected Simon’s proposal. The size of Simon’s project would, of course, have changed the emphasis of the Bureau’s program from business cycles to growth. The objection that Arthur voiced, however, was different. He thought the data would be unreliable. This opinion applied first even to the estimate of GNP in the U.S.A. before the beginning of the Bureau’s own series in 1919. For other countries, particularly for Third World countries, the estimates would be even more shaky. He challenged Simon to tell him what fraction of Simon’s GNP in 1880 rested on census or census-type surveys, and what part was the outcome of indirect methods of estimate. Less than half actually rested on large-scale surveys. These were plausible grounds for rejection, but it was still an unfortunate decision. Simon won the support of the Social Science Research Council, and he went on to do the great work on economic growth that won the Nobel Prize in 1971. It had done as much to found the modern subject of growth as Mitchell had done for business cycles. But it was largely done without the Bureau’s participation.

At the same time, the business cycle work gradually died away. Some of the work by the “associates,” including my book on inventories, was eventually published. The *Business Cycle Indicators* that Arthur had first worked out were developed by Geoffrey Moore and found their way into the armamentarium of the Department of Commerce and of many forecasters. But Burns never found a way to bring the work to a close, however tentative. Nothing corresponding to the concluding part of Mitchell’s 1913 volume was ever published. Mitchell’s last publication, *What Happens During Business Cycles: A Progress Report* (1951), brought out posthumously by Burns, proved a disappointment. My sense is that Burns was seriously frustrated and depressed by this failure. The invitation from President Eisenhower to join his new administration came, I believe, as a happy release. Earlier pages have already spoken of Burns’s success during the Eisenhower years and indicated the high points of his subsequent career.
My own departure from the Bureau, like Simon’s, stemmed in part from Arthur’s resistance to my desire to concentrate my future work on long-term growth. On my return to the Bureau after my experience in the OSS and State Department in Washington, London, Berlin, Moscow, and Paris, I was convinced that the War had been won by GNP, by the capacity of the belligerents to produce armaments and sustain their populations as well. In this battle of resources, the U.S.A. had been decisive. We had enabled the Western Allies to overwhelm Germany—with the important contribution of the U.S.S.R. And later—having mounted a successful defensive campaign for two, almost three years in the Pacific, while concentrating in the West—to conquer Japan. But why had U.S. capabilities, even by themselves, become so much larger than those of the other countries? And how did the other belligerents come to have their own differing capabilities? These were questions of long-term economic development. I wanted to turn to them. Arthur, however, resisted. He wanted me for business cycles. We struck a compromise. I would study “long swings” in growth. This was attractive to Arthur because he knew of my view in which a decisive episode in each swing was a major depression. He hoped to learn more about their origins. Meanwhile he asked me to study at least one aspect of growth, the expansion of public employment. Sol Fabricant had studied that subject in the U.S.A. I was to do the same for Britain, and I did. These were arrangements unsatisfactory to me. I wanted the freedom to pursue the problems of growth in my own way. I became convinced I would not have that at the Bureau.

I felt other reasons for leaving. I had a general desire to escape Arthur’s authoritative and dominating presence. I wanted to try my hand at teaching and have the stimulation of a new circle of colleagues. So I began to look for an academic post. I have already said something about how this led me to Stanford, and I say more later.

I cannot end this section, however, without a few words of appreciation of Arthur. Milton Friedman once said to me that he was one of the very few people in his experience whom he could call a “genius.” He was a many-talented scholar. Along with his conviction about the central importance of sound empirical work, he was a gifted theorist. His critical essays several times demonstrated his ability to deal with theoretical issues and capable theorists such as John Hicks, a Nobel laureate, and Alvin Hanson. In either direction, his mind worked with impressive speed. And he had talents in other directions as well, as his success in dealing with the very different demands of government in posts at a very high level showed. He did not inspire love, as Simon Kuznets did, but he gained the respect of presidents, senators, and foreign leaders. They regarded him as a tough, honest, and able counselor.
Chapter Ten

WARTIME DAYS

Every person of my generation still alive remembers where they were when they heard the news on the fateful day, December 7, 1941: the Japanese attack on Pearl Harbor near Honolulu! Carrie and I were listening to the regular Sunday afternoon radio concert of the New York Philharmonic Orchestra when the concert was abruptly interrupted and the bulletin read over the air. Then, as the afternoon wore on, glued to the radio, the extent of disaster began to hit home. The entire Pacific battle fleet, the great battleships, was sunk or crippled with great loss of life. The Army Air Force at Honolulu was lost. The Philippines had been attacked with great losses of aircraft at Clark Field. The Japanese were on the move throughout Southeast Asia. What was not immediately known or, at least revealed, was that the aircraft carriers had escaped; they were at sea. Nor did we understand then that this fact would be the basis first of the successful defensive phase of Pacific warfare and later of the American offensive against Japan. The carriers were more important than the dreadnought battleship which until that time been regarded as the core of naval warfare.

I went to the Bureau the next morning as usual. At noon, everyone there crowded into the largest of the rooms to hear Roosevelt’s address to the Congress. And when he was introduced and began to talk, we all spontaneously rose to our feet. It was a good symbol of the national mood. He explained the situation in simple, unadorned sentences and asked the Congress to pass a resolution declaring that the country was in a state of war with Japan.

Events during the next days came rapidly. Two days later, Hitler’s Germany, faithful to its alliance with Japan, declared war on the U.S.A. It was Hitler’s second fatal mistake. The first had been his invasion of the Soviet Union. Together these errors sealed his fate and that of Nazi
Germany. It took four years, a massive effort of armaments preparation, terribly bloody battles, millions of Russian lives, and thousands of British and American. Those of us who could see, however, were confident of the eventual outcome.

At the War Production Board (WPB)

In January or February 1942, I got my first war job. In the background were some important developments. When the war in Europe broke out in September 1939 with Germany’s attack on Poland, followed by the entry into the war of Britain and France, the isolationist sentiment in Congress and the country softened enough so that Roosevelt could gain approval for the beginnings of a defense program. Now a debate began. How large a program could the economy support while maintaining civilian consumption? The Pentagon did not know. Mossbacks in Congress and some economists argued that we could not (as a result of depression) produce more than in 1929, when the economy had last operated at something like full (peacetime) capacity. They were supported by industry leaders who wanted no Federal interference and especially no conversion of their plants from the production of peacetime goods, say civilian autos, to the production of tanks or other armaments.

Enlightened opinion among economists had a different view. They argued that though production had been depressed, labor productivity had been quietly rising. And when we reached full capacity output again, it would prove very much larger than output in 1929. They got Roosevelt’s ear. By 1940, under their guidance, he proposed a startlingly large program: 50,000 war planes a year and unheard-of numbers of tanks, ships, and artillery pieces, and complementary quantities of machine guns, rifles, and smaller arms. Roosevelt, with difficulty, got Congressional approval, and the contracts were let. And then, by the end of 1941, the evidence was in. We did have the capacity. We could outfit our own growing defense forces, supply the needs of the Western allies, ship it across the Atlantic, and maintain civilian consumption.

Now in early 1942, the debate took a new turn. Shocked by Pearl Harbor and encouraged by the 1941 production figures, the Pentagon came out with an armaments program very much larger than the successful program of 1940. Even that had faced the difficulties of competition for scarce materials, plants, and equipment. What would happen as we pressed closer to our limits? Roosevelt established a new coordinating agency, the WPB. Its head was a businessman, Donald Nelson. Within the Board, there was to be a planning committee headed by Robert Nathan. And Nathan persuaded his old mentor, Simon Kuznets, to come and help him. And then Simon asked me to come and be his assistant.

So we moved to Washington. Carrie found us a nice apartment way
out northwest on 15th Street, not far from the Maryland border. In the
Washington housing shortage of the time, it was regarded as a great prize.
Carrie herself found a job as an economist at the Federal Communications
Because of our jobs we got a gasoline ration and could commute downtown
in our roadster. We had two seats under cover. Two new friends, Val Lorwin
and Louis Rosenstock-Franck, a member of the French Embassy staff rode
in the rumble seat.

When I joined Simon at the WPB, I found that Simon was leaning to
the view that the Pentagon program was not feasible. And all our hectic work
of the next weeks served to confirm that assessment. If the Pentagon had its
way, the country was headed for trouble. Pressed beyond its limits,
competition for labor, materials, etc., would cause the available basic supplies
to be misallocated, overproduction in one direction, shortage in another. The
military effectiveness of the whole effort would be reduced. The government
regulatory efforts at price controls, rationing, materials allocation, and so on,
would be over strained and inadequate. Led by Kuznets and Nathan, Donald
Nelson was swayed. What became known as the “feasibility debate” grew
heated. The major figures were Major General Brehon B. Somervell, the
chief of the Army Service of Supply for the Pentagon, and Simon Kuznets
for the Planning Committee and WPB. Congress became involved and
Somervell, an aggressive and determined personality, and Simon were
summoned time after time to appear and debate before Congressional
committees. It fell to me and a few others to help Simon prepare his
testimony. In the end, the squabble ended in a compromise, as such things
usually do. The Pentagon backed down somewhat, but probably not enough.
It would have ended up with a more effective program if it had been more
modest. But we shall never know for sure.

And so 1942 came to an end. Worn out by the effort and tensions of
the difficult year, Simon resigned to return to “work,” that is to his research
and writing.

On to the Office of Strategic Services (OSS)

And now my own draft number was coming up. I volunteered for
the officers’ training program in the Navy. I was interviewed and rejected.
Apparently I did not fit their picture of a naval officer. Maybe they were
right. So the prospect before me was to be drafted and to end up as rifleman
or artillery gunner. I was not dismayed. I wanted to fight Hitler and the
Nazis. But now there appeared Ed Mason, my old undergraduate tutor and
Harvard sponsor. Mason had been appointed to head the economics work of
that new intelligence organization, the Office of Strategic Services (OSS).
The public conception of the OSS’s responsibility was to find and run agents,
spies, saboteurs, and so on, behind enemy lines; and that did describe much
of what it did. But there was also an important Research and Analysis Branch
(R&A). Its purpose was to use the results of the undercover work, both that of the OSS and that of the armed forces and the British, meld it with public information, and work out the meaning and significance of all the information that could be brought to bear. That’s where Mason and his economists came in. (R&A also had a team of political scientists, sociologists, and historians.)

So Mason was busy recruiting young and, in his opinion, able economists to form his staff. The OSS had a deal with the Army and Navy. Whenever OSS identified someone in the armed forces whom they wanted, they would be assigned to the OSS unless the service branch particularly wanted to keep them for themselves. Mason tapped me. Would I come and work for him? It was an easy choice. Not the most gallant one perhaps. To join R&A in OSS meant an easy and probably safe assignment, but clearly I would be far more useful in intelligence work than in a rifle company. And so it was arranged. I would be drafted, inducted, put into a private’s uniform (paid a private’s salary), and immediately assigned to OSS.

All went as planned. Early in 1943, I reported for induction at nearby Fort Meyer, was given a medical examination, took the oath, was given my new uniform, and handed my order. “Report the next day to R&A, OSS in Washington.” And so, accompanied by an old graduate student friend, Harold Barger, I went back home. When Carrie opened the door, she saw before her these two unlikely soldiers in their ill-fitting uniforms, presenting a most unmilitary appearance. She laughed uncontrollably for 10 minutes before she let us in. Later that evening, she looked at my army papers. I was identified as “Moses N.M.I. Abramovitz.” “What’s this ‘NMI’? I never knew you had a middle name.” “Certainly I do,” I answered solemnly. “It stands for ‘Nachum, Mord’che, Itschak!” She remained puzzled. It was my turn to laugh. Only later did I tell her. In Army jargon, “NMI” stands for “No Middle Initial.”

Next morning early, I went to the offices of R&A. They were in a commandeered apartment house off M Street. The entrance I found stood in an alley on the other side of which was a brewery. And there, also in private’s uniform, was a man, carrying a rifle and marching up and down. I knew him, another young economist. He was Charley Hitch, later to be chancellor of Berkeley and still later president of the University of California. “Charley, what’s going on?” No answer, “Charley, what are you doing?” “?, can’t talk.” The reason soon emerged. Charley’s security clearance had not yet come through. He could not be given a desk. Not knowing how else to use him, he had been handed a rifle and ordered to guard the alley and to maintain silence. Charley was obeying orders.

