



## A Life among the Econ, Particularly at UCLA

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*Interviewed by Daniel B. Klein*

### ABSTRACT

*Where did you grow up, where did you go to school, and how did you first get interested in economics?*

By some imperative—physiological, psychological, philosophical—fish gotta swim, birds gotta fly. Nothing quite so definitive and inevitable specified that I would pursue a university career. But I was never much tempted to explore any other course.

I am a child of the Midwest, the Great Plains, the Heartland of America, in particular, the (Adopted) Land of Lincoln, where men are men and the women tend to look like men. After winning World War II, finishing college, and nearing completion of the doctorate, I looked at a geography book and moved to California and UCLA.

But let me back up.

My family would have been shocked and perhaps chagrined if I had headed for a life in business or government. True, in high school, I flirted with the glamorous idea of leaving the Midwest for Hollywood in order to be an animator for Walt Disney, and I still insist that “Snow White and the Seven Dwarfs” is the

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greatest of movies. However, it soon became accepted by me and the other Allens that I was to be a professor. But profess what?

Thinking, reading, writing, and talking about significant things in some contexts were pretty much required by family conceptions of civilized behavior. My father was an erudite Methodist minister; my mother published several hundred poems, essays, and stories in church outlets; one of my older brothers, Clark Lee Allen, achieved a doctorate in economics, and was perhaps the most effectual classroom instructor I have known; and the other brother, Francis Allen, was among the eminent legal scholars of his time. My sister, Olive Allen—a free spirit—did not entirely conform: She had a fine career as a Registered Nurse, so one of the Allens did things tangibly useful.

With regard to field of specialization, history was my first attraction. I checked out my high school library's copy of Charles and Mary Beard's, *The Rise of American Civilization* almost every day for the several weeks it took me to read the heavy volumes. My brothers once suggested that some day we all might collaborate on a project conspicuously intertwining the three disciplines of economics, law, and history. That never materialized, although my economist brother and I much later did co-edit a rather elaborate book of readings in *Foreign Trade and Finance* (Allen and Allen 1959).

While working on my A.B. at Cornell College—a small liberal arts school in the wilds of Iowa, not to be confused with the much younger university in New York—I lived with my economist brother and his tolerant wife in the summer of 1947, when he was teaching at Northwestern. I audited his two-term Principles course and a monetary course given by an extraordinarily able family friend, Robert Strotz. I was intrigued by the pursuit of a straight-forward line of analytics with empirical application and seeming verification to real-world issues. My brother suggested that I might find it more satisfying to wrestle rigorously with today's problems than to rehash the debates of the distant past. And he added that I could continue to investigate previous experience by work in the field of economic history.

I completed my undergraduate work with a dual major in history and political science in 1948. That fall, I entered the economics doctoral program at Duke University, where my brother was then teaching.

As it developed, I did little work in formal economic history, but, with guidance from my major instructor at Duke, Joseph J. Spengler, I dipped quite heavily into the area of dead economists, a.k.a. the history of economic thought.

My lawyer brother never evinced to me disappointment with my pursuit of economics rather than law. He probably suspected that it took at least two economists to equal (in some sense) one lawyer. But late in his life he requested my assistance in preparing a section on the history of the post-war Bretton Woods

agreements in writing a brief biography of Chief Justice Fred M. Vinson, for whom he had clerked for two years. And following his period as Professor of the University at Chicago, where the study of law, economics, and business tended to meld, he moved to the University of Michigan as the dean of the law school, and there he recruited an economist into the ranks of the law faculty.

Are there lessons or morals to be drawn from this experience? It would not do to base firm conclusions on a single life experience, but I make two tentative generalizations.

First, it should not be ridiculous for a would-be economist to major in something other than economics or mathematics as an undergraduate. Whatever we do, there are always alternative costs of not having devoted that time, attention, and energy to some other activity. As a graduate student, I suffered a bit from beginning advanced work with a relatively skimpy background in my newly adopted field of economics. But such economics instruction as I had from my brother and Strotz, along with assiduous study of textbooks by Stigler, Boulding, Meade and Hitch, and Bowman and Bach, enabled me to catch up and survive with adequate grace. And along with surviving, there surely were gains, maybe even net gains, from obtaining a semblance of liberal arts education to leaven the technical training. Of all the courses I took, my favorite was a small upper-division class at Cornell devoted entirely to the poet John Milton, taught by a sensitive, meditative, erudite specialist in the subject, Howard C. Lane. It has been comforting to be assured that “they also serve who only stand and wait.”

Second, especially for one who is headed for graduate work, there is much in favor of first attending a small liberal arts college. At Cornell, there was a great deal which could be learned about the various aspects of the world and its evolution in the mandatory year-long freshman courses in English, history, and the social sciences. The learning was facilitated by classes of small size taught by non-T.A.s, and by much interaction with fellow students in the dorms and dining halls. And one can be captain of the tennis team without being a professional jock. One can even find someone of beauty and grace who becomes one’s spouse soon after being graduated.

Perhaps a third generalization should be added: It is helpful to have two uncommonly able older brothers who are both demanding and supportive.

*I'd like to ask about the political views in your family. Did you discuss politics much? What were the political views of your parents, your siblings? What were your politics at the time of your graduate training at Duke?*

## The Allens and Politics

The Allen family could hardly be apolitical. With parents preaching the “social gospel” of doing good works and with one son becoming a legal scholar and two becoming university economists, all with much interest in aspects of the history of the human experience, we inevitably were concerned with political institutions and processes. But the interest was generally quite impersonal, with the view of politics being from some distance. Certainly, none of us was tempted in the slightest to run for an office or to seek a governmental position (except that my lawyer brother, who clerked two years for the Chief Justice of the United States, very likely would have been gratified by appointment to a high bench).

I recall no animated Allen dinner-table political conversations. Indeed, I remember only a single instance of such talk. At a large family event in late 1963, I remarked that John F. Kennedy’s presidency was not happily distinguished and would be remembered primarily in relation to his assassination and the end of Camelot. My conservative brother-in-law was gratified by my suggestion, but everyone else was silent.

I understand that my parents voted for Hoover in 1932, but I suspect that they were Democratic from then on. My economist brother seemed to have said little on politics, which he doubtless considered to be grubby business, but he was a good Friedmaniatic in economics. My more liberal lawyer brother was not an active participant in the political game, but he worked hard and effectively to make the legal system less dreadful. So the Allens commonly faced up to political realities, but they did so with considerable aloofness, reflecting insouciance, bemusement, despair, and only rarely with hopeful enthusiasm.

Still, the three brothers had some immediate contact with public policy and its implementation. Francis, the lawyer, chaired the committee that drafted the heralded Illinois Criminal Code of 1961, and he chaired Attorney General Robert Kennedy’s commission on Poverty and the Administration of Criminal Justice, which led to the Criminal Justice Act of 1964 and the Bail Reform Act of 1966. The volume of his Oliver Wendell Holmes lectures at Harvard in 1973 is entitled, “The Crimes of Politics.” Clark Lee, the first of the family economists, on the day of being awarded his doctorate at Duke, went with the eminent Joseph J. Spengler to become the core of the Atlanta price control office in 1942—a wartime assignment they both found repugnant. Later, while in the army, he participated in instructing officers who were to administer economic aspects of the post-war occupation of Germany. My own government work (other than winning World War II single-handed) was as a summer consultant in 1962 to the Balance of

Payments Division of the Department of Commerce, where I wrote several memoranda on momentous issues and conducted an obligatory after-hours mini course on macroeconomics for the sizable office staff.