Leaving Charley to his duties, I found my way to Ed Mason, who gave me my assignment. I was to be head of a section in R&A (Economics) to be called “German Industrial Intelligence.” More about what we did in a moment. When Charley Hitch’s security clearance came through, he was
assigned to work for me. So were other notable figures, for example, Bob Nathan, my old boss on the WPB Planning Committee; Kermit Gordon, later a member of President Kennedy’s Council of Economic Advisors and the director of President Johnson’s Bureau of the Budget. Still another member of my staff was Kenneth Arrow’s sister, Anita, who married Bob Summers, Paul Samuelson’s brother. (And that’s how Larry Summers, now the Secretary of the Treasury, came to have two Nobel Laureate uncles, Samuelson and Arrow. Figure it out.) Bob Nathan married Mary Tillotson, my own secretary. So we were a band of friends. And with a staff of that caliber, I had little need to do much to direct their work. They had their own connections and with only a general understanding of our goals, they could decide for themselves what they could do best. I was wise enough to run the section with a very loose rein. We did all right.

The general mission of our section was to keep track of all the developments in German industry and its ability to produce armaments. Our more particular focus was to estimate the effect of aerial bombardment on armaments production. In doing this, we took on the job also of helping the Air Force choose its targets for the “strategic” bombing campaign of the famous U.S. 8th Air Force with its B-17s, the “Flying Fortresses,” based in Britain. In this function, we acted as Washington backup for the R&A staff in England. This staff, a band of able and aggressive young economists, was our immediate contact with the 8th Air Force commanders. Gradually, the R&A boys in England won the confidence of the Air Force, which, in effect, used them as its target selection staff. To help them, our section in Washington worked out a target selection “doctrine.” We argued that the most effective targets would be industries that produced some component vital to German armaments production (e.g., ball bearings) or to some important type of armament (e.g., airframes), that was concentrated in location, used specialized equipment, held small inventories, and was working at capacity.

Applying this doctrine, the Air Force and the R&A boys in England settled on two prime targets: ball bearings and airframes. The Air Force proceeded with enthusiasm. Our R&A counterparts in England were more restrained, and in Washington, my staff and I were skeptical. Our doubts arose mainly because we did not share the Air Force’s confidence that they could hit their targets successfully. My own doubts stemmed from my earliest days on the job. The very first memorandum to cross my desk was a U.S. Air Force assessment of the much-touted British bombardment of German heavy industry complex in the Ruhr district, an area of about 800 to 1,000 square miles. Because they could not protect their bombers with fighter planes, the British attacked by night. And because they lacked accurate bomb sights, they would aim not at particular steel or heavy artillery plants. They would smother the whole area with repeated attacks. Perhaps they could not hit the Thyssen steel works, but they could surely hit the Ruhr area. Not so! The U.S. Air Force declared (“Top Secret”) that no less than three-quarters
of the British bomb tonnage had not only missed the city they were attacking, but they had failed to land anywhere in the Ruhr district.

From these British failures, the U.S. Air Force claimed to be exempt. The B-17 Flying Fortresses were so heavily armored and carried so many fast-firing defensive weapons that their bomber formations alone could withstand the German fighter defenses. So they could attack by daylight. Not only that, but each B-17 was equipped with an advanced bombsight, the highly regarded Norden sight. In training in Texas, the bombardiers boasted that they could drop a bomb from 15,000 feet “into a pickle barrel” time after time. Now they would be able to target specific industrial plants, not areas. So the Air Force was confident they could have a great effect on German armaments production, perhaps a decisive effect. In their more expansive propaganda, air power alone would bring victory. I had my doubts. How would they do in actual combat when beset by German fighters and intensive ground-to-air antiaircraft artillery, bad weather, clouds, and the tension of combat? How fast could German industry recover from the attacks?

My doubts proved justified. As 1943 wore on and stretched into early 1944, we attacked ball bearings, airframes, the Romanian oil fields (Ploesti), the German refineries. We descended to horrible attacks on German cities, Berlin, Dresden, Hamburg. Thousands of German civilians were killed. And the 8th Air Force itself suffered very heavy losses of men and planes. Still, we could find no evidence that German armaments production had begun to decline. Our wartime evidence, of course, was incomplete, but after the war, the full testimony of the German records themselves amply confirmed our earlier conclusions. (See the Report of the U.S. Strategic Bombing Survey, published in late 1945 or 1946.)

Why did actual strategic bombing, the attack on German industry, fall so far short of the Air Force goals? I think that there were a number of reasons in addition to the inability of the bombers to perform with anticipated effectiveness in the conditions of actual combat. First and perhaps foremost, we were attacking an incompletely mobilized economy. Contrary to general belief, held not only by Pentagon planners but by the whole intelligence community, the OSS and the more experienced British included, the German economy was not operating at full stretch when Germany opened the war in September 1939. Hitler had unshakable faith in German Blitzkrieg, lightning war. Prepare a very strong force of decisive weapons: planes and tanks. Strike with enormous strength at critical points. Keep moving. Victory would come in days or weeks, at worst a few months. It worked in Poland; it worked in Belgium, Holland, France, Denmark, Norway. And the rapid early successes in Russia did nothing to weaken Hitler’s strong conviction.

The first check did not come until the winter of 1942–43, when the Russians held firm before Moscow. But it was only after the bitter battle and
great Russian victory at Stalingrad in June 1943, when the Russians captured a whole German Army of 345,000 men and the Germans for the first time in the war had to go on the defensive, that Germany moved to full mobilization. Until then whole sections of the male population had been exempt from draft into the army. Now they were called up. Industry had run on single shifts; now night shifts were organized. To supply the new demands for labor, women were used. Until then, Germany had worked under the Nazi slogan, “Kinder, Kirche, Küche,” which is to say that women’s business was with children, the church, and the kitchen. Now they were brought into the factories. And as all these steps toward full mobilization took place, they helped offset the effects of Allied bombardment.

Air power, however, finally had its great days. In the plan for the Normandy invasion of June 1944, the American and British air forces were assigned a vital role: to bring the German air force to battle, to defeat it, and then to seal off the Normandy battle lines from German reinforcements. The Allied planes succeeded brilliantly and so made a vital contribution to the Allied breakout from Normandy, the liberation of France, and the push to the Rhine and beyond.

All these were serious matters, and we dealt with them seriously. But there was also a lighter side to R&A life. As said, we were a bunch of Ph.D.s and aspiring Ph.D.s, all headed for academic careers in economics, history, sociology, and political science. We were also of an age, between 25 and 35, old friends or acquaintances soon to be friends. Regardless of our place in the R&A organization, we were free and easy with one another. Some of us were civilians, the rest were Army privates or noncommissioned officers. So far as I can remember, there was at the beginning only one commissioned officer, whom we all referred to with a smile as “Captain Parker.” He was an old friend, later a noted economic historian. No one of us had had any military training.

This was a fact that got us into trouble. Used to the informality of R&A life, we walked the Washington streets in our carelessly worn and ill-fitting uniforms with never a thought about saluting the majors and colonels whom we passed. Indeed no one had bothered to teach us when and how to salute. Many of us were confronted by affronted officers who demanded to know our name, rank, and serial number (which we had forgotten). Complaints began to pour in. The OSS finally decided to send us for basic training. And where were we sent? To the Marine camp at Quantico, Virginia, there to be brought into line by Marine drill sergeants. I have often wondered: which of us had the greater shock, the R&A Ph.D.s confronted by tough Marine drill sergeants; or the Marine sergeants having to deal with a class of young academic scholars in economics and the humanities.

One way or the other, we were put through the whole course in six weeks. Military courtesy—when and how to come to attention and salute; how long to hold a salute. Personal hygiene: when to shave and clean our
fingernails, when to visit the toilet, when to shower. Marching and other drills: left turn, right turn, half-right, about face, at ease. Rifle practice: the parts of the M-1 rifle, keeping your rifle clean and oiled, taking it apart, assembling it while blindfolded, target practice, and marksmanship. Hikes with full pack. Finding your way: dumped in deep woods at night, find your way back to camp with the help of map, flashlight, and compass. Hand grenades and booby traps. There were many embarrassing incidents along the way, but we emerged after six hard weeks, in better shape, pounds lighter, our hair shorn, and somewhat better prepared to give an impression of soldierly behavior and appearance. We pretended to be amused, but were secretly a little pleased with ourselves.

There was still another matter in our relations with the Army to straighten out. The OSS cared nothing about rank, but in the Army rank counted heavily. In the Pentagon, but not in R&A, only a commissioned officer could look at a classified document. So now Army lieutenants and captains found themselves delivering documents marked “secret” and “top secret” to armchair privates who like as not did not trouble to rise from their desks. The Pentagon officers resented these encounters. The OSS decided to correct the trouble. We privates, therefore, were quickly promoted; within weeks we became corporals, buck sergeants, technical sergeants, first sergeants, master sergeants. Our wives were busy removing old stripes and sewing on new ones.

And now it was time to give us commissions. The OSS worked out a simple procedure. Each sergeant recommended by his R&A supervisor, which was all of us, was to appear before a board of officers to be “examined.” In practice, that meant to be looked at. If the board decided that our “military bearing” was adequate, we passed. That meant that if our uniform looked fairly neat, if our shirt tails were tucked in, our caps carried in the approved fashion, and if we could enter the room, come to attention, and recite the sentence: “Sergeant ______ reporting as ordered,” we were approved for commissions. And that’s how I became a second lieutenant, Army of the United States.

There is only one thing more to be recorded about this somewhat ludicrous procedure. Of the three dozen or more R&A boys who were recommended for commissions, only two failed to pass the “examination.” Unfortunately, one was my close friend Paul Baran, about whom you have heard in an earlier chapter. Paul was so built that his shirttails would not stay tucked in no matter how he tried, and it offended his soul to try hard. More important, to bring himself to attention and mouth a predetermined formula put far too much strain on his very limited ability to conform. He simply could not do it with any enthusiasm. Verdict of the Board: “Deficient military bearing.”

With all that, Paul was grievously disappointed. Why? I believe he was still dreaming about the Prussian staff officers promenading in the Berlin
Tiergarten—raspberry stripes, a lovely and elegant girl on one arm, a Dalmatian hound on the other. And Paul was still a communist. A complex character, indeed.

**Reparations: The Background**

Back to business and the background history of German reparations. The Germans made one more desperate attempt to stave off defeat. Suddenly counterattacking in the midwinter of 1944–45, they drove a great wedge between the British and American forces. Their goal was Antwerp and Allied supply lines across the Channel and North Sea. A severe battle ensued in which the Allied lines were restored by the rapid redeployment of the U.S. Third Army under General Patton and what the Germans called the unbelievably abundant Allied sources of supply. And with this German defeat, Eisenhower’s forces crossed the Rhine in strength while the Russians pressed forward in the East, through Poland, Hungary, and Romania and on toward Berlin.

Now victory in Europe was in sight, and all thoughts turned toward the postwar treatment of Germany. Secretary of the Treasury Henry Morgenthau, a determined, all-out Nazi and German opponent and a passionate supporter of revenge for Nazi crimes against Jews and others, presented an early plan. He was influenced also by the belief, widely shared in Washington, that the foundation of European peace in the postwar decades would rest on good relations between America, a new superpower, with the Soviet Union, the second superpower! The U.S.S.R. should be made to feel that its western borders were secure against a resurgence of German strength and revanchism. Roosevelt shared that view and so did almost everybody in R&A of OSS.

Morgenthau, helped by his main coadjutor, an economist named Harry Dexter White, gave his ideas concrete form in the famous “Morgenthau Plan.” It had three components: Deindustrialization (or Pastoralization), Truncation, and Partition. Deindustrialization meant that German industrial capacity was to be radically reduced if not destroyed. Germany was to be transformed into a country of farmers and cattle raisers. This was to be accomplished by a program of reparations in the form, not of cash payments as after World War I, but by the direct removal of German plants and equipment and their transfer to the victors. Truncation meant that Germany was to lose important territory. Much of East Prussia and Silesia was to go to Poland, some of the Rhineland to Holland and Belgium, the Sudetenland would return to a restored Czechoslovakia, the Saar and its coal would go to France. And Partition meant that what remained of Germany would be split up into four independent countries: Prussia, Bavaria, Rhine-Westphalia, and Austria. The united and enlarged German Reich, Hitler’s “Thousand Year Reich,” would be no more.
The Morgenthau Plan dominated the Washington debate. It was clear that the plan satisfied the desires of the U.S.S.R. It fitted the mood of the time, and it had wide support. It was not, however, without its critics. The main critic was the Pentagon. It saw endless complications and difficulties for the American Army of Occupation in Germany if it had to deal with four countries (as well as the Soviets), and a population largely unemployed (Deindustrialization) with a very low standard of living. In R&A, a minor player, we shared Morgenthau’s general objectives about weakening Germany, but we saw the possibilities of trouble from the plan’s very radical transformation of Germany. Our doubts assumed some real importance because of the research we did in our section. It came to be embodied in a brilliant memorandum by Kermit Gordon. He showed in a persuasive argument, with supporting statistical evidence, that the result of deindustrialization on the Morgenthau scale, together with truncation and partition, would destroy Germany’s ability to export and so to pay for its minimum imports. If Germany were not aided by the Western allies, its average income level would fall well below the miserable standard of prewar Poland. In addition, a large portion of the adult population would remain unemployed. Shortages of basic necessities—food, clothing, and other household supplies—would be common. And Western Europe, which had always depended on imports of German industrial goods, would find its own recovery hampered. All this gave teeth to the Pentagon’s worries.

I found Gordon’s paper convincing. I supported it and persuaded the OSS high command to permit us to circulate it within the Government. It made a strong impression in many quarters. Needless to say, however, when it reached the Treasury, Morgenthau was outraged. He demanded that the OSS send representatives to explain ourselves. The OSS chose Ed Mason, its top economist, and Mason took with him his own chief assistant, my old friend Emile Despres—and me. The meeting was arranged. Morgenthau came in with Harry Dexter White.

Morgenthau opened angrily. “Who is responsible for this paper?” Mason looked at Despres, and Emile looked at me. I had no one else to look at. The buck stopped with me. So, rather meekly, I said I was responsible. The report had been prepared by a member of my staff, and I supported it. At this, Morgenthau, with a baleful glance, asked: “Why do you want to destroy the good relations of the United States with the Soviet Union?” Plucking up courage, I replied that this was not our purpose. We were simply trying to reveal the probable effects of a full-scale application of the Morgenthau Plan in Germany and Europe. At this Morgenthau asked to be excused. He had a severe migraine headache. And perhaps he did. So we were left to go through a desultory and inconclusive conversation with Harry White, and then we broke up.

Now Roosevelt, already very ill, within four months of his death, met Stalin and Churchill in the Black Sea resort town of Yalta. Their subject was the postwar treatment of Germany. Stalin proposed his own version of the
Morgenthau Plan. So far as Truncation and Partition were concerned, his ideas jibed with Morgenthau’s. To obtain Roosevelt’s agreement, however, there was an seemingly important addendum. The governments of Poland, Hungary, Czechoslovakia, and Austria were to be reconstituted by democratic methods, free elections, all citizens to have the right to campaign freely and be eligible to vote. For Roosevelt, the agreement was a triumph of hope over judgment. He soon learned better. On deindustrialization also, Roosevelt and Stalin came to agreement. Reparations were to take the form of industrial removals, not cash. The Soviets, nevertheless, proposed that the removals in total should come to have an aggregate value of $20 billion, of which the Russian share should be one-half, or $10 billion. How the removed plant and equipment were to be valued, perhaps in marks and the mark value translated into dollars, was, for these heads of state, a detail to be settled later by people like me—and, indeed as things turned out, I would have to deal with it.

Roosevelt and Stalin, then, had made some vague agreements at Yalta, but Churchill refused to sign off on any of these. The Morgenthau Plan for reparations was too vengeful for his taste. His moral, placed on the title page of his big World War II memoir *Closing the Ring,* was “In War: Resolution. In Defeat: Defiance. In Victory: Magnanimity. In Peace: Good Will.” He remembered where French vengefulness in the Treaty of Versailles after the First World War had led. He placed no credence in Soviet promises of democratically chosen governments in Eastern Europe. His goal was to treat Germany in a way that tied her to the West, not one that would leave her at the mercy of the U.S.S.R. In time, that would also become American policy. So none of these matters on which only Roosevelt and Stalin had agreed were really settled.

The “Big Three,” however, did make two decisions that all three accepted. A dividing line was agreed, drawn between the Soviets advancing into Germany from the east and the British-American forces coming from the west. It was the line of the Elbe River. It was a foretaste of the Iron Curtain, which was to divide Europe until the collapse of the U.S.S.R. in 1989. It left East Germany in the zone of Soviet occupation, and territory to the west of the line as American and British zones of occupation and rule. Berlin itself, although geographically well within the Soviet zone, was to be occupied and governed by all three powers in agreement (later enlarged to four when France was admitted).

The second decision was to establish an Allied Commission on Reparations. It was to have delegates from the U.S.S.R., Britain, and the U.S.A. It would meet in Moscow after the end of the European war and be responsible for determining the character and amount of reparations. The Soviets, however, never forgot their agreement with Roosevelt: reparations in German plants and equipment, $20 billion, one-half to the U.S.S.R.

Early in 1945, therefore, Roosevelt named the man to head the U.S.
delegation to the Moscow meeting. He was one of his own White House assistants, Isadore Lubin, an economist and a former Commissioner of Labor Statistics, a job in which I knew he had done good work. So I knew something about Lubin, but how he found me I never discovered. Anyhow I suddenly received an invitation to join him for lunch in the White House mess. There Lubin looked me over and, apparently satisfied, asked me to join the delegation as his economic advisor on German industry, the area on which I had been working for two years at the OSS. And Lubin soon made a similar appointment for the Soviet industry and economy. He was Abe Bergson, an old friend, who also had been working with us at the OSS. Perhaps it was from Ed Mason again from whom Lubin heard of us. Anyhow, we seemed to be a compatible and effective team.

So all was arranged. The Army now assigned me to the State Department, and State assigned me to Lubin’s delegation. And at Lubin’s behest, since he judged that, as a lieutenant, I did not have enough rank for my prospective duties, the Army made me a “civilian.” I was not discharged; I was simply ordered to wear civilian clothes. But now, in order to determine my treatment in all relations with the Army, I was given the “assimilated” rank of colonel. The Army would then treat me as if I was an officer of that high rank. They would give me appropriately comfortable quarters. I would be fed with other officers of rank. And most important, I would have entrée to officers of truly exalted rank if I needed it, and to their staffs. If I wanted information and support from the Army, I could get it. I soon needed it.

**Reparations: Paris and the Rhineland**

In late March or early April 1945, Lubin gave me a first assignment. I was to fly to Paris, first to find the officers on Eisenhower’s staff in Versailles (SHAES: Supreme Headquarters, Allied Expeditionary Forces), who would have been collecting the reports about the sliver of the western Germany Rhineland then occupied by Allied troops. With that information in hand, I was to make a Rhineland tour myself, observe what I could about this sample of German industry and economic conditions generally, visit the headquarters of armies and divisions, and debrief the relevant staff officers. All this, we hoped, would give us a useful early first-hand view of German conditions.

I left promptly to make my very first airplane flight ever. Transatlantic flights then, in propeller-driven planes flying at 10,000 to 12,000 bumpy feet, were not easy. Nonstop flights across the Atlantic were not yet possible. We were to refuel at Gander in Newfoundland and at Shannon in Ireland. Accidents, particularly at takeoff and landing, were not rare. I was nervous and I left behind a still more nervous Carrie. She would get news of my flight (maybe) from the State Department. It was my first experience with
MATS, the Military Air Transport Service. I was to have many more. On this first one, all went well. I arrived safely at the old Paris airport at Le Bourget and was duly brought to my billet. As befitted my high “rank,” I was given a comfortable room in the Hotel Wagram on the Rue de Rivoli.

I began my daily trips to Versailles and SHAEF. I collected our first information about conditions in Germany, and I began sending long reports both to Lubin and to my old colleagues at R&A (OSS). Both seemed excited and grateful for what I could tell them. (More about this below.)

Now developments of two sorts caught up with me. The one of real national importance had to do with Soviet behavior and policy in Eastern Europe. As the Soviet troops advanced into Poland, Hungary, and Romania, it became increasingly clear that the U.S.S.R. was asserting political control of these countries and was doing it with a heavy hand. Individuals and groups who did not declare themselves to be communists or communist sympathizers were thereby defined as “undemocratic” or as fascists and opponents of “democracy” and the “people.” They were thereby barred from any political role. The unavoidable conclusion was that these countries were to be political and military satellites of the U.S.S.R. or, in the Soviet view, as the Soviet security barrier against any future resurgence of German strength. As all this became increasingly clear, Roosevelt came to realize that his hopes of founding European and world peace on friendly cooperation with the Soviet Union were to be disappointed. As they did, the signals from the White House began to change the direction and content of foreign policy. We began to draw back from our Yalta commitments, whatever they amounted to. Occupation policy in Germany would give the Pentagon a freer hand to establish order and to work toward what they could regard as a viable German economy. And at a still deeper level, American thinking began to move toward Churchill’s view. Treat Germany in such a way as to tie her in economics, politics, and sentiment to the West. The Soviets under the Stalin regime would never, in any case, treat the Western democracies as friends.

All this was background. Of more personal concern was Roosevelt’s death and the succession of Harry Truman. Like the rest of the country, I mourned Roosevelt’s passing. He had been the country’s political father for 12 years. He had brought us through depression and a great war. And now in the moment of victory, with peace yet to be made, he was gone, and the presidency passed into the hands of a man we did not know, the onetime haberdasher Harry Truman. He proved a far better president than we feared, fully up to the job, but we did not know that yet.

One of Truman’s first moves was a trivial one for the new president, but it was of first-rate importance to me. Truman owed a political debt to a California independent oilman named Ed Pauley; he had been serving as treasurer of the Democratic National Committee. In that role he had been a large contributor himself and had raised very much more. Pauley yearned to
be Secretary of the Navy. His real purpose, so it was said, was to come into control of the Navy’s oil reserves. Maybe so. Truman apparently did not object, but the White House political operatives judged that to provide a good reception for the appointment, Pauley should first have a government job in which he could gain some favorable public notice. Their choice fell on the reparations mission. So Lubin was summarily supplanted as head of the delegation and Pauley appointed in his stead. Newspapers hardly noticed. The news came to me in Paris in a letter from Lubin. He, Lubin, would remain as Pauley’s deputy. Abe Bergson and I were retained on the delegation in our existing capacities. After all, Pauley needed a few people with useful background. Lubin, Bergson, and I were it. So would I go on with my job in Paris and the Rhineland? I would.

Pauley, however, was not content to stay with Lubin and his staff. He now appointed about a dozen, maybe more, of his California and Texas oil friends. They proved to be utterly useless and even harmful since to alleviate boredom they spent their time in Moscow, and even in Potsdam when we got there, in black market operations. They came because they wanted a visit to wartime Moscow, but actually they had no excuse for being there. Pauley gave them appointments doubtless for reasons of his own—a good indication of his cynical and self-serving view of his job. One appointment not an oilman was Robert Gordon Sproul, to be “human relations advisor.” (More about Sproul later.)

Now back to my own activities. Pursuing the relevant officers on Eisenhower’s staff, I had become acquainted with a State Department man who had an assignment similar to my own: to find out what our military knew about conditions in Germany. He was Burke Knapp, later to be a vice-president of the World Bank and still later, in retirement here in Portola Valley, to be a fellow member with me of the Fellowship Forum, my “old man’s lunch club.” As I did, he wanted to make a trip along the Rhine. We decided to join forces, and together, we arranged for an Army car and driver. Toward the end of April, we started out.

It proved to be a rewarding trip—in several ways. First, there were two or three very pleasant days on our way from Paris to Frankfurt-am-Main, in the Rhine Valley. Our route took us through Rheims, where we had a look at the great cathedral, then down the Moselle River, for us the source of the lovely Alsatian wines. I liked them better than the Rhine wines themselves. Wine there was in plenty. Bottles to put it in were very hard to find. For two empty bottles one obtained one bottle of wine “free.” So, as we drove along, we asked every promising place for bottles, and actually we found a couple of dozen. So life was blithe and gay: K-rations and wine along the way for lunch; Alsatian meals and Moselle wines for dinner.

Soon, however, we were in Frankfurt, and we had to become more serious. As planned, we drove north down the Rhine, passing by the large chemical works of I.G. Farben in the south and heading for the Ruhr and its
coal, iron, and steel in the north. At each plant, we were briefed and taken on
tours by executives of the firm. We stopped at each divisional and Army
headquarters, were told what their staffs had learned about conditions and
what they themselves were doing. We came to several conclusions. First, in
the area we had by then occupied, German industry and commerce were at a
standstill. Railroads were not in operation; road transport was idle for lack of
fuel and lack of much to move. Food shortages were severe. Housing, due to
the bombing of town centers, was also short and badly needed.