Only once have I been significantly active in a political campaign, viz., in advocacy of the effort of Adlai Stevenson in 1960 for a third Democratic presidential nomination. I was not old enough to vote in 1944, I was too occupied and pre-occupied with graduate work to vote in 1948, and I was moving from Washington University in St. Louis to UCLA in 1952. I began voting in 1956, and, like many sensitive souls in 1952 and 1956, I was intrigued by Stevenson and doubtful of the competence of Dwight Eisenhower. (I shifted my voter registration—to which I attach little significance—from Democratic to Republican in the 1960s.) Adlai was appealing to me despite some of his economics and his being a politician. It was my feeling and hope, perhaps leavened by a touch of naiveté, that he was sufficiently civilized and sophisticated, and bright and erudite, to be approachable and willing to listen to and learn from sound guidance. In 1960, I published a *The New Republic* piece supporting him, and represented him in a debate before a Los Angeles business luncheon.



Jan Sterling

Several days before the 1960 convention, I was in a meeting of perhaps a dozen in the offices of a Beverly Hills senior lawyer to consider Stevensonian strategy. It was a presumably worldly-wise group, including Dore Schary, who had recently produced the movie, *Sunrise at Campobello*, and the actress Jan Sterling. (Jan and I sat next to each other at the bend of an L-shaped couch, and her left knee and my right knee became well acquainted.) But at one point the question was raised if we had time to place a full-page statement in *The Los Angeles Times* welcoming the delegates at the beginning of the convention. After considerable uncertain discussion of the

possibility, I gained respectful notoriety by suggesting that the lawyer have his secretary telephone the *Times* to learn the deadline for submitting the material.

One of Stevenson's law partners, Willard Wirtz, had been a Northwestern law instructor of my brother, which likely played a role in my being asked by telephone late one evening to be in charge of preparing the seconding speeches for Adlai next day at the convention in Los Angeles. I took with me to Stevenson's Sheraton West hotel a bright, literate UCLA philosophy professor. We were told that the prominent seconding speakers, including Eleanor Roosevelt and the governor of Kentucky, were entirely capable of writing their own remarks for the convention session later that day, but time was running out. My colleague and I did not try to compose full speeches, but some of our suggestions—single sentences and paragraphs—were used. (The brilliant nominating address, stirringly presented by Eugene McCarthy, was being prepared in a side room by a writer from *Look* magazine when we arrived at the Stevenson suite in late morning.) Shortly after our arrival, Adlai, looking harried and preoccupied, stepped into the large living room, but quickly left, and, to my disappointment, we did not meet.

My associate and I were rewarded with passes to the balcony of the Sports Arena, the site of the convention. Stevenson people, including Dore Schary, had managed to steal several hundred passes, and the gallery was packed with Adlaites. Following the rousing nomination address for Stevenson, there was the usual floor demonstration—but it would not stop. After half an hour of much noise and parading, the chair of the convention, in frustration, threatened to clear the cheering gallery. The tone of the crowd abruptly changed from celebration to defiance. I do not doubt that there would have been a riot if the police had tried to clamp down, but the fun and the noise quickly ended. The next day I received an invitation to meet Stevenson at a hotel reception, but I was depressed and presumed that he would not wish to deal with outsiders, so I confined myself to sending a telegram of appreciation and regret. Over several months Stevenson and I exchanged two or three notes.

About a month after the convention, I was scheduled for a research visit to the Roosevelt Library at Hyde Park. I wrote a note to Mrs. Roosevelt indicating that I would be honored to meet her. Not to my surprise, there was no reply. But one day a historian friend and I returned to our Hyde Park rooms after a morning spent in the archives, and the landlady was atwitter: Mrs. Roosevelt was driving around town looking for me! As we spoke, the grand lady herself drove up in her Plymouth, and invited me to go to her home on the edge of town (not the family mansion) for lunch. When I gently noted that a friend was with me, she invited him, too. She spoke much and without inhibition, often waving her hands and seemingly not much interested in the road. She remarked that the recent convention was more completely sewed up by the winner before the affair began

than in any other convention she had seen. (I did not mention the 1936 convention.) The house was attractive in a rustic design, not unusually large, and some fifteen of us ate lunch at two tables (I was at her table) on a screened-in porch. A distant relative of hers at the second table remarked, “Eleanor, your problem is that you have never understood rich people,” and she replied, “That’s right—I never have.” Afterward, she sat on the lower steps of a stairway and invited questions. I asked something about Harry Dexter White, but it was apparent that she did not want to pursue that topic, so I did not press the matter. Mrs. Roosevelt was highly interesting, alert, and confidently gracious. She was attractive even in appearance, with correction of her previous overbite and with soft rose-petal complexion.



Distasteful as I find most politicians and their usual ways, we can hardly ignore the political world and its inhabitants, expecting it all to go away. This is a world dominated by scarcity, sin, sorrow, and lack of sophistication. We have to confront many unattractive things and try to minimize losses. A good many years ago, armed with a tape recorder, I interviewed several dozen economists who were, or had been, in the federal government. Who were your audience, and what influence did you have? How autonomous were you in choosing topics for analysis? What were the pressures to adhere to a party line? At what level of analysis could you perform? The interviewees generally were forthcoming and candid, and the resulting long essay created a substantial stir (Allen 1977; reprinted in the present issue of this Journal). I then approached a laissez-faire foundation with the suggestion of holding a conference on how economic policy is made and how it might be done better. But the foundation officer was unreceptive, saying that his objective was to get rid of government, not to make it more efficient!

What entices people to strive for and retain high political office? All are over-eager for authority and community stature; typically, they have an instinct for the jugular and for jungle survival; a few are clever and articulate; most are impervious to manifestations of sophisticated priorities and immune to constraints and guidance of dispassionate analysis. Columnist Peggy Noonan, in the *Wall Street Journal*, suggests that presidential hopefuls are simply “barking mad.” Few who have been conspicuous contenders for major office in my time would be welcomed by me as dinner partners or next-door neighbors. But the leaders of the band are elected, and bush-league third-raters may be the best the public deserves. After being on the losing side of an election, Alexander Hamilton exclaimed, “The people, sir, is a great beast.” But the noble American experiment continues after

more than two centuries. The experiment often falters, and the condition of the republic becomes increasing precarious. Still, Adam Smith remarked that “there is much ruin in a nation,” and we lurch, stagger, and stumble along.

*After completing your PhD at Duke, did you enter the academic job market? Where did you land?*

## **Fateful Tides: The Beginning of a Faculty Career**

We have been told by the highest poetic authority that “there is a tide in the affairs of men, which, taken at the flood, leads on to fortune . . .” But the tide falls as well as rises, and that can leave us “bound in shallows and in miseries.”

The winter and spring of 1951 saw a miserable tide in the university faculty market. By then, I had completed doctoral course work, passed qualifying examinations, and largely completed a dissertation during a traveling fellowship year briefly at Harvard, with two productive quarters at Chicago, and finally in Washington, D.C., mainly in the Library of Congress. I was ready to start professing in the classroom.

For several years following the unpleasant upheaval of the early 1940s, the academic job market boomed, with college enrollments swollen with returning veterans and beneficiaries of the G.I. Bill. But by 1951, faculty rosters had been well expanded, and few additional bodies were sought. An anticipated position at Florida State, where my brother was chairman of the economics department, now was not available.

The fates had not singled me out for beastly treatment. A good friend a year ahead of me at Cornell College was a striking victim. A fellow history major, he had straight-A records as an undergraduate and then in graduate work at the University of Wisconsin, a stronghold in history education. At Wisconsin, he became a protégé of a senior, prize-winning scholar, co-authoring with him a journal article and a book. But in the fall of 1950, the only employment he found was a one-year appointment at Berkeley to cover for a regular faculty member on leave. At the end of the year, and after much travel at his own expense seeking a position, he ended in the New York state university system. The position was respectable, and he became a stalwart of his campus, but it was essentially an institution confined to teaching. My highly capable friend, who had splendidly invested to establish a conspicuous career, was in a poor position to research and write, and remained in professional obscurity outside his local domain. (One assignment in his first year in the New York school was to teach a course in the



Principles of Economics. He wrote to me for suggestions of how to learn quickly some rudiments of the subject. I recommended the encyclopedic Bowman and Bach (1st ed. 1943.)