But secondly, the plants and their equipment, located as they were on
the outskirts of towns, had escaped heavy bombardment and were largely
intact. For lack of raw materials, transport, and markets, they could not
operate. Unemployment and poverty were rife. But resupplied with materials
and with transport restored, they could work again, markets would return,
and employment expand. Homely evidence of the existing breakdown,
however, was clear to see. It was a rare American soldier who did not have a
nice German girl, glad to shack up in return for food, nylons, and the sugar,
cigarettes, and coffee their families could use as barter in the countryside and
so obtain the potatoes, bread, and so on, which would sustain them. Our
own driver, though moving from day to day, boasted that he never had to
sleep in an army billet.

The most basic physical conditions for production, however, were, as
said, intact. What was needed to bring the industrial plants back into
activity—doubtless limited at first—was clear enough. The occupation forces
were eager to provide them. The Pentagon was supportive; it would take
some months to make a good beginning. I wrote long reports to Lubin and
sent them back by the Army postal service. He felt better informed and gave
the reports some circulation in Washington. As the Army moved eastward, it
was found that the Rhineland conditions were general. They formed part of
the climate of opinion that produced the Marshall Plan in 1947.

I had another impression I have never forgotten. Our young and
inexperienced occupation troops proved able to cope with difficult
conditions. I was particularly struck by two encounters. First, two very young
Army captains, still in their twenties, who had had minor jobs on American
railroads, were given the task of bringing the railroads of the Ruhr back into
operation. When I met them, they had made a good start. They had found
the knowledgeable German railroad men, discovered what was needed, and
worked out a plan. Two or three months later, the railroads were back in
business. A second encounter: A young American, who had just finished the
graduate courses in economics that would lead later to a Ph.D., was ordered
to organize the Bank Deutscher Länder (the Bank of German States), intended
to be the successor of the Reichsbank, to serve as a new German central
bank, to issue and control a new currency, to control interest rates and the
foreign exchanges, regulate banks, etc. When I met him, so early in our
occupation, he had gotten the job under way. Former Reichsbank officials
had been found and a plan formulated that had been submitted to the U.S.
Treasury. Several months later, the bank was established, and a basis for a restored German banking system had come into existence. The big German currency reform was still ahead.

Query: When if ever, under normal peacetime conditions, would three such able young men have been entrusted with comparable responsibilities? Moral: There is far more capability hidden under the bushel of youth than we normally use or even realize.

We spent VE Day, May 8, when the general German surrender was signed, in Essen in the heart of the Ruhr. We had been shown over the great Thyssen Steel works. Idle, but physically intact. We were fed and lodged by the paratroop regiment that had occupied the city. But there was no joy among the paratroopers. To them, VE Day meant only imminent transfer to the Pacific and a bloody invasion of the Japanese main islands. The nuclear bombs that would spare them would not drop until August. How were they to know?

Now, however, Pauley and the whole U.S. delegation reached Paris, and I was summoned to join them there. As befitted a man of Pauley’s connections, we were quartered—you guessed it—in the Ritz Hotel. There, to open our activities, Pauley gave grand party, in which a Hollywood producer in the delegation, a man named Matty Fox, distinguished himself. He made his entrance with Danielle Darrieux on one arm and Brigitte Bardot on the other. At that moment, in that well-oiled crowd, Fox could have won the governorship of Texas in a landslide. But why was he with us at all? We hardly saw him again, although he stayed with us every step of the way.

Soon after, in this giddy atmosphere, we were joined by the British delegation. It was headed by a very senior civil servant, Sir Walter Monckton. Aided by a half-dozen well-chosen assistants, the British held their own, or did even better than the Americans, four dozen strong. As a starter, Pauley pressed a reluctant Monckton to join hands with him in one of the sillier actions of the mission. The two delegations would meet in Frankfurt on our way to Moscow. There we would organize a number of joint teams, each of which would make an “on-the-spot inspection” of a different area of the parts of Germany occupied by the two Western powers. Excuse: to prepare ourselves to negotiate with the Soviets. I was teamed with a British economist with whom I had some earlier acquaintance. It was Austin Robinson. We were given the large state of Bavaria and some neighboring territory, including Nuremberg, as our area. And we were ordered to report back in Frankfurt in three days. Needless to say, no one took such assignments seriously. Little did Pauley care. For him, it was a photo opportunity: departure of the British-American teams for “on-the-spot” inspections, Pauley and Monckton giving last-minute instructions, and such like carefully posed portraits.

Few things about this foolish trip remain with me. Our fleeting glimpses of conditions confirmed the impressions of my earlier Rhineland
tour. The industrial plants still stood, but the town centers had been hit hard. In Nuremberg, for example, we were billeted in the same hotel on the station square where Carrie and I had lived in those anxious weeks in September 1938. But now in May 1945, the hotel was literally half bombed out. Fifteen yards from the door of my room, one came to a canvas curtain. Beyond it was nothing but empty space.

When we reached Munich, Robinson revealed a consuming goal: to “liberate” a case or two of a good German wine which he could present to his Cambridge economics friends at some forthcoming dinner meeting of the Marshall Society. He hunted up a large Munich wine cellar. We found it guarded by an American sergeant. Satisfied about our identities, he admitted us. We found ourselves in a large cellar indeed. The walls were ringed with huge casks, floor to ceiling, perhaps 6 feet in diameter, each containing a different variety or vintage. The cellar floor was perhaps an inch deep in wine. Robinson sloshed about and located the cask that satisfied him.

Unfortunately, the cask had not been broached. Nothing daunted, Robinson found a mallet and a faucet and also a supply of bottles and corks. He handed me the mallet. “You knock out the bung; I will push in the faucet.” He did not foresee the result. I gave the bung a good whack and stood aside; a jet stream of wine the thickness of a fist burst forth, driven by the pressure of who knows how many hundreds of gallons of wine above. Robinson, facing this jet, had to struggle to fix the faucet. It took several minutes during which he was soaked through with wine, a sorry sight, an entrancing aroma. But he persisted. He filled his cases of wine to send home, he gathered a few more bottles for ourselves. So once again we had vinous lunches, K-rations and good wine. And so back to Frankfurt.

Both delegations quickly boarded planes to fly to Moscow. At Thorun in Poland, we stopped to refuel and to take aboard a Soviet navigator. It now emerged that our Army pilot knew no Russian. Our Russian navigator knew no English. Abe Bergson filled the gap and did two-way translation. It was a long flight. Food was scarce. We landed in Moscow after midnight. Now things went better. We were met by Embassy personnel with a covey of limousines and driven into Moscow to the Savoy Hotel. It proved to be a second-class place even by Soviet standards. We learned the reason for our treatment later. For that night, our mood was good. We were glad to be safe on the ground. And we were immediately ushered into the hotel restaurant where a goodly supper was served. Beluga caviar spread with chopped onions, delicious herring, eggs, blini, and plenty of vodka and tea. This, we thought, was a truly friendly and generous reception. Things were looking up.

In the morning we learned better. At breakfast, we were each presented with a stiff bill for the former night’s supper. Moreover, we had had a chance to look over our rooms. Mine may be taken as typical: on the second floor, windows opening to the rear and directly above the stove pipes
of the restaurant kitchen. During the next months, I lived in an atmosphere both gaseous and smelly. I could either close the windows or bear the gas. As we passed from late winter to spring to summer, it became a hard choice. Our Embassy contacts treated all this as an index of the daily state of Soviet-American relations. A grapevine, they thought, carried the word from higher Soviet officials down to lower with telegraphic speed. If the Soviets sensed some improvement in prospects for agreement on important issues, our planes appeared steadily, and mail came through from Washington. If there were disagreement, the planes were delayed on one pretext or another. We should expect fluctuation in our own treatment. Could we get a vanna (hot bath) when we wanted one? It depended.

The Soviet delegation was headed by a courtly and cultivated diplomat named Ivan Maisky. He had had a long career in the Soviet foreign service and had had long stretches as an ambassador in both Washington and London. He knew the West well and spoke fluent English. Neither Lubin nor Monckton could match his diplomatic experience and ability and, of course, not Pauley. Maisky was bound by a rigid Soviet position, which regarded the Yalta final communiqué as a binding agreement—never mind that Churchill had not signed on. Reparations in the form of industrial removals, $20 billions in toto, half to the U.S.S.R. Anyhow, that’s what they wanted, and they never changed. They also wanted the territorial features of the Morgenthau Plan, but these went far beyond the agenda of the Reparations Commission. They never wavered.

On our side, policy since Yalta had changed drastically. Roosevelt’s hopes of founding future European peace on U.S.-U.S.S.R. friendship and agreement had foundered on the growing evidence of Soviet intentions in Eastern Europe. The Soviet borderlands from the Baltic south to Romania, wherever Soviet armies came into occupation, were to become not only Communist but Stalinite satellites. Under Truman, the evidence cumulated as Soviet army lines moved westward.

Beginning under Roosevelt and continuing under Truman, the American policy regarding reparations gradually changed. By the time we reached Moscow, it had reached at least a provisional position, which was reflected in our instructions from the White House via State. Roosevelt’s Yalta “agreement” was not a binding commitment and, of course, not a treaty. It was, we now said, only a “basis for discussion,” a starting point for negotiations in which the U.S.A. now placed a limit on industrial removals: what Germany could spare while keeping enough industrial capability to maintain a tolerable standard of living and pay for its concomitant imports out of the proceeds of exports. Investigation, industry by industry, would be needed. So agreement on removals would need time and work. Supported by the Pentagon, anxious to ease the problems of governing in an occupied Germany, this was now the broad aim of our instructions. Certainly that was my interpretation of them. For the longer run, involving far more than reparations (boundaries and territorial unity, for example) and still perhaps
only half-consciously, U.S. policy on Germany was moving toward one of treating Germany so as to tie her firmly to the West.

The conflict of policy between the Soviets and the two Western powers quickly became clear. We soon understood that the Moscow meetings could not lead to any broad agreements on reparations. The meetings drifted on, however, because no one stopped them. At best they served the purpose of revealing the many areas of disagreement and few of agreement. We came to understand each other’s positions much more clearly.

In a curious way, it was one of the multitude of meetings that served to bring the American position clearly into the open, and I turned out to be an unintended vehicle of transmission. It was a meeting of the heads of delegations, called by the Soviets to discuss an issue that, in their view, was vital to carrying out their plans, the determination of a mark-dollar exchange rate. Pauley, flanked by Lubin, therefore, was at his place in the conference room, Bergson and I waited in an anteroom in case they should need some information. After some time, word came from Lubin: I was wanted in the meeting. When I came in, I found Maisky in the chair. He spoke to me in his usual polite and kindly way. What, he asked, was the proper current exchange rate between dollars and marks? I was an expert economist, he said. I could give them an objective answer.

Since I knew the reason that Maisky had called the meeting, I had been thinking about the problem. His use of the term “objective” gave me my opening. Since, at that time, there was still no trade between Germany and other countries and, in particular, none between Germany and the U.S.A., and had not been for four years and more, there was no “objective” way of determining the proper current dollar-mark exchange rate. And then, having warmed up, I went on, although, on reflection, I did not have to. I explained clearly, I think, that the American position was that the Soviet question suggested a procedure for reparations that started at the wrong end. It should not start from a predetermined mark and dollar total value and then translate that into figures for each industry and then into the removals of plant and equipment corresponding to these cash values. It should start from the other end. First there would have to be decisions about how much and which existing plant and equipment could be removed from each industry while still leaving the German economy in a balanced condition and potentially capable of producing a level of income low but tolerable to the German people. Only industry-by-industry investigation and discussion could do this. It would be a lengthy process. Then it might be possible to assign mark values to the removals, given their estimated cost of replacement and allowing for depreciation. A total mark value would emerge. Were it necessary to translate this into dollar terms, however, in then current conditions, it would necessarily be arbitrary—a political decision. If governments judged it expedient to state the result as a high dollar total, then give the mark a high value relative to the dollar, etc. But if actual physical removals had to be first determined, and fixed on a basis other than a
presumed dollar value, the exchange rate was extraneous to the process. Perhaps by the time the removals were actually made enough German trade with other countries would be taking place so that there could be an objective basis for stating the value of German reparations in terms of dollars.

Apparently this was a sufficiently learned disquisition to earn me Maisky’s polite thanks. I was excused and went back to the anteroom to wonder how Pauley and Lubin would view my performance. I did not have long to wait. The meeting broke up, and Pauley and Lubin emerged. Pauley was wreathed in a huge smile; he threw an arm around my shoulder saying, “You told them; they’ve got it straight now; no one could have done better,” etc. In more cautious sentences, Lubin was also approving.