In summer 1951, presumably on recommendation by my distinguished and much-honored mentor at Duke, Joseph J. Spengler, the Central Intelligence Agency took some interest in me. I was already in Washington, D.C., and I was interviewed there by at least two high C.I.A. officials after I answered a questionnaire with the approximate thickness of the New York City telephone book. My wife's mother had been born in Czechoslovakia, as were the parents of her father. One of the questions put to me drew on that background. I was asked what I would do if, while on the C.I.A. staff, I was approached on the street by someone who told me that a relative in Czechoslovakia would be very harshly treated unless I provided some sensitive information. I replied to the interviewers that I would be vastly offended by such *gaucherie* and would be genuinely remorseful for the innocent victim—but I did not know the victim and, having recently won a war which had millions of victims, I was sufficiently inured to such suffering and was so committed to winning the ongoing cold war that I would not hesitate to tell the subversive bastard to begin immediately to pursue the shortest route to the innermost circle of Hades. The answer seemed to be received well.

I was told that the C.I.A. would want to consider me for a new unit, a group of (as I recall) perhaps fifteen young, imaginative people to brainstorm on big questions. The example given me: What would be the overall consequences and repercussions for the Soviet economy if, overnight, it happened to lose a fourth of its steel-making capacity? A favored mode of thought would be input/output analysis, which was then in vogue. I pointed out that, while I was familiar with the basic nature of input/output doodling, largely from some writings of Leontief, I had no detailed, operational expertise and probably was not mathematician enough to become proficient. I was assured that my technical innocence was not the issue, for in a "back room" there would be mathematicians and econometricians to do the grinding. My committee would provide the ideas for the technicians to work out and apply in detail.

Apparently, I was in line to be offered the C.I.A. job, but first an exhaustive background check by the F.B.I. was to be completed. Some time went by, and no one could tell me if the investigation would require two more weeks or two more months. (The owner of my Virginia apartment, a distant family friend, told me that a couple of agents had visited her and asked if she had ever seen any radical-looking literature in my place.) September was approaching when Washington University (St. Louis) contacted me. I do not remember how the contact came to pass. An academic position in the hand appealed to me more than a mysterious possible role in the C.I.A., so I accepted the offer of \$4,000 to be a Lecturer.

(Some months earlier, I was invited to visit the economics chairman at the University of Maryland, but—to his admitted embarrassment—the proffered salary was only \$3,000, as I recall.) Our side eventually won the Cold War, but maybe that war would have been shorter if I had waited to join the C.I.A.

Fran and I drove to St. Louis two or three weeks before classes began. Although I won the war in part by instructing bombardiering cadets and combat crew members, I had never taught a college course and had no lectures prepared. My chairman, Werner Hockwald, assigned me to only Principles in the fall semester and Principles plus U.S. economic history in the spring. The customers and I got along well (I was less than ten years older than their average age), but it is my suspicion that my teaching effectiveness was less than I then supposed it to be.

The department was small, with limited experience, and interesting. There were seven of us; only two had completed the doctorate, and the rest of us were candidates at schools including Duke, Harvard, Yale, Chicago, and Johns Hopkins; and it was a competent and generally congenial group, with each of the young men eager to get on with his career.

In winter 1951-52, UCLA was looking for an assistant professor. Probably again through the good offices of Joe Spengler, the UCLA chairman, Paul Homan, learned of me. He visited the Allens in St. Louis, and an invitation followed, with salary of \$4,860. Washington University bid \$4,500, but California climate and glamour were more important than salary differential in leading Fran and me to opt for another move. So, in August 1952, we headed west in our non-air conditioned Plymouth. Except for several visiting appointments over the following decades, the Allens settled permanently in the Hills of Westwood.

The UCLA department was larger and better housed than the one we left. And it had more mature talent, although it had only limited standing and, in effect, was essentially a post-war development. A few members of the staff—Warren Scoville, George Hildebrand, and Dudley Pegrum—were already well recognized, but Armen Alchian and Karl Brunner were just coming conspicuously on stage, and John McGee, like me, was at the beginning of his career. The coming twenty-five years would see the department's Golden Age, which now is history that has grown ancient.

Such experiences in 1950-52 made it clear to me that professional advancement and fulfillment is not a function solely of much investment and fine endeavor. There is, to be sure, a considerable element of meritocracy, with some appreciable correlation between performance and reward. But the correspondence is far from perfect. The tide flows out as well as in, and one's fortune can be heavily shaped by happenstance and accident and luck.

*How did things unfold during the 1950s and early 1960s? What were notable developments during that time?*

*Did you or any colleagues have a conscious sense of direction in economic thinking, a sense of a UCLA distinctiveness?*

*Can you tell us about the department's group dynamics? Were certain individuals emerging as leaders (intellectually or institutionally)? Were there important conflicts within the department?*

## The Alchian Department

There was the glory of Greece and the grandeur of Rome, the school of Aquinas and scholasticism, the Renaissance and the Age of Shakespeare, the classical music period of Mozart, Beethoven, Chopin, Brahms, and Puccini, the Founding Fathers of Washington, Adams, Jefferson, Franklin, Hamilton, and Madison—and there was the UCLA Economics Department of Alchian.

When was the departmental Golden Age, what was the nature of the phenomenon, how did it happen, and what became of it? The story has various complex aspects, ingredients, and dimensions. The following brief reminiscences and interpretations can be only selective, suggestive, and illustrative, not definitive and exhaustive. (Readers may wish to compare my remarks to those of Daniel K. Benjamin and of Ronald H. Coase in *The Collected Works of Armen A. Alchian*, 2006).

Armen A. Alchian did not burst upon the professional stage at a precocious age. By the 1950s, he had done significant work, not widely disseminated at the time, in the Army Air Forces and at the Rand Corporation, where he long continued as a consultant. But he became widely conspicuous only at age thirty-six, with publication of “Uncertainty, Evolution and Economic Theory,” *Journal of Political Economy*, June 1950.

In the early 1950s, the UCLA department included relatively senior scholars George Hildebrand and Warren Scoville; several old-timers, including Dudley Pegrum; Alchian contemporaries Karl Brunner and Wytze Gorter; and several innocent youths, including John McGee and me. Paul Homan, widely known as the long-time editor of the *American Economic Review*, was chairman. (Homan and I had rather different degrees of enthusiasm for the work of J. K. Galbraith, but in my first semester, fall 1952, he steadfastly supported me in an investigation by a regent. A student—a former Marine—in my money-and-banking class had protested my favorable assessment of the 100 percent reserve proposal, and Paul vigorously defended me, contending that the proposal was a conservative, not radical, suggestion and a reputable idea.) The group included some splendid talent, along with lesser lights, but the department then was more promising for the

future than presently accomplished. The next two decades or so saw the blossoming of the Era of Alchian, an era which is conveniently book-ended for me by my joining the department in 1952 and my taking an absence in 1971 for a two-year stint at Texas A&M.

Despite my arrival, the department did not immediately metamorphose into one of the generally acknowledged nation's dozen finest. And it did not attain eminence and influence through deliberate and systematic implementation of a finely honed dogma and deliberate strategy. It began to evolve with several very able people performing strikingly well while slowly adding fresh troops (some of whom contributed valuable talent, skills, and attitudes), and building a distinctive broad orientation in a defining core of the group. That critical Core was a minority of the staff, but by the mid-1960s people like Alchian, Brunner, Scoville, Hildebrand, Jack Hirshleifer, Harold Demsetz, George Hilton, Axel Leijonhufvud, and Earl Thompson became the face and soul of the department in assessments by the profession generally. They were joined by the young Sam Peltzman and soon also by the established John McCall. I found much gratification in being associated with such innovative scholars and teachers—along with several, including Harold Somers and Werner Hirsch, who cannot be fully fitted into the Core.

The members of the Core did not lose their individualities. Perhaps to a greater degree than in more conventional departments, each retained his own characteristics in temperament, techniques of analysis and instruction, philosophical orientation, and idiosyncrasies. And each could be irritating to me and to each other. Alchian acted as department head one year in the late 1950s when chairman Gorter was on leave. He upset Scoville and Hildebrand by quite autonomously trying to lure Milton Friedman to our lotus-eating enclave.

But substantive debates were generally contests of those of basically equal standing and with mutual respect, and there was no serious attempt to impose party line or fealty on personnel of junior rank. In my first couple of years, there was discussion of some acrimony concerning proposed tenure for two assistant professors, but McGee and I were little touched by the conflict. On various matters, Brunner tended to be impatient and opinionated, but I soon learned that he respected a young colleague who would snap back at him. Alchian was personally less intense, but could have frisky fun. He reported to me that in a recent meeting of full professors considering me for advancement, he had expressed wonderment about my publications touching on an unusually large variety of topics. I replied that, as a student of the wide-ranging Spengler, catholicity of interests seemed to me a virtue. He agreed, but said that he felt it in order—to promote modesty among the young?—that there should be some kind

of indicated concern on the record of every candidate and that, in my case, he thought of nothing else to criticize!

The imprecisely defined departmental Core was not a socially exclusive club. For many years after my arrival, it was customary for each faculty couple to present a series of dinner parties, annually trying to invite each of the other couples in groups of three or so—five or six affairs during the year. So every couple would be in a party at almost all of the other faculty homes. One would be a host or a guest every two or three weeks. Invariably, these were pleasant and spirited evenings—but, especially in the early period of debate over tenure for the two assistant professors, appropriate attention was given to the guest list for a given party.

For the most part, the composition of the Core was quite stable, but over time some members were lost and other acquired. Turnover was probably greater among those outside the Core. Some additions to the faculty were destined by professional qualities and characteristics to be of the Core; some were not so clearly oriented and were seemingly content to remain on the group periphery.

The Core was blessed by the arrival of Demsetz, Hirshleifer, Hilton, Thompson, and Leijonhufvud in the early 1960s. Intriligator and Baldwin, who joined in the same period, were well-trained and active, but in their formal manner of work and intellectual heritage and orientation, in their techniques and philosophical inclinations, they seemed to be quite outside the Alchian Core. Among other able young men, Norman Breckner, Clay LaForce, and Fred Barron slipped comfortably into the Core province; George Murphy, Larry Miller, and Don Stout remained more conventional; Lee Hansen could have become a Core member if he had stayed, but he, along with Baldwin, Miller, Stout, Breckner and, alas, Brunner left by the mid-1960s.

What defined and distinguished the Core is a question of considerable subtlety and nuance. The leader of the impressive band clearly was Alchian. His position of prominence evolved and developed, not by his intention or machination or the extroverted personality of a self-conscious and self-serving field marshal. (Much later, when as chairman I was recruiting the eminent Jim Buchanan, I apologized to Alchian for being obliged to offer Jim a salary greater than Alchian's. Armen firmly put me at ease—after all, he had some understanding of how markets work.) Almost always soft-spoken, unaggressive, and seemingly bemused, he was genuinely curious about certain workings of the world, and he was imaginatively and innovatively bold in seeking explanations—and he was remarkably generous in helping other curious analysts. He was confident that much of previously unaccountable behavior and phenomena could be explicated by fundamental and often quite simple (when adroitly utilized) analytic propositions and techniques. The tools of Econ 1 and 2 can be powerful in

masterly hands. Larry Miller observed, with some appreciation, that Alchian “found economics behind every rock.” (Miller, a product of Harvard who was not a member of the Core, published a short piece in the *Journal of Political Economy* in 1962 indicating wonderment about the phenomenon of “the Chicago School.” Later, in a department meeting, another young man who had not risen above his Boston-area beginnings, asserted that many of the senior faculty of the northeast doubted that Buchanan was really an economist.)

The work of Alchian and of the Core generally was focused on “pricing and allocation.” (In a faculty group meditation, Pegrum once relieved himself of many words on the topic of macroeconomics. He was abruptly taken aback when Alchian finally remarked. “There is no such thing as macroeconomics.”) For years, Alchian and Hirshleifer presented a remarkable three-quarter graduate sequence, Econ 201A, B, C, with Armen giving the essence of pricing-and-allocation in the first two terms and Jack following with study of capital theory. But Alchian, with Reuben Kessel and Ben Klein, did significant work also on inflation, and Leijonhufvud and Thompson have made major contributions to aggregative discussion. And Leijonhufvud of course wrote the famous satire from which the present memories take their title (Leijonhufvud 1973).

The department in its brief Golden Age was aware of being out of step with most of the profession both in the purpose and nature of the work of the Core and in how the work was conducted. For members of the Core, Economics was to be dedicated to genuine, bone fide, real-worldly, enlightening and useful empirical problem-solving. Who is to gain what from the efforts of economists? What is the relevance and worth of their meditations and exercises? How great and widespread would be the net calamity if all the economists suddenly departed for their esoteric Nirvana? In a 1985 memorandum to me, Leijonhufvud wrote:

[Alchian’s] unique brand of price theory is what gave UCLA Economics its own intellectual profile and achieved for us international recognition as an independent school of some importance—as a group of scholars who did not always take their leads from MIT, Chicago or wherever. When I came here (in 1964) the Department had Armen’s intellectual stamp on it (and he remained the obvious leader until just a couple of years ago ...). Even people outside Armen’s fields, like myself, learned to do Armen’s brand of economic analysis and a strong esprit de corps among both faculty and graduate students sprang from the consciousness that this ‘New Institutional Economics’ was one of the waves of the future and that we, at UCLA, were surfing it way ahead of the rest. But Armen’s true importance to the UCLA school did not stem just from the new ideas he taught or the outwardly recognized ‘brandname’ that he created for us. For many of his young colleagues he embodied qualities of

mind and character that seemed the more important to seek to emulate the more closely you got to know him.

All this is not to suggest that mathematics, so prized by the Economics Establishment, was to be denigrated in the mansion of economics—but mathematics was not to be allowed to evict economics and make itself sole, or even major, inhabitant of the mansion. Mathematics, with its econometric handmaiden, was to be an aide and a tool in the service of pertinent economics—the technical medium was not to be the substantive message. It has long been accepted, even embraced, as such by sophisticated economists. Around 1954, Brunner offered an informal short course for some three of us junior people (attendance was effectively mandatory) in which we worked through portions of Paul Samuelson's *Foundations of Economic Analysis* (1947). In the early 1960s, the department deliberately sought a specialist in mathematics to round out the team, and it acquired Mike Intriligator fresh out of MIT. By a generation after Cournot, such notables as Walras, Marshall, Edgeworth, and Fisher were among those who championed mathematical techniques as an essential tool in the economist's toolbox. But used unwisely and naively, it turns economists into pretentious parasites on the rest of the community. Alchian once commented to me on a recent article he had read. It was an interesting piece, embodying a good idea, he said—but the exposition was diverted and diluted by some wholly unnecessary and distracting mathematical doodling. I once sent a manuscript on Irving Fisher to Milton Friedman, asking if he thought it appropriate to submit to the *Journal of Political Economy*. He replied that he would like to see it in print, but that it would not receive a fair assessment there because it was non-mathematical. (He recommended sending it to the *Journal of Law and Economics*, which did publish it.) On two occasions circa 1990, first-year graduate students stopped by my office to lament that they had come to UCLA to learn the sort of economics in the Alchian-and-Allen textbook, but what they had been presented was largely the flapdoodle of abstract model-building. A recipient of a UCLA doctorate had a piece rejected by the *American Economic Review*, despite the editor's approval of content, because it was not sufficiently mathematical. Even world-class Core-types can allow themselves to slip into mechanical rigor largely for its own sake. One of our graduate students a generation ago began his graduate work at Chicago with a theory course given by a budding super-star; but it was a course, he said later, of nothing other than formal manipulation, which could have been offered at any of the glamorous schools—so he transferred to UCLA. And one of our splendid staff bewildered his graduate customers by giving a fine course in applied, empirical economics—and then devoting the final exam exclusively to pure theory.