I have since wondered why they were so pleased. Perhaps it was a job they regarded as confrontational and perhaps terminal as far as the Moscow meetings were concerned. Lubin could have done it well, and it should have been his job. Perhaps, fearing disapproval from Washington, they were glad to have it done by a subordinate whose words could, if necessary, easily be disowned. In the event, however, they were not disowned, and I was left to feel that for once my presence had made a difference.

Having reached this point in which we had clearly backed away from Yalta, it must have been clear to all that there could be no agreement in the Commission on some compromise between the Western and Soviet positions. On reparations, both sides were dug in and unyielding. And Soviet actions as they advanced into East Germany aggravated the deadlock. We soon learned that they had begun to make large industrial removals without waiting for agreement on reparations. Asked to explain, the answer was that these removals were not reparations; they were “war booty.” And what was “war booty”? To this the Soviets replied that, under their understanding of international law, any enemy property owned by the defeated army (or government—I forget which) or which had been making supplies for it could lawfully be seized by the victors. Under that interpretation, it was not clear to us what, if anything, was left for reparations removals. We lodged the usual, but useless, protest.

So things drifted on—meetings, exchanges of memoranda, busy days, but no motion. Until at last, the three powers agreed that there should be a meeting of the heads of government: Stalin, Churchill, and Truman. We were ordered to fold our tents in Moscow and proceed to Potsdam, near Berlin, there to join the U.S. delegation to the meeting of the three leaders.

I digress now to record some impressions of Moscow and of our life there apart from work. By American standards, Moscow resembled nothing so much as a great slum, dull, poor, rundown. It was still cold at the time we arrived, but people went dressed in ragged clothing, all that remained after four years of German invasion and terrible battle, slaughter, and hunger. Women, working in the streets, bound their feet in strips of wool or cotton.
There were no shoes. The city took on a better appearance as warm weather returned. Now the winter rags were set aside and replaced by bright shirts, belted in the old Russian fashion. It was a relief to the eye.

Our own contact with the population was severely restricted. We were warned against it by the Embassy. People who seemed friendly were not to be trusted; they were more than likely agents reporting our talk and behavior to one of the security agencies. Women who offered company and bedtime recreation were almost certainly agents. But not a few of our delegation took them on and enjoyed the comforts of their company. What the Soviets learned was probably meager. Our people had little to disclose.

Evening entertainment of a public sort was narrowly confined. Night after night we went to the Bolshoi Theater. I saw and heard enough classic Russian ballet and opera to fill a lifetime. But the performances were uniformly excellent. We were seeing the best Russia could offer (and at a price to fit the people's near empty wallets). An aside: in the Bolshoi lobby, signs reminded the audience that spitting on the floor was “Niet Culturni” (not civilized or polite). Several other events remain in my memory.

We discovered one day that the Jewish Art Theater presented an occasional performance. So one evening, Lubin, Bergson, and I plus three or four other Jews attended. We saw, or began to see, a performance of Wandering Stars by Sholem Aleichem, in Yiddish, of course. The first act introduced a familiar plot. A Jewish girl somewhere in Poland is seduced and rendered pregnant by the local “puritz” (landowner, minor nobleman). Discovered by her parents, she is disowned and, with copious tears, declared dead to the family and cast out from the house. I never saw the rest. When we went out to lobby, members of the audience discovered the little group of Americans. By unanimous consent, all thought of returning to the play was abandoned. We asked them about Jewish life in Moscow (discouraged and hampered). They asked us about their relatives. Did we know their cousin in Detroit? And so on. All talk conducted in our faltering Yiddish.

July Fourth was a big day in our confined extracurricular life. The American Embassy put on a grand party which brought together the Americans then working in Moscow and a large number of Russian notables. There was a great deal of the delicacies beloved of the Russians, mostly procured from Finland, as well as a plenteous supply of champagne and vodka. And when everyone had become well oiled, the two groups began to mix and dance. I must have had my full share of drink. I did something quite uncharacteristic. I approached Mme. Ulanova, then the prima ballerina of the Moscow ballet, and asked her to dance with me. And we did. We made perhaps one trip around the floor before someone cut in. Still, I was pleased with myself.

Our delegation kept badgering the Russian side to arrange some break in our Moscow confinement. They did two things for us. First was an afternoon picnic. We were driven several miles out of town and set down in
a bare, unshaded field on the Moscow River, together with three or four cases of vodka and told to enjoy ourselves. We made the best of it, and when the drink took hold, there was singing—all the old favorites. There was one, however, new to me but apparently familiar to many of the others. It was a simple song, in which the chorus was delivered mainly by President Sproul, he of the stentorian voice:

“Roll me over in the clover,
Roll me over; do it again.”

Given the reception of his performance, it may be that as the “human relations advisor,” he had something.

Much more important for us was a four- or five-day expedition to Petrograd (St. Petersburg). Of this, travel took a full 24-hour day each way, a symptom of the condition of the Russian railways. We were accompanied by the U.S. agricultural attaché. He came to seize his first chance to observe the Russian crops, at least what could be seen from the train, and to look over the foodstuffs available in the markets at each station. In Petrograd we found a city center as bright and pleasant as Moscow was dull, gray, and grim. Built in the 18th-century Georgian style, painted in bright pastel colors, located along the city’s rivers and canals, the streets provided a cheery sight in every direction. The town center, in spite of the three-year German siege, had not been bombed. The population had suffered and many died in hunger and disease, but physical destruction had been confined to the outskirts. The Hermitage and its great museum were still closed, but we were content to walk the streets and enjoy their beauty.

Reparations: Potsdam and After

We were flown to Berlin in a Soviet lend-lease DC-3. The plane stayed 200 or so feet above the ground. Without a navigator, the Russian pilot was simply following the roads. Because the flight was long, there was a large extra fuel tank inside the cabin. It was covered by a rug on which sat several Soviet soldiers, each bearing his rifle. They smoked incessantly. When we expressed uneasiness about their behavior, their reply, duly translated, came to this: “Why are you worried? Do you expect to live forever?” Still, we landed safely at the old Templehof Airport and then were driven to our billets in Potsdam.

There we found that we had joined an American delegation numbering many hundreds, perhaps approaching a thousand—every person in Washington who could dream up an excuse for being there. The Army was ready for us. A special PX had been set up where the delegates could buy liquor, cigarettes, coffee, Mickey Mouse watches—all the supplies needed for a busy and profitable black market business, and all at very low dollar prices. The British got along with about 20 people, and half were
secretaries and chauffeurs. Never mind, the Americans, useless as they were, did a thriving business in the black market.

The British were headed by Churchill for only a few days. Then in the postwar Parliamentary elections, in the very moment of victory, Churchill and his Conservative Party were rejected in favor of Labour. He was replaced by Clement Attlee, the Labour leader. (Churchill on Attlee: “Mr. Attlee is said to be a modest man, and certainly he has a great deal to be modest about.”)

So for most of the Potsdam meetings, the Big Three were Stalin, Attlee, and Truman. It soon became apparent that both sides, West and East, had come prepared to settle the postwar treatment of Germany on a pragmatic recognition of the underlying realities of power. That meant that wherever each side had come into military occupation, each would do what it pleased in that area. The practical outcome can be summarized by reference to the three parts of the Morgenthau Plan.

Nazi Germany was subjected to radical Truncation. In the East where the Soviet army ruled, Poland was set up with new boundaries. In compensation for their earlier annexation of much of prewar eastern Poland, the U.S.S.R. awarded Poland large sections of German East Prussia and Silesia. Czechoslovakia was returned to “independence.” Both Poland and Czechoslovakia were given communist-dominated governments. The Sudetenland went back to Czechoslovakia. Both Hungary and Romania became independent again, but with suitable communist-leaning governments. In all three countries, later attempts to assert some real independence were crushed by the Soviet military. Austria also was separated from Germany but was jointly occupied and remained for later settlement. All this assertion of Soviet power in the East was simply tolerated by Britain and the U.S.A. There was no formal agreement.

Partition had one important element. What remained of East Prussia and Silesia after the territorial award to Poland became the Soviet zone of occupation. It was eventually set up as a communist nation under Soviet domination. There was no partition in the zones of Western occupation, and West Germany became the modern Germany, a capitalist, democratic country closely allied with Western Europe, Britain, and the U.S.A. Moreover, with the Soviet downfall in 1989, East Germany rejoined West.

As for Reparations itself (Morgenthau’s Deindustrialization), one key Yalta agreement was confirmed: reparations would take the form of removals of hard assets, plant, and equipment. Each power was left to decide how much of what to take from its own zone of occupation.

To all the broad arrangements, whether the subject of explicit and written agreement or simply tolerated as the pragmatic reality of military power, there were two important qualifications. They came to little in the end, but for several years they involved endless trouble for the occupying
powers’ military commands, constant and difficult negotiation. In spite of the
broad freedom the powers had to determine capital removals from their own
zones, an explicit agreement provided that the three powers (four, after
France was given a zone) should attempt to run all Germany as “a single
economic unit.” So after all, the commanders had to seek agreement on
removals, or at least go through the motions. To this there was added a
further complication. In view of the great destruction that Nazi armies had
caused in the U.S.S.R., there was agreement that the Soviets had a special
need for iron- and steel-making industry. The Soviet zone itself, however,
contained little plant that could help meet the need. It was agreed, therefore,
that the U.S.S.R. should share in the plant removals from the Ruhr area, the
center of the German steel industry, located in the British zone. This
agreement made steel removals a special subject of four-power negotiation.

The two qualifications had implications for our delegation. One was
simply amusing. When Pauley was appointed to head the U.S. delegation, he
decided, for reasons none of us could understand, that he needed to have an
expert cartographer at his side. The Army chief of staff, therefore assigned
one to him. He was an Army captain who name now escapes me. When we
reached Moscow, it turned out that the unfortunate captain had absolutely
nothing to do—zero. The rest of us were accomplishing nothing except to
record in a variety of ways that West and East could not agree. But we were
busy. We served on committees. We prepared and exchanged memoranda.
Some of us were kept very busy. The poor captain, however, was condemned
to week after week of empty idleness.

When we reached Potsdam, it was the same thing again. A few of us
were engaged in busy work; others were busy black marketing, but our
captain-cartographer was simply idle. One morning, however, he appeared at
breakfast and said with a great smile, “You will never guess what happened
to me last night. I was shaken awake at about 2 A.M. by someone in uniform
who said in an urgent voice: ‘Get dressed. You must come with me!’ So I did
and was driven off some distance, then led into a building and through a
large door. And there—my God—were Stalin, Attlee, and Truman. The
President said to me: ‘Good evening, Captain. We need your help. Behind us,
you will see a large map of Germany. On this map, you will see an area
circled in red. Please look carefully and tell us: Is this encircled area the
Ruhr?’ So I did look carefully, then came to attention and answered: ‘Yes,
Sir’. ‘Thank you, Captain. Good night!’ I was led out and driven back.” End
of story. The captain had at last had his moment in history.

The second qualification was more important for our delegation and
more particularly for me. When the conference came to an end, all of us
were eager to return home. The oilmen doubtless had their business to
attend to. As for me, I was fed up with the frustrations of the preceding
months. I wanted to end my association with the Texan and Californian
freeloaders and their black marketing. I wanted to get back home to Carrie.
General Clay, the American commander in Germany, had other ideas.
Industrial removals in the West and Ruhr and commitments about running all Germany as a single economic unit were now his responsibility to negotiate. For this he wanted staff, and he saw our delegation as a source. So he refused to release us. He simply refused to authorize transport. In the end though, he had to give in. We were civilians, were we not? We could refuse to serve. There was an exception, however. Underneath my civilian clothes, I was still a simple Army lieutenant. If he found out, he could easily have me assigned to his command. But no one told him, and he never found out. So after several weeks of idleness, we were released and boarded a C-54 for a flight to Washington. A frustrating mission thus ended without even a whimper. But at least it ended, and I could rejoin Carrie.

Reparations: Dividing Potential Removals

But not for long. I had reached home in late July or early August. I was officially back at the OSS but now with no mission and no duties. Carrie and I could enjoy a few weeks of holiday provided we remained in Washington. We were for a while well content. In mid- or late September, however, came a call from one of my Columbia professors, James W. Angell. The U.S.A. had joined with Britain and France to organize a conference of all the claimants to German reparations from the three Western zones to determine the share of each claimant to German assets when, as, and if the assets were designated for removal. Angell had been appointed to head the American delegation. Would I join him?