Alchian was less prolific in publishing than were the most glamorous superstars of the profession, and he eschewed ambitious self-promotion and personal empire-building. When Gerald Ford became president in 1973, he called a large conference to Whip Inflation Now. Alchian was invited to participate, but declined, indicating to some of us that staying home to play golf would be more productive than anything likely to be said in Washington.

While he may sometimes have been over-reticent to testify in support of colleagues on administrative matters, he was pleased to advise and to co-author on issues of analysis. It is my understanding that he devoted many hours to Leijonhufvud when Axel was laboring to make sense of Keynes and Keynesianism; and he is credited with much direction to William Sharpe's dissertation project which was instrumental in Sharpe's later Nobel award. Over many years, Alchian was co-author with numerous colleagues and associates, including Demsetz, Ben Klein, Susan Woodward, Henry Manne, Harold Somers, Kessel, William Meckling, Thompson, Wesley Liebeler, Kenneth Arrow, and me. And all the while the department turned out a goodly stream of personally mature, professionally sophisticated, productive and influential economics graduate students, who not only knew well the words, but could also carry the essential tune, of analysis and its useful applications. Considerations of genteel propriety preclude a sample listing of these fine young men and women, but the department, especially the Core, was a valuable educational organization at all levels of instruction, beginning with the Principles course (taught by Alchian, Scoville, Bernie Campbell, and me, among others). Obviously, "The Alchian department" was not a monolithic, all-encompassing community. There were always more numerous aliens, some of them very able people, not well assimilated into the Core. Within the Core, there was much mutual confidence in the professional orientation and personal integrity among the members. This is hardly to say that the Core was a band of brothers each with infinite patience and appreciation of all activities of all colleagues all the time. Some of the frustrations from impatience and inconsistency within the Core, along with dissension from the aliens, were eventually felt by me.

The rise of the Alchian department was mainly a happy serendipitous phenomenon, the era taking shape rapidly, gathering momentum in the late 1950s, and reaching something of a high plateau prior to Brunner's departure in 1966. It was sustained for a while by remaining troops and some fine acquisitions, including McCall, Finis Welch, Michael Darby, Klein, Joseph Ostroy, Thomas Sowell, Rol McKean, and Arnold Harberger. But the founding generation and some of the later acquisitions began to fade away. Too soon, Scoville, Brunner, McCall, Welch, Darby, Klein, Hilton, McKean, and Sowell left the department by moving, retiring, or dying. Where does one now go to find replacements for such



people? By the mid-1970s, UCLA, while still boasting much new talent, seemed to have lost most of its uniqueness—and the new generation had little knowledge of, or interest in, the history of the department and what it had been. I sensed a new and less attractive atmosphere when I rejoined the department in 1973 after two years at Texas A&M—“you can’t go home again.” In recent years, Somers, Hirshleifer, Hirsch, and Thompson have died, Alchian has become inactive, Leijonhufvud first sampled the fleshpots of Italy and is now living elsewhere in California, Demsetz is largely retired, as I am, with only Harberger, Intriligator, and Murphy, actively representing my generation.

Several years ago, a UCLA basketball star observed, “History is what happened before you were born—and who cares?” Sic transit gloria.

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It is in order to revert to Armen Alchian. It is not provincialism to relate the history of the department from the early 1950s into the ’70s in Alchian terms and perspective. He was one of the superb economic analysts and teachers of the second half of the twentieth century. Other supreme luminaries of the fraternity enthusiastically acknowledged that he was one of them. In 1977, the department sponsored a two-day conference in his honor, with more than 150 attending. Among the many stars, four presented formal papers. Three of the four had properly received the Nobel Prize, as did the fourth shortly thereafter: Kenneth Arrow, Milton Friedman, Paul Samuelson, and George Stigler. In 1985, I nominated Armen for an annual University Service Award. My letter was attached to thirty-five solicited testimonials, several from UCLA colleagues and former students, and most from the world’s leading economists—the four speakers at the 1977 conference and such as James Buchanan, Ronald Coase, F. A. Hayek, Hendrik Houthakker, Leland Yeager, Arthur Burns, Gary Becker, Gordon Tullock, Roland McKean, Philip Cagan, Michael Jensen, and others. The letters were magnificent, unstinting in their praise and appreciation, couched in superlatives, and several expressed astonishment that Armen had not already received every honor the university could bestow. The following year, I nominated Armen for the Nobel, and attached these testimonials. My nomination letter included the following:

Economics is a broad discipline in methodology, as the Committee is fully aware, ranging from detailed historical, institutional, legalistic description to totally abstract, arcane theory. All such approaches, techniques, and emphases are appropriate. But there is much specialization among the members of the

fraternity. And, increasingly, the profession has dealt in rigorous, elegant manipulation, even when the work is purportedly empirical—and even when the substantive results hardly warranted such virtuoso flair. Professor Alchian is a splendid technician, and he has contributed significantly and conspicuously to general “theory.” But, in contrast to many, he has always appreciated that the final payoff of Economics is elucidation of the real workings and phenomena of the world. I know of no one at any time who has had a finer sense of how to use economic analytics to explain the world. Sometimes the explanation requires involved, complex analysis, and Professor Alchian does not fear to use the tools which are required; what is uncommon is his lack of fear in using the MINIMUM tools which are required. In large part, his peculiar genius (the word is used advisedly) is to make extraordinarily effective use of elemental, and often elementary, techniques of analysis. And a host of people—many of whom are now in strategic positions in universities, in government, in the legal system, in the world of business and finance—have enormously benefited from the tutelage of Professor Alchian. ... I present Armen Alchian as a giant—a giant who, because of his lack of pretension, is easily overlooked by laymen and even by some supposed professionals—who has greatly honored his profession and uniquely contributed to its usefulness. He would grace the distinguished fraternity of Nobel Laureates.

This story should end in triumph. But neither the UCLA Alumni Association nor the Nobel committee met its clear obligation. I wrote a two-page letter to the chairman of the campus group asking if the major problem of the Association was lack of competence or lack of integrity. The Swedes deserved a similar inquiry.

## **The Roman Empire Syndrome**

A few of us continue through the life span to grow in beauty, grace, and charm; most tend to stagnate and then to deteriorate. Modes of automobiles and styles of architecture wax and wane, ultimately consigned to oblivion. Concerns, ambitions, and mores change from season to season and generation to generation. Nations, empires, and whole civilizations flourish for only finite periods. Fads and fashions come and go in intellectual endeavor and orientation as well as in the sphere of culture and commerce.