It was not an easy decision. I did not want another trip. But I was at loose ends, still in the Army, unable to rejoin the National Bureau, complete the big book on Inventories and Business Cycles, and see it published. So I said Yes. In late September or early October 1945, I flew off to Paris.

We lived in some splendor in the Hotel Crillon on the Place de la Concorde separated from the U.S. Embassy by only a narrow street. We had our offices in the Embassy. Within the delegation, I had a variety of responsibilities that, taken together, made my job more significant than it had been in Moscow. This, however, was a significance limited to the conference itself. In reality, it all came to little because in the end so little was actually removed from West Germany.

I did have one responsibility about which I cared a great deal and which, although constrained by the conditions created by our instructions, was of some use. Our instructions called for us to make a claim on behalf of the “Jewish victims of Nazi persecution,” and Angell gave me the job of pushing this claim. I faced two obstacles.

First, the conference consisted of the representatives of some 12 or 13 national states. With the almost single exception of the U.S.A., they were opposed to admitting a claim on behalf of some vague, ill-defined entity. There was as yet no state of Israel. And second, what removals could such an
entity use? I found some support for the “entity” from Titoist Yugoslavia. It would support our proposal provided the claim was not limited to Jewish victims. They saw the Serbs also as victims of Nazi oppression. I saw the justice of this view, and the State Department agreed. Yugoslavia became an effective ally.

Still, what hard German assets subject to removal could the victims, especially the Jewish victims, use? We found some, a pitifully small collection, but one whose character served to undermine opposition. In the vaults of the Reichsbank branches there had been found mounds of golden objects. They were the wedding rings and the dental fillings and crowns removed from fingers and mouths of Jews about to be gassed. Surely these at least belonged to the Jewish victims. The conference agreed.

In the maneuvering and the committee work leading up to this agreement, I found help in an unexpected quarter. British government policy was strongly opposed to any and all Jewish claims. They feared that any compensation for Jews would be used to support Jewish emigration to Palestine and so endanger the British mandate over that country and perhaps Transjordania as well. The head of the British delegation, however, was Sir Sigismund David Waley, the permanent undersecretary in the Colonial Office. He was a descendant of an old Jewish family in Bombay. He had a long and wide experience of diplomatic affairs and negotiations. In all his public utterances and actions, he had to conform to official British policy. And he did. Privately, however, he proved of real help to me. He advised me about the best approach to other countries. He helped draft the statements I made in committee and those I prepared for Angell to make in plenary meetings. His long experience helped make up for my own diplomatic shortcomings. In the end, Britain, finding itself alone in its opposition to using the gold teeth and wedding rings as Jewish reparations, gave way. What part Waley may have played in this policy change I do not know.

This still left unsettled the matter of determining a method of getting the Jewish reparations into Jewish hands in some useful way. This was worked out only later when the State Department put the job into the hands of my old friend Eli Ginzberg. He negotiated a difficult deal with Britain and France, the other occupying powers in West Germany. The value of the gold objects would go to the Jewish Agency and a few other representative Jewish organizations. It amounted in the end to some five million dollars. It did provide some support for Jewish emigration to Palestine. Still, as said, it was a pitifully small sum. It remained for the new West German government, when it came into being, to make really substantial reparations to the new State of Israel as well as to individual German Jews.

The Angell mission finished its work sometime in the winter of 1945–46. So, at last I could return home to Carrie. I was released from the Army, COG (for the “Convenience of the Government”). My war came to end. We could return home to New York, the National Bureau and the
Inventories book. And so we did.
Chapter Eleven

LIFE AND WORK IN PALO ALTO AND STANFORD

We crossed the country in August 1948 in a new Chevrolet convertible—no longer a roadster but a five-seater, all under a canvas cover that could be folded open by the power of the engine. For summer travel, it was the perfect touring car. We followed a northern route through Pennsylvania and the Midwest heading for St. Louis. Here we crossed the Mississippi, then followed the Missouri River though South Dakota and the Badlands and on to Montana and Glacier Park.

In the park, we broke our trip for 10 days. We had arranged to occupy a cabin in one of the park’s high camps. It was a scary trip up by horseback. We had the help of a guide, but neither of us knew the first thing about horses, the trails were narrow, and we each had a packhorse to lead. We had troubles, but we made it. And once there we had a marvelous country to explore. We spent our days walking, watching the numerous animals—moose, deer, and mountain goats—a revelation to us city-bred Easterners.

From the park, we headed for the Columbia River, which we followed west into Washington as far as The Dalles. Now we turned south, and reached California. We had a good look at Crater Lake and its deep blue water. Then southward again, and there after some days was San Francisco, its surprising whiteness seen from across the Bay, still no high-rises, a city of shops, warehouses, ships, and white-painted stucco houses, the few factories in the outskirts. So it seemed to our eager first glances.

We soon reached Palo Alto and Stanford. In the housing shortage of the time, it took us a couple of weeks to locate a rental for the forthcoming trial year. But luckily we found a comfortable cottage on Los Robles Road, a very pleasant street to this day. Then, as the year wore on and as it began to
look more and more that the department and we were satisfied with one another, we began to look for a house to buy. After some vacillation between Los Altos Hills and Palo Alto, we found the house at 543 West Crescent Drive in Palo Alto, which we bought and in which we settled in the fall of 1949.

It served us well, and we had good years. There Joel was born in July 1950, and there he spent his days in elementary school and high school. He had good friends in the neighborhood as well as friends made at school. They were often in the house.

There also we ourselves became part of a warm circle of friends. Many are still with me today. We owed our first acquaintance with them in good part to Leah Chodorow and her talents for friendship, her desire to bring people together, her own good heart, her capable French cooking, and her energy. Her husband, Marvin, became my very close friend and remains so to this day. In our circle others to whom we were close were Charlotte and Bernard Siegel, Bernadette and Alex Inkeles, Dorothea and Gabriel Almond. Two department couples whom we brought in were Anne and Tibor Scitovsky and Joanna and Emile Despres, and my close department friend Paul Baran. But Emile died far too early and so did Paul Baran. Their deaths were and remain a sad loss to me. Anne and Tibor later divorced. Tibor remarried and Elisabeth joined the circle, valued for her good heart and superb Hungarian cooking. I say more in the next chapter about these friends and what they have come to mean to me since Carrie’s death.

The Stanford Department of Economics

When I joined the department in the fall of 1948, it was in the last stages of a period of transition. Only a few years before, economics had been part of a department of sociology. It had won its independence mainly because of the long-continued efforts of Bernard Haley. But our faculty still included a number of older men who stemmed from the former days under sociology. They were due to reach retirement age in the very near future, and their departure would open slots that the younger men could fill with candidates who satisfied their own standards.

The group of young men who now would come to control the department was at first very small. Bernard Haley was our old man; still in his early fifties, he was our chief. Next came Ed Shaw. He came up through the department but had had a long period of training in the London School of Economics during its best days. He was an altogether fine economist, a good theoretician who had a wide knowledge of banking and the capital markets. He succeeded Haley as our chairman. Lorie Tarshis and Tibor Scitovsky had come to the department in 1947. I was well acquainted with both. Tarshis had worked in Cambridge under Keynes. He helped bring Keynes’s *General Theory* to America—literally, in that he carried the galley proofs of the
American edition to Harvard in 1936, where it was reproduced and studied by the young faculty like me and by the older graduate students. Almost all of us became converts to Keynesianism. Lorie himself went on to become one of the foremost expositors of Keynes, and he published the first Keynesian textbook for beginning students. I became acquainted with Tibor in Germany, when he was working for the U.S. Strategic Bombing Survey and when I was making my early on-the-ground surveys of German conditions for my job on the American delegation to the Allied Commission on Reparations. Tibor was Hungarian by birth and early education, but his economics training was at Cambridge and then at the London School. From the beginning, his main interest was in using theoretical economics to work out the relations of economic institutions and behavior to individual welfare. In this work, he gradually enlarged the scope of the subject by making use of the insights of psychology into the significance of work and leisure-time activity for human happiness. He made notable contributions.

So we five were the beginning of the new department. During the next two years, however, we received important reinforcements. One was Kenneth Arrow, whose work in microeconomics was to win him a Nobel Prize. Another was Paul Baran. Born in Poland, translated by his father to Moscow, he grew up as a devoted socialist. In Moscow, he had his early education and a first job as a commentator on the Moscow radio. There his democratic sympathies got him into trouble with Stalinist officials. His parents then sent him to Berlin, where he continued an early training in economics and gained a doctorate. When Hitler came to power in 1933, he found his way to London and at last to the U.S.A. We discovered him working in the research department of the New York Federal Reserve Bank. We thought he satisfied our desire to give Marxist economics a place in our curriculum, and brought him Stanford. He did not disappoint us. He came to be known as the leading Marxist economist in America, and his *Political Economy of Growth* gave him a worldwide reputation and a large following among socialists.

We early members of the new department quickly came to know and appreciate one another. More important, we became friends. Indeed, until his untimely death in 1964, Baran was my closest friend at Stanford. In economics, we were all convinced Keynesians. In department matters and new appointments, we did not compete to build up our own specialties. Instead, we joined in a common effort to find and appoint the best talent available. So we were at peace with one another and could cooperate effectively.

**Two Chairmanships**

Given the spirit of the department faculty in the Fifties and Sixties, the chairmanship was neither valued nor sought. The department would be administered fairly and competently no matter which of us was chairman.
The job itself was viewed as a burden and distraction from one’s research. It was a burden, however, of which each of us had to carry his fair share.

I served twice. My first term would have been from September 1963 to September 1966. I resigned a year earlier, however, in order to push my work on American economic growth as part of the Kuznets-SSRC project. I remember nothing noteworthy about this term unless it was to gain the approval of the dean and the school’s committee on appointments and promotions for the promotion of Marc Nerlove to a full professorship. This was thought to be a tough job, and perhaps it was. Nerlove was only 28 at the time, unprecedentedly young, but the department faculty was determined to disregard precedent and seniority in order to hold on to talent. Anyhow I persuaded the authorities and won their approval.

My second term ran from 1971 to 1974. The war in Vietnam was still active, and so were the protests, not least in the universities. When we invaded Cambodia, a student organization known as URPE (Union of Radical Political Economists) called for a day of strike—no teaching, no classes. The faculty was in sympathy with this particular appeal, but we saw it, correctly, as another step in the continuing attempt by radical students to gain student control of academic affairs, particularly over faculty appointments and curriculum. We felt this had to be resisted. To do this and yet keep the peace, I decreed that classes would meet on the day of the strike but that they would be “teach-ins,” a chance for all students, under a faculty moderator, to discuss the war and other issues of the day. This seemed to satisfy both students and faculty. Nevertheless, one member of our faculty resigned to protest our failure to join in a real strike. He was a young man from France on temporary appointment. His resignation made a strong impression.

URPE had other and continuing business. They demanded that our department should appoint “four people working in and sympathetic to Marxian economics—NOW.” For this purpose, they organized weekly meetings including many undergraduates. They usually numbered 100 or so, sometimes more, and made as much noise as they could outside my office until I appeared to be berated and to hear their demands once again. In those days the radical students delighted in the use of obscene language. Their denunciations of me did not spare the use foul language. I disregarded this as well as I could. One week, however, their language was particularly obnoxious, and I must have shown I was disturbed. Then suddenly from the back of the crowd, a woman’s voice shouted: “Don’t take this personal, Professor. We’re just mau-mauing the flak-catcher.” Obviously, as chairman, I was simply the official flak-catcher—nothing personal. Anyhow, her intervention changed the mood of the crowd. Soon everyone went home.

Usually, I simply stood and took it. Occasionally I responded by reminding them that the faculty already included two notable economists “working in and sympathetic to” Marxian economics: Paul Baran and Jack
Gurley. The former you already have heard about. The latter wrote two significant books, *Challenges to Capitalism*, an exposition and assessment of the work of Marx, Engels, and Lenin; and *Challenges to Communism*, an analysis of the problems of building a communist state that was also democratic. I usually added that others would be appointed as candidates appeared who met the department’s standard for talent and learning. And, in fact, that did happen.

Aside from all these matters, there was now a larger problem of just administering the department. It had now become much larger, both in the number of students and of active faculty. The secretarial staff was also much larger. Administration, nevertheless, went smoothly, mainly due to the ability and efforts of Jim Rosse, whom I had found earlier and who acted as my vice-chairman. He later became university provost and still later the CEO of a large firm that owned and published a large number of local newspapers.