A sobered old member of the UCLA departmental Core can believe that he has seen the early surge of uncommon creativity devolve into comfortable

conformity. The economics faculty still includes people of intelligence, training, and technical versatility; they have made useful contributions, perhaps especially to issues of monetary policy; but they are not conspicuously differentiated from the other fifteen or so leading departments. The decline and fall of the Roman Empire was spread over at least three centuries; the UCLA Department of Economics has not fallen—and the current power group, with dubious interpretation and limited appreciation of its heritage, likely would deny that it has declined—but the Era of Alchian and the Core has concluded its tenure and most of its influence.

The disappointing and discouraging story of the departmental devolution over the past thirty to forty years pertains to many people and incidents, so it can be related and interpreted in various ways. The following selective sketch, using personal experience as my pivot, touches on teaching, both on the campus at different levels and in the general community; losses, retentions, and acquisitions of personnel; the Time of Troubles on the campus in the late 1960s and early '70s; and the ultimate disenfranchisement of the remaining Core in the mid 1990s.

## Teaching

In the 1950s and '60s and into the '70s, the department was recognized as a strong teaching organization in intent and performance. Fred Barron was one of three campus faculty to receive the first annual Alumni Association teaching awards in the late 1950s; I was granted the elite campus Eby teaching prize in 1978, along with awards from the Western Economic Association and the Freedoms Foundation at Valley Forge; and others, including Alchian, Demsetz, Hirshleifer, and Leijonhufvud, clearly would have been appropriate teaching honorees.

The department put several of its most effective classroom instructors—Alchian, Scoville, Barron, Burnham Campbell (who was an able economist and useful colleague but did not publish enough to gain tenure), and Allen—into regular offering of the Principles courses. A UCLA Nobel chemist, Donald Crum, taught every year a section of his department's introductory course, for, he said, (a) it was useful to him to leaven his specialized work by frequently reviewing the wide range of his entire field, and (b) he found gratification in providing large numbers of students, most of whom would never take advanced courses, with a sound layman's exposure to his area. But newer additions to the economics department evinced no apparent enthusiasm for introductory surveys—and little appreciation of those who taught them. In a department faculty meeting, probably in the 1980s, one of the brightest of the younger people suggested that the Principles courses were mainly a waste of resources and that the

world would be more efficient by having the departmental curriculum begin with intermediate theory. I responded that a more appropriate streamlining might be to cut out much of the upper-division offerings, for they did little other than to mathematicize the economics presented in the first courses.

The department still offers Econ 1 and 2, but for many years they have been given by visitors, not by teaching stalwarts of the regular faculty. Trudy Cameron, not a member of the Core, was the last full-time member of the faculty regularly to teach Principles—and she moved away half a dozen years ago. Recently, in a seemingly aberrant gesture, a senior member of the New Geniuses volunteered once to teach a section of Principles.

For many years, Teaching Assistants assigned to Econ 1 and 2 classes have been obliged to attend training sessions. But, despite my annually teaching Principles for more than half a century, my several teaching awards, and my co-authorship with Alchian of *University Economics*, I was never asked to participate in the TA orientation program.

During the Golden Era the relations among the excellent graduate student coterie and between them and the faculty were healthy, civilized, productive. Students and teachers exhibited much individuality, and there was much variety in teaching and consulting styles. Many now look back fondly and wistfully on the personal camaraderie and professional association of those interesting and fruitful days.

As the department was finely developing in the early 1960s, Alchian honored me with an invitation to join him in preparing a textbook. He had signed a contract with Wadsworth Publishing, and it was felt that I might supplement Armen's great powers of analysis and exposition. He was a genius in utilizing price-and-allocation analysis; my teaching had included aggregative and international areas. The book was initially intended to be compact, basically putting down on paper our Principles courses. The finished product, first published in 1964 (with later editions in 1967 and 1972), was not short, and it never became as stylistically elegant as I had wished, but it was very well received by the main part of the profession (Berkeley and Minnesota being exceptions). Still, the history of publication supports Joe Spengler's warning to me that a really good textbook is not likely to sell well. *University Economics* has received much praise—including informal assurances from many people that they found in it masses of fine material for their classroom lectures while they adopted for their customers other books, more easily managed by both teacher and students. The substantive success of the book—at all levels of instruction, from freshmen to graduate students—is to be imputed overwhelmingly to Alchian, although contributions by me included monetary analysis learned from Karl Brunner, and the long section on foreign trade and finance drew heavily on lessons in the

classroom of Lloyd Metzler, audited at the University of Chicago in 1950-51. *University Economics*—and its delimited spinoff, *Exchange and Production* (1969, 1977, 1983)—became part of the public face of the department.

In the general period beginning in the late 1960s, Alchian and Clay LaForce, with moral support from me, established the Foundation for Research in Economics and Education (FREE), remnants of which are still in operation. (Clay succeeded me as departmental chairman in 1969. He held the position for an extraordinary nine years before taking the deanship of the Management School.) It is my memory that the initiating rationale was to have an organization legally separate from the department and the university, active in raising independently controlled funds to carry out activities to promote the ideals and purposes of our version of useful economics. Some of the funds were devoted to supporting members of the department and recruiting new members. FREE also produced a series of some half-dozen brief videos, *The People of Market Street*. Armen played a central role in shaping the rudimentary analytics in the vignettes; Clay surely was the major promoter and manager of the complex enterprise. The little movies were professionally produced, and they, too, added to the growing conspicuousness of the department.

In the mid-1970s, a second organization was formed, the International Institute for Economic Research (IIER). Clay and a lawyer neighbor of his did the legal paperwork, and for some years IIER and FREE shared an office suite a few blocks from campus. I was given the presidency of the outfit.

An early venture of IIER was arranging and hosting a sizable two-day conference in 1977, funded by the United States Treasury through the good offices of Thomas Willett and Richard Sweeney, the latter being a splendid former colleague of mine at UCLA and then Texas A&M. IIER activities over the following decade centered on publications, broadcasts, and radio and television interviews of the president. Several dozen pamphlets and flyers were presented in both original and reprint series, with distinguished authors, in addition to printing hundreds of radio and television scripts in various formats, including semi-annual booklets and three volumes. (The first of the *Midnight Economist* volumes was published by Playboy Press in 1981, and doubtless it would have had greater sales with embrace of my advice to include a centerfold of me reclining on a bearskin rug.)

IIER had a distinguished board of corporate leaders in addition to Alchian and LaForce, along with an international economics Who's Who of associates and advisors; it had a distribution list of some 15,000 people; it produced the *Midnight Economist* radio program (and some television) heard daily on several hundred stations; it received awards from the Freedoms Foundation at Valley Forge, and it was featured in profiles, in *The New York Times*, *Fortune*, and many other outlets.

All such activities as FREE and its People of Market Street and IIER and its publications and the Midnight Economist are here reviewed under the general heading of Teaching. For at least some members of the departmental Core, teaching was not confined to classrooms—and certainly not to the graduate and upper-division classrooms. There was a strong sense of “community service” involved, spreading Truth to as wide an audience as possible, and many letters to me over the years, inspired by Midnight Economist activity, indicate that people of myriad backgrounds can appreciate three-minute capsules of genuine economics, presented unpretentiously, civilly, and with relevance to real people struggling in our world of scarcity and sin. Many radio and television station managers and program directors are excessively fearful that economics is too difficult or dull or disputatious for their audience.

Teaching and Community Service are two of the criteria in assessing UCLA candidates for faculty advancements and promotions, along with Campus Service and Research. It is to be expected that the last of those measures, research publications, is given more weight than the other three combined.

## Personnel

Through planning, effort, shrewdness, naiveté, happenstance, and the crumbling of cookies, you win some. And some you don't . . . .

In my nearly six decades at UCLA, I have had about one hundred tenure-track departmental colleagues. There will be no attempt here even to mention all members of that multitude—able though many of them were or promised to become notably accomplished—much less to characterize each or assess individual contributions. This limited story pertains essentially to the minority Core—its development from the early 1950s to the mid-'60s, its continuance, with additions to and losses from its composition into the late 1970s, and then its dilution and decline in activity and influence, until its virtual extinction in the 1990s.

From the beginning of the 1950s, building on an initial contingent of Alchian, Brunner, Scoville, Hildebrand, and later myself, the faculty approximately doubled over the next dozen years; some of the additions were splendid. People like Clay LaForce, Harold Demsetz, Jack Hirshleifer, Lee Hansen, George Hilton, Earl Thompson, Sam Peltzman, Axel Leijonhufvud, and Roland McKean joined the department as full-blown or potential Core members between 1958 and 1966. (Demsetz was with us in 1960-63, then went to Chicago either for more seasoning or as a missionary, and then was induced by chairman LaForce to return in 1971.) In about the same period, the group added, among others, Bob Baldwin, Harold

Somers, George Murphy, Mike Intriligator, and Werner Hirsch—non-Core sorts, in my view, who were, in important respects, competent and productive colleagues, even if not entirely comfortable in the company and the context of the professionally-nonconformist Core.

It can be reasonably contended that the department reached something of a peak just before Brunner left in 1966, a peak which was perhaps a plateau maintained well into the 1970s. But over several years, along with the loss of Brunner, Scoville died prematurely, and Hansen, Peltzman, and McKean moved away. These losses were countered by the arrivals of Ben Klein, John McCall, Tom Sowell, Bob Clower, Mike Darby, Finis Welch, and Earl Thompson, but Clower, Leijonhufvud, McCall, and Thompson were the only ones of that group to stay with the department for a prolonged productive time. Clower added to the visibility of the department by editing the Western Economic Association's *Economic Inquiry* (1973-80) and the *American Economic Review* (1980-85). Earlier, *Economic Inquiry* had been co-edited by Somers and Alice Vandermeulen.

By the early 1980s, the roster of the Core included Alchian, Allen, Demsetz, Hirshleifer, Klein, Leijonhufvud, McCall and Thompson. This was a group of impressive competence and accomplishment. But it was a minority in a faculty of well over thirty, it was aging, and three of the members—Klein, Leijonhufvud, and McCall—were destined to leave the department over the next few years. Sebastian Edwards, Edward Leamer, and Arnold Harberger joined the team—the first two, along with Darby, eventually following LaForce to the Management School—but by then the rose was losing much of its bloom. Harberger, a late addition to the Core, is still active. It is sobering to lament how it might have been—if senior people like Brunner, Scoville, Sowell, McKean, and Buchanan and younger ones like Peltzman, Klein, and Leijonhufvud had not left us ... And if Chicago still had Friedman, Stigler, Lewis, and Coase, and if Virginia still had Buchanan, Tullock, Nutter, and Yeager ....

Economics departments continue to grind out numerous bright Young Scientists who are close substitutes for each other, but the ongoing supply of Core-type economists is small and sporadic. Few new grads seem to have a strong sense of, or feel for, or interest in the substance and use of traditional Economics at its best. Few see that there is to be much art, instinct, imagination, and broad erudition in significantly fruitful endeavor, that achievements of high sophistication are resultants of more than learned mechanics and convoluted techniques.

Some such wonderments and misgivings seem reflected in a long statement to the departmental faculty by Leamer in late 1988, followed by a similar and supportive message the next day by Demsetz.

Leamer recalled that when he joined UCLA in 1975, “the Department had a commitment to further strengthening of the applied fields .... The fields of

econometrics and economic theory would play an important role in the Department, but their function was to serve the applied fields, not to have a separate life of their own. ... The UCLA Department has a reputation ... in applied economics, particularly the Alchian/Demsetz tradition in micro economics and industrial organization. If we lose this brand name capital we will lose one of our most attractive features .... By carving out a distinct intellectual niche, we could proudly claim that we were 'best,' by our own standards at least. The banner of applied economics is especially well suited to this role because it can elicit an emotional commitment, even a righteous fervor."

Indeed. The economics fraternity overall is not doing well in adding Core-type analysts who—by innate talent, acquired skill, and critical masses of professional camaraderie—"find economics behind every rock." Demsetz, in a recent, brief autobiographical sketch (Demsetz 2008), recounts that his work has "focused on empirical and policy problems and on the logic of the theory that bears on these. Cold logic, imagination, and exposition by way of words, simple geometry, and basic statistics are the tools on which I have mainly relied ...." Economics is a big tent which should accommodate various interests and methodologies. But "heavy attention" to "technical tooling" can "offer a substitute" for genuine economic perception and dissection. "Quality of economic thinking is more likely to be revealed by the way the underlying problem to which the tools are applied is conceived and analyzed. Economists in training seem to seek a body of data that is appropriate for the exploitation of technical tools rather than one which offers intrinsic economic interest."

Albert Einstein supposedly remarked: "Not everything that can be counted counts, and not everything that counts can be counted."

## The Chairmanship

I was departmental chairman in 1967-69. It was my World War III. The history of that episode is both exhilarating and devastating, and it is not widely and always accurately remembered. Indeed, upon occasion the story has been shunned and even deliberately suppressed.

There were two conspicuous aspects of those years. First, there was a recruitment binge: In 1967-68, ten assistant professors and one senior prize were hired, and the next year another assistant professor. That triumph was followed by the local Time of Troubles, sharing in various campus disruptions across the country from the mid-1960s into the early '70s—or the latter part of the department's Golden Age.



Hiring ten young people in the same recruiting season was a massive operation. Several hundred individual folders were compiled, each with resumes and several letters of recommendation. I was gratified by the extraordinary efforts of my colleagues in reviewing and assessing the mountain of accumulated information, mainly in the folders and also through a number of interviews of candidates. We knew that one of the ten assistant professors we hired in 1967 could stay for only one year—and we were suckered by his eminent department into supposing that he really was a genius. Of the other nine, some turned out to be more impressive than others, and today Bryan Ellickson and Joe Ostroy are still with us. Ben Klein was another of those garnered in the binge.

While heavily committed to filling the junior positions, we worked to seduce the eminent Jim Buchanan to join us. He wanted to leave Virginia, as Gordon Tullock had done the previous year, and he would be another jewel of the Core. (Years earlier, my economist brother added Buchanan to the Florida State faculty.) The hiring process at UCLA is cumbersome, involving the satisfying of committees and a coterie of administrators. Franklin Murphy, one UCLA chancellor in my time to earn my substantial respect, graciously and sensibly short-cut the procedure a bit, and we added Jim to the team as of July 1968.

Shortly later, in October, the Black Student Union uprising hit the department. Five BSU representatives visited me and demanded that I hire some black faculty, although they had no candidate in mind or intention of helping to find candidates with credentials other than the desired skin pigmentation. I made it forcefully explicit that the department would not recruit on the basis of race. The confrontation immediately spilled into the campus newspaper and the Los Angeles print and broadcast media. After a threatening telephone call at home, I bought a shotgun, and strung fine wire around the lawn to trip anyone storming the house. The Scovilles invited the Allens to move temporarily into the furnished apartment above their garage, but my stalwart wife, Fran, refused to be “run out of my home.” I was interviewed and discussed in various forums. The Academic Senate twice nearly censored me, and Chancellor Charles Young, who had succeeded Murphy, referred to me in supercilious manner in public. Soon after the war began, a bomb was placed at an entrance leading to the departmental offices, but it did not explode. I remarked in a television interview that the most conspicuous difference between my enemies and the Nazi hooligans of the 1930s was that the latter could make a usable bomb. Perhaps I came to appreciate in some small degree how Churchill felt in May 1940.