**My Teaching Program**

I gave lecture courses, conducted seminars, and supervised doctoral dissertations. My usual teaching “load” was one lecture course and one seminar each quarter. I gave lecture courses in business cycles and economic growth to both undergraduates and graduates and in economic history to undergraduates. My graduate seminars were on cycles and growth.

In my economic history courses, I put some emphasis on the seamier sides of our history, our treatment of the Indians (Native Americans, as we say now) and on the milking of the government by the builders of trans-Mississippi railroads, principally Senator Stanford and his partners and E.H. Harriman in the north. I thought it would be good for Stanford students to know the origins of the fortune on which the university was founded. I also gave attention to the seizure of the Southwest from Mexico and more generally on the process by which the federal domain, built up by revolution against Britain, by expropriation of the Indians, by wars (with Spain and Mexico), and by the Louisiana Purchase, was “alienated,” that is, transferred to private ownership.

My courses on business cycles introduced students to theories of economic fluctuations, with close attention to Keynes and to the factual side of typical cycles, based on Mitchell and the work of the National Bureau. A section of the courses paid attention to the longer Kuznets cycles and to my own work on this subject.

Preparation of lectures required a considerable portion of my time each quarter. The lectures changed from year to year as I learned more and as my views about the proper emphasis and focus matured. In any event, the lectures never remained the same. I kept working for improvement.
Research and Writing

My years at Stanford were years of active research and of reporting and publishing my results. There were four notable developments.

The first came to me because Bernard Haley had been commissioned to edit one of the first of the American Economic Association survey volumes on the current state of economic knowledge. He asked me to contribute a chapter on economic growth. I did. I started from the long-standing idea that the rise of output per man was dependent on the increase of capital per man, but I emphasized the much-neglected view that capital’s growth was itself a response to the advance of technology, particularly technology that had to be embodied in new plant and equipment. It was an idea that was not new but had fallen into the background. My article brought it forward strongly and made a notable impression.

I had my second chance when I was asked to contribute a paper to the 1955 meeting of the American Economic Association. The topic was to be American economic growth since the Civil War. It was a daunting assignment. I handled it by borrowing from the work of two Bureau colleagues. One was Simon Kuznets, whose book *National Product Since 1869* provided the necessary statistical data. The other was John Kendrick, who had devised a method for measuring the contribution of capital to the growth of output. It was to become known as “growth accounting.” When I put the two together, it turned out that the growth of capital per man accounted for only a minor fraction of the post–Civil War growth of output per man. The remainder was an undefined residual. I called it “a measure of our ignorance,” a title that stuck in people’s minds and was widely repeated. Presumably the large residual was attributable in good part to technological progress. But how much? That was hard to say. Capital itself was ill-defined. Measured capital included only conventional “hard” assets typified by plant, equipment, and inventories. But what about the cumulative cost of the rise of education and health care, and of corporate and government investments in research and development—what is now called “human capital”? How much was attributable to the economies of scale that accompany the growth of output and markets? To cap it all, how are we to deal with the fact that all these contributions are interdependent, as capital’s growth, both conventional and human, responds to the advance of technology while the growth of knowledge itself responds to the rise of education and to investment in R and D? The paper, published in 1956, did a great deal to reveal the dimensions and difficulties of achieving a more reliable and useful understanding of the origins of economic growth and welfare. It was widely used and referred to and became the starting point for much further research. Never underestimate the power of a catch phrase: “A measure of ignorance.”

The third stage got underway when Paul David and I started work on a book on American economic growth in response to Kuznets’s request
under his SSRC program. At the same time, I acted as Kuznets’s deputy in engaging the cooperation of all seven national groups in carrying out a common program. For this purpose, I organized conferences, which were held each year for a number of years, first in London, then in Ancona in Italy, then in Saltsjöbaden and Uppsala in Sweden, finally in Tokyo. The conferences were the origins of a close connection I developed with the leading economists in Uppsala and Ancona. I was also acting as the academic editor for Stanford University Press, which had undertaken to publish an English-language edition of each of projected books.

As is all too common in such cooperative ventures, the research and writing took far longer than anticipated. Only three books were ever published—those for Britain, France, and Japan. They were impressive studies. In the other four countries, we had to be content with articles that reported the results of the work on particular portions of the general study. They were useful, even notable contributions, but they left much by the wayside.

That was the fate of the American study as well. Paul and I drafted eight chapters. It was the major part of the whole job. Moreover, as I reread them in recent years, they seem to me on the whole fresh and valid. True, the chapter on the growth of capital did not do more than point out the probable interdependencies between conventional capital and the other inputs that growth accounting had not yet measured, mainly technological progress, including economies of scale, and human capital. In the context of the whole book, that was a serious but not fatal flaw. The three published volumes did not go even that far. Paul David, however, would not go ahead with so serious a gap still open. In retrospect, I should have finished it off on my own. I could have done it, but I didn’t.

Needless to say, however, this was not the end of the story. Paul and I published several articles both jointly and separately, which made clear our views about the interdependencies. Paul went a little further when he developed the evidence showing that 19th-century technological progress was conventional capital-using. Later we would show that by contrast 20th-century progress was “human capital–using.”

Meanwhile I had developed another part of the story. Why did the countries of Western Europe and Japan achieve faster growth of labor productivity after World War II than the U.S.A. did? This was true from 1950 until approximately 1990. Recovery from the War was only a small part of the answer. That, however, could hardly have been significant after about 1960. Yet the productivity gap between the leader, the U.S.A., and the others closed faster after 1960 than before. I found the key to an explanation in the observation that the pace of growth of the individual laggard countries was very closely correlated with the size of the gaps separating their productivity level from that of the U.S.A. The larger the country’s gap, the faster it closed. I reasoned that the correlation rested on the fact that by comparison with the
As said, this was the experience of the Western European countries, Japan, Canada, and the U.S.A. This experience, however, was not shared by the less-developed countries, nor was the correlation between productivity growth rates before World War II and levels of productivity as strong in the developed world as it was thereafter. I attributed these failures to their weaknesses in a category I dubbed “social capability.” By this I meant their low levels of education and the lack or weakness in important capitalist institutions such as free and mobile labor markets, an organized capital market, and relatively open borders for trade.

In all these matters, I could show the broad contrasts between the developed and less developed world and I could support with evidence the contention that conditions in the developed countries had improved markedly after World War II. So, when I was invited to present a lecture on growth to a plenary session of the International Economic Association meeting in Tokyo in 1977, I was well prepared. This was subsequently published in the Proceedings of the Association in a paper entitled “Rapid Growth Potential and Its Realization.” Paul David later said that this was one paper of which he would have been proud to have been the author. From Paul this was high praise indeed.

I developed these themes several years later in a lecture at the 1985 meeting of the Economic History Association. I called it “Catching Up, Forging Ahead and Falling Behind.” When this was published the following year, in the Economic History Journal, it drew wide attention and became the basis for a great deal of work by others.

Through all these years, however, Paul and I remained nagged by the thought of our failure to bring all these papers together in a fashion that could properly be called an analytical history of American growth. Our chance came again when I was invited to prepare a chapter for the forthcoming third volume of the Cambridge Economic History of the U.S.A. This came to me in the mid-Nineties. Let’s say 1995. I at once secured Paul David’s collaboration, and we quickly settled on a plan and a division of responsibility for its several sections. For a year or more, we made rapid progress. We each prepared drafts of our sections, exchanged them, and began to draft a final version. In these first drafts, Paul had made a vital contribution. He found or himself made quantitative estimates of the contribution of human capital, mainly education and investments in R and D, to the growth of labor productivity and output per capita. Now the contrast
between the conventional capital-using character of 19th-century technological progress and its human capital–using character on the 20th century stood out clearly and could be expressed quantitatively. It was an important development.

Our troubles, however, were not over. As Paul expounded his ideas and dealt with his statistical evidence, the chapter grew longer and more complicated. Indeed, with each revision the length and complexity both became greater. The length of our draft outran the editorial guidelines first by 100 percent, at last by 200 percent. And the complexity of Paul’s argument was sorely inconsistent with the capabilities of much of the intended readership. The editors naturally found the draft unacceptable. I acted as the mediator between them and Paul. On Paul, I urged the necessity as well as the desirability of simplification and condensation. To our impatient editors, I argued that Paul’s new work was the element that lent distinction and importance to our chapter. Given time, I said, Paul would act to conform to their guidelines. It would be worth waiting for. Given my own waning energies, it was all I could do. As usual, however, Paul proved more obstinate than even I had reckoned on. The standoff lasted two years or more. Finally, however, our editors called a halt, and convinced Paul that they would proceed to publication without our chapter. They gave him a deadline. And at last Paul relented. In a matter of weeks of furious work, by day and night, he produced an acceptable draft. And as I write these words in July 2000, I can report that we have reviewed page proofs of our chapter. Presumably it will be published later this year. At last!
Chapter Twelve

LAST THINGS

As I write these lines, on July 27, 2000, I am 88 years, 6 months, and 27 days old. I shall be 89 in 5 months and few days, if I live so long. It is a cursed man who knows the number of his days and that of his death. I do not. So I can continue to feel that my life may go on into some indefinite future; and in that mood I do not think about it, at all. Week by week, however, the evidence is borne in on me that my death is drawing near. During the last two years, I have lost about 35 pounds—more than 20 percent of normal body weight. And the weight loss continues. I have become enfeebled. It is difficult for me to sit here and just form the letters of these words. With the help of a wheeled walker I can still move easily enough from room to room. With a cane alone, my gait is unsteady and my balance insecure. Without a cane, things are still worse. Only six months ago, my normal daily walk, usually alone, was one of 35 minutes or longer. Now, with the help of Cheryl Green, my daytime nurse and caretaker, who holds one arm, and my cane on the other side, it is 20 minutes.

More of my days are now spent prone (or supine, whichever) stretched out on top of my bedcovers enjoying a comfortable siesta—after breakfast, after lunch, and again after dinner. And because I now move too slowly, time and certainly much effort goes into preparing medications for the day, swallowing them, visiting the toilet, shaving, and so on. Serious work has become impossible. Serious reading soon puts me to sleep. So evenings are spent looking at TV: the “Lehrer News Hour,” PBS “Masterpiece Theater,” PBS “Mystery,”
videotapes borrowed from the Palo Alto Library.

All this is reminiscent, up to a point, of Carrie’s last months. But there are differences. I am free of pain, but Carrie’s last months and years were never free of constant pain in her back and left leg, the legacy of unsuccessful treatment for narrowed nerve channels in her spine. Yet she made herself work until close to the end: several of her best collages are dated in 1999, and one was selected for the exhibition of her work. As late as the spring of 1999, we enjoyed a Mediterranean cruise. She refused to have help in the house, except for the heavy cleaning. Until very close to the end, she continued to shop and to cook our meals. I have not been so persistent.

I continue to think with pleasure and satisfaction about the outpouring of affection and respect that followed her death, already nine months in the past. This was expressed in many ways but most concretely when a committee of her friends, headed by Bernadette Inkeles, who proposed the establishment of an Art Scholarship Fund in Carrie’s name, to be administered by the Palo Alto Art Center. I backed the idea heartily. By now the fund is established. Funds for its initial budget have been found at a higher level than we expected. The first scholarships will be awarded this fall, and the winners will begin their work.

The support of our circle of friends went further than their demonstration of affection and respect for Carrie. With Carrie gone, they have rallied round to support and help me, and their companionship has done much to make life without Carrie more tolerable, even pleasant. It is an unusual week in which some friend or friends. And now they are not without the problems of age. Leah Chodorow is past 90. Marvin Chodorow, two or three years younger, is a sad victim of Alzheimer’s disease. He has lost his short-term memory completely. Several of us, me included, have become hard of hearing. Table conversation has become a shouting match. Tibor Scitovsky suffers from the same muscular weakness that I do, and he “walks” as I do. Gabriel Almond has had several bouts with angiography, and he now uses a heart monitor and wears a stent. Anne Scitovsky has serious eye problems and is threatened with blindness. So we are a bunch of old crocks. But now strength in common is as the strength of 10.

I have been uncommonly fortunate in my two caretakers. By day I have the help of Cheryl Green. She had a full course in nursing, so she acts as nurse as well as caretaker. She usually arrives about 11 A.M. after spending some time shopping. She then takes and records my
“vital signs,” does some housecleaning, sees to the laundry, and prepares lunch. After a siesta, we take a walk together in which I hang on to her arm with one arm and use a cane on the other. She monitors the medications, and prepares and serves dinner before leaving about 7 P.M. She has proved devoted and efficient and, best of all, a pleasant companion. We are friends.

My nighttime caretaker is Violeta Galagaran, a native of one the smaller Philippine islands. She came this country some 10 years ago. My guess is that she never had much education beyond elementary school. She is, however, quite intelligent, and she has had a daytime job as a nurses’ assistant at the Menlo Medical Clinic. She continues that work while taking care of me. For that she arrives about 10:15, help me undress and—very important—applies lotions to my back and elsewhere that keep under control the awful itching associated with my case of eczema. We then have a cup of tea and an Italian-style biscotto, after which she settles me in bed for the night. But, of course, it is not for the night. I am awakened twice, sometimes more by an urgent need to visit the bathroom. I than say to my intercom, “Violeta, please come down,” and she answers, “I’m coming,” and she does; so, groggy with sleep as I am, she sees me safely to the bathroom and back. In the morning, the lotions are applied again, she gives me breakfast, gets me dressed, and leaves me to a postbreakfast siesta. Most important, she is another pleasant companion, who gives me a feeling of security through the watches of the night.

A time of academic honors

I have never lacked for indications that my academic colleagues regarded me as a useful contributor to economics. In the late 1970s and in the 1980s, a string of honors helped me to bear the sadness that came with my own sense of failing energies and powers.

In 1979 and 1980, I was elected to a two-year term as president-elect and president of the American Economic Association. In 1987–89, there was a three-year term as vice-president, president-elect, and president of the Western Economic Association. In 1992 I became president of the Economic Association.

There were also foreign honors. In 1985 I was made an honorary Ph.D. of Uppsala University, in Sweden. In 1991, I became a fellow of the Accademia Nazionale dei Lincei, the Italian Academy of Sciences. This was a quite special distinction since this society dates
back to the time of Galileo, who was himself a fellow. In 1992 I was made an honorary Ph.D. of the University of Ancona, Italy.

The Uppsala degree deserves some special notice because of the ceremony attendant on its award. I had been warned that Swedes took ceremony very seriously, and so it proved. On the morning of the convocation, the whole town was awakened by a barrage of artillery fire from a company of the Royal Artillery Corps whose guns were drawn up outside the Great Aula of the University. The convocation itself was held later that morning in the presence of the Crown Prince of Sweden. The Swedish Royal Symphony Orchestra played at stated intervals. When it came time for honorary degrees, there was an ancient procedure for each candidate, who was topped by an academic gown, bare head. The sponsor then recited a long screed in Latin and finally placed a laurel wreath on the candidate’s head. At the same instant, an artillery piece went “boom.” Now the deed was well and properly done, and the audience could applaud.

Finally in 1992, I was made an honorary Ph.D. of the University of Ancona in a ceremony in which my own academic gown was removed, and I was re-dressed in the exotically colorful gown of the university. In compensation, I had to deliver, there and then, a public lecture, a job for which I was peculiarly unfitted. But it had to be done. It was translated seriatim by Erika Fuà, my friend and wife of my collaborator, Giorgio Fuà. The poor audience must have suffered paroxysms of boredom.

Last Things

All in all, these honors were a comfort during a time when thoughts of my approaching end were becoming unavoidable. So how do I feel about it? I have nothing profound to say, but I will tell two apposite stories.

The first has to do with Winston Churchill. Somewhere in his own memoirs, he tells of his reception in a provincial town after his own final retirement from politics. The lord mayor undertook to make a long speech in praise of Churchill, ending with the fervent hope that Winston might enjoy a long and interesting life. When Churchill’s turn at last came to reply, he thanked the lord mayor, but pointed out that he had already had a long and interesting life.

I do not compare my life with Churchill’s, but within my own sphere and circumstances, I am happy to feel that I too have had a
“long and interesting life.”

I take my second story from a novel by C.P. Snow. A portion of the story concerns an old man passing his last months in a London clinic. He is a very cultivated man who had been a prominent art critic. He is visited by his daughter and son-in-law. “I have only one deep regret as I think about my death. I shall miss knowing what happens.” And then, after a short pause, he adds, “But I realize that after I am dead, nothing could be less interesting.” That hardly covers the ground, not by a long shot. But it is true as far as it goes, and at least it has a touch of humor; perhaps a bit macabre, but there are those who appreciate it.

As I bring this story to an end, I think of all of you, Amy and Joel, Rachel and Sarah, and Jean Grushkin and the other family who will get a copy, with great love. I hope this story will serve to tell you and your children and their children about one of their forebears and where he came from, where he got to, and how he got there.

That’s enough. Finita la Commedia.

12:24 P.M.

August 1, 2000
Afterthoughts

HOW DID I GET THAT WAY

I write this essay prodded by a famous pronouncement: “The unexamined life is not worth living.” One might ask why I have left this self-examination to this late time. But indeed I have not. Like many other people—but I feel not all—I have thought and puzzled again and again and tried to know myself. And I have accumulated many impressions. These are more than mere intimations or evanescent moods. They are stable views, the product of experience and recurrent serious self-analysis and reanalysis. Needless to say, I do not claim that they are “right.” They are highly subjective; they are themselves the products of the kind of person I am. They flow from the very aspects of personality and modes of thought that I am trying to identify and examine. Others, of course, will see me differently, and they may know me better than I know myself. Nevertheless, I have my own impressions, and here I try to set them out in an orderly way.

The title I have given this essay, “How Did I Get That Way,” leads at once to the question, “What Way?” To impose some order on my thoughts, I give my answer in two parts. The first deals with the characteristics of my personality. By this I mean such matters as courage, honesty, gregariousness, optimism, capacity to love and to receive love, generosity, ambition, drive, and such like things. These, when I think they have been important in my life, I try to identify. But I cannot trace them to their origins. That is beyond me. I think of them simply as “givens,” endowments for which I cannot account but with which I have had to live, with all their implications for better or worse, success or failure, happiness or otherwise.

The second part of my answer has to do with my outlook on the world, what in Germany they might call my Weltanschauung. How at bottom do I conceive of the world outside myself. What habits of mind, mental

* Joel Abramovitz recalls that in the course of one of their last telephone conversations, during November 2000, his father had asked whether it was Socrates who said that an “unexamined life” was without value. Moe then went on to explain that he wished to check that this was the correct attribution [it is], because he had started on a new writing project—an essay exploring the formation of his own personality. The handwritten manuscript from which this text has been prepared was found by Joel among the papers that were on this father’s desk after his death. Although not formally part of the Memoir, and perhaps not brought to a fully completed state, these pages deserve to be appended to it. They continue in the reflective vein of the later chapters, and testify to the lively, ever-inquiring state of the writer’s mind, as well as to the mixture of disarming candor and modesty that remained with him to the close of his life. This transcription follows the manuscript with only very minor editorial emendations.—P.A.D.
traits, primitive conceptions shape my view of that world outside and the manner in which I go about gaining an understanding of it. Here I can say something about the sources of my habits of mind. I am well aware, however, that these views are naive and unsophisticated. A psychologist or sociologist will surely think so. I am also the captive of my own reading of philosophy and history and of my training in economics.

Obviously, the matters that form the subject of the two parts are not independent of one another. Religiosity, for example, a tendency or propensity to think of the world in mythical or “spiritual” terms, may well be regarded as an aspect of personality. But it is also an aspect of one’s outlook on the world outside and how we think of it. So I take it up under both headings.

My Personality

I am said to be a modest man. As to this, I would make two comments. In the first I follow Winston Churchill, who said about his Labour Party opponent: “Mr. Attlee is said to be a modest man—and certainly he has a great deal to be modest about.” Just so with my supposed modesty. My more important observation, however, is that those who think me modest are simply mistaken. I am not at all modest. By and large—not in every particular—I think well of myself. I am not modest; I am shy, perhaps more simply timid, and it is this that some call modest. And my timidity figures in what follows.

I have been ambitious in my desire to accomplish something notable in economics and to win recognition and perhaps some fame as a reward. But I lacked drive. Not for me to be up and at work by 5 A.M. and then to work all day and into the evening. By comparison with my mentors Wesley Mitchell, Arthur Burns, and Simon Kuznets, or my colleagues Nathan Rosenberg and Paul David, I could be said to be simply lazy. I wrote only when driven to it by some obligation or urgent invitation I could not refuse. So almost all of my papers appear—or perhaps are buried—in the collective volumes that record the proceedings of conferences or the festschrifts for friends. Few appear in the widely read journals. My laziness was abetted by my timidity. I disliked lecturing, and no matter how old I became, I was nervous before an audience; so I discouraged invitations and evaded those that came my way whenever I could. My laziness also meant that I never became a connoisseur of literature, music, or the visual arts—all to my great loss.

Perhaps I can say something about the sources of this element of my personality other than that it was inborn. I enjoyed an easy and pleasant childhood and youth supported and encouraged by devoted parents. And when I grew up and had to stand on my own, my circumstances were always comfortable. Little money came to me by inheritance, but I always had scholarships, fellowships, and jobs. Given my contentment with a fairly simple life—another consequence of an easygoing disposition—I never felt
financially pressed. Then later, almost entirely by luck, I did become very well-to-do, not rich by Silicon Valley standards, but certainly richer than 98 percent of the whole population. And, finally, though I did not work hard, a modicum of recognition and honors did come my way. So I was left with conflicting feelings. I sensed how much more I might have achieved both in solid accomplishment and recognition, and, therefore, I was disappointed by what I did do. But I was ne'er enough to really set to work. I was basically content. (Query: Have I led any readers to yawn? I should not be surprised.)

Other aspects of my personality have been a greater source of satisfaction. Timid as I have been, I was never gregarious. But within a small circle of intimates, I have had the disposition to share the joys of happy and enduring friendships. And I have loved and enjoyed receiving love in a long and cherished marriage and in my fatherhood and later my grandfatherhood.

That every boy and every gal,
That’s born into the world alive,
Is either a little Lib-er-al,
Or else a little Con-ser-va-tive.

Of course, if W.S. Gilbert were writing seriously, he would not insist that political disposition is simply a genetic inheritance. He would probably not deny that political attachments are also the product of historical context, experience, parental outlook, and education. Just so in my case. I feel I was born with a progressive or (in the American sense) liberal disposition, an attitude verging on one for democratic socialism. Given our common training in economics, I cannot understand the contrast between my beliefs and those of my old and very warm friend, Milton Friedman, without making some allowance for the influence of our inborn dispositions.

I cast my first presidential vote for Franklin Roosevelt and the Democratic ticket in 1932, and I have voted Democratic ever since. Indeed, I remain irritated by the picayune insistence on labeling that party the “Democrat” party (without the “ic” syllable at the end). Should we insist that the Republicans properly belong to the “Republic” party? I welcomed Roosevelt’s support for the depression-era unemployed through the Works Progress Administration (WPA) and his support for employment and income through the Public Works Administration.

When Keynes published his *General Theory of Employment, Interest and Money*, I became an early convert to Keynesian analysis and policy, and have remained a Keynesian. Milton Friedman, however, after practising Keynesian analysis for several years, set himself with great courage to formulate an alternative general theory which we know as Monetarism. Its attraction for Friedman, I believe, derives in part from the fact that it leads to a much narrower role for government employment and policy than does Keynes’s theory.

Some may call my “inborn disposition” a “prejudice.” I do not reject the term. On its face it means no more or less than a disposition that cannot be accounted for or justified on rational grounds. Neither can an “inborn
disposition.” But it is pejorative, so better avoided. In either case, the question whether nurture as well as nature has played a part in creating it remains for comment. I return to that matter later.

I turn now to religion or, better, religiosity, to one’s propensity to account for experience to a significant degree in mythical or spiritual terms. Given such a propensity, there follows at once a tendency to attach oneself to a particular religion, to an organized set of beliefs and prescriptions for behavior, an attachment usually inherited from the past, but sometimes adopted by conversion.

As for myself, I cannot remember a time, going back as far as memory serves, when I accorded any belief to what I understood as the theological doctrines of Judaism, the religion of my parents and more distant forebears, and the same was true of my attitude toward Christian theology insofar as I understood either of these doctrines. My outlook on the world of experience remained fixed from early years in terms of material cause and effect. In later years, this simple outlook, which I regard as in large part an innate disposition, evolved into a belief in empirical science and its interpretations of the observable data of experience.

I regard all this as an element of my personality that separates me from many others. I am aware of the contemporary drift of attachment to religious fundamentalism. This development is a great surprise to me, and I find it hard to understand. For most of my life, the drift of outlook seemed to be the other way, toward a faith in the adequacy of a rational, material, empirical science to account for human as well as tangible, physical experience. It was a drift of opinion that was driven by the obvious progress of both the physical and social sciences and by their great contributions to people’s well-being.