I was not alone, but supporters were vastly outnumbered. Clay LaForce, my vice chairman, and Warren Scoville, then a dean, were with me. Buchanan reamed out the chancellor in a luncheon meeting attended by our full professors (as I had earlier done in a telephone confrontation). It was clear that Foster Sherwood, the

chief associate chancellor, and Franklin Rolfe, dean of Letters and Science, were sympathetic, but they were constrained by their being members of the campus administrative team. Glenn Campbell, head of the Hoover Institution, visited UCLA in his capacity as a regent of the university, and we met with Young in the chancellor's office. On campus, the school paper was displeased with me, but published several statements of support from a few faculty and students. I had no direct skirmish with students other than the BSU delegation. The baseball coach called to offer immediate protective manpower, armed with bats, if the departmental office was occupied. The office staff were on edge, of course, but stayed at their posts, led by the redoubtable Janet Lipscomb.

Such support was limited, and it sometimes came from wimpish summer patriots. One faint-hearted professor in another department sent a note of appreciation and encouragement—but he asked that I not leave his message in my office, for it might be discovered by ransacking students. Alchian was on leave at Chicago in fall 1968—but the dean of the Chicago law school and Earl Hamilton sent supportive notes.

In a department meeting after Alchian's return, the session was breaking up when Armen turned to a full professor who, it was known, had lectured his seminar on how badly I had handled the BSU challenge. From perhaps ten feet away, I heard Armen say to him, "Why did you undercut the chairman?" The character was so startled as to be speechless, and he nearly ran from the room.

One of my senior departmental colleagues actively sought to work with the campus administration to resolve issues, but he was naive and worsened the situation. It was remarkable and vastly discouraging to see established scholars across the campus—especially in History, Linguistics, and, heaven help us, Law—either enthusiastically join the mob, or supinely succumb, or resist the mob wholly ineffectually. The ten young recruits in economics must have been highly unsettled by the noise and confusion, and I determined it to be inappropriate for me to try to pressure them into battle. Two other assistant professors did join the battle—in support of the mob. One of them was a product of Berkeley, whose father was the Iranian ambassador to the United Nations; the other found it gratifying to try too hard to do good.

So the campus atmosphere was poisoned, and ill effects are evident to this day. The forward momentum of the department was staggered and diverted, with camaraderie strained and dispelled.

The testiness was aggravated in considering senior faculty appointments. In fall 1968, there appeared to be an opportunity to seduce Gregg Lewis from Chicago. I wrote to my tenured colleagues: "... as far as I am concerned ... we would be blithering idiots to pass by a chance to get him. I simply am not going to have an ounce of patience with any scholar in our midst who raises the 'Chicago

school' issue. ... I am fully prepared to accept the resignation of anyone who opposes trying for Lewis for anything resembling 'ideological' reasons. ... Let this also be understood. I have some reason to believe that I can take care of myself (and even support others) in reasonably open fight. But I have had my fill of having a shiv stuck in my back. It has happened, I think, only a 'small' number of times, perpetrated by only a very 'small' number of people. But the quota of acceptable times also is 'small.' If it happens again, I guarantee a crucifixion of the villain." One member of the department—a mid-level non-member of the Core—complained in a note to me that my message "is not couched in the proper language which should be used to address members of the stature of the faculty of UCLA"—and he was "deeply opposed" to hiring Lewis.

Another case involved Warren Nutter. I had become acquainted with Nutter, a fine and courageous economist of diverse experience, and I let it be known that he would be a splendid acquisition. Not only did one of my senior non-Core colleagues warn me—"a shot across the bow," he wrote—not to pursue the matter in any unilateral manner, but Charles Hitch, the university president, wrote that, having snagged Buchanan from Virginia, it would be heavy-handed to get a second senior man from the same small department. Hitch and Nutter were on opposite sides of the debate on the prospects of the Soviet economy—and it eventually became apparent that Nutter won the debate. Shortly later, after leaving the chairmanship in July 1969, I wrote a letter of considerable vigor to Hitch indicating that he had intervened unwisely and inappropriately. Hitch did not reply directly, but he asked Alchian, who had been best man at Hitch's wedding, to try to smooth ruffled feathers.

And there was the incident of the grumbling full bulls—Scoville, Pegrum, Hirsch, and Somers. In important respects, Scoville was a member of the Core, but he shared with the others a prickly sensitivity to the claimed perquisites of seniority. The first fifteen months of my chairmanship were a period of frenetic activity, centering on the recruitment of eleven faculty. But the senior quartet let it be known—just before the BSU war, as it turned out—that they had misgivings about the appropriateness, propriety, and legitimacy of vice chairman LaForce teaching only two courses and my giving only one in the current academic year. My written reply was that their only proper concern was their own teaching load and that what was assigned to the vice chairman and me "is, properly and actually, a decision of the chairman alone." (Oddly, during that period I was, unilaterally, reducing the teaching load of full professors to four courses a year. Buchanan had requested a schedule no fuller than that. I made it explicit to other professors that I would give Jim no unique favors and arrangements.)

I well understand the feelings of marshal Will Kane at the end of the movie, *High Noon*, when he disdainfully cast his badge to the ground before the

townspeople who had given so little support as he faced and defeated ruthless enemies. In June 1969, shortly before I discarded the chairmanship, someone inserted a statement into *The Daily Bruin* that I would not be missed. As I fought to defend the faith (according to Allen theology), not everyone in the profession was offended and repelled, and several outside parties even approached me with overtures to chair reputable departments and consider other positions of administrative leadership. At the close of my chairmanship, Alchian, Buchanan, Somers, and LaForce took me to dinner.

## Disenfranchisement

By the 1990s, the numbers, the activity, and the influence of the Core—as it had evolved through the 1950s, '60s, and '70s—were much diminished. The new ruling class might have gracefully tolerated the eccentric old fogies. But it was deemed more efficient to retire them quite completely.

I was the first to be disposed. There was a promotion review, of a highly able assistant professor, a potential colleague of the Core. The hard-nosed scientific technicians held him in little regard. After becoming emeritus in 1991, I had not always attended department séances, but older faculty prevailed upon me to come to a meeting of preliminary review of the candidate, a review which became an indelicate, supercilious attack. The following day, I was informed in a phone call from the chairman that a majority of tenured faculty found it inappropriate for me to participate in future meetings. The official rationale of the decision was that I—a forty-year member of the team, a scarred former chairman, a public and professional figure of some visibility, a recipient of teaching awards (and director of an AEA prize-winning doctoral dissertation—of John Pippenger)—had not given a graduate course for several years.

I am informed by an eminent member of the Core that in the mid-1990s the disenfranchisement of the emeriti was completed. Another review involved consideration of a potential invitee to the faculty. The emeriti voted unanimously against appointment; all of the rest of the group, who constituted a very large majority, voted in favor. Within a day or two, the emeriti were informed that they would no longer have the privilege of voting.

Some old-fashioned folk might deem such treatment of the emeriti as something less than refined propriety and sophisticated judgment. More events could be here recounted, with deleterious administrative and social behavior extending beyond the department, encompassing executive indiscretion and vulgarity at all levels of the university governance. For me, UCLA and its department

of economics has become little more than a place of some business, not always well conducted, and a house is not invariably a home.

In 1884, Oliver Wendell Holmes, Jr., spoke of fortunate youth having hearts “touched with fire.” He added that “... as life is action and passion, it is required of a man that he should share the passion and action of his time at peril of being judged not to have lived.” The Core, in its abbreviated time, did some living, much of it satisfying, but ending with its proffered legacy being largely rejected.

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It is hardly possible to take very seriously any of the professoriate all of the time or most of them most of the time. They commonly are fearful, hesitant, and foolish when confronted by complex real issues and aggressive enemies, but they tend to screech, snarl, and spit when they perceive their territory, reputation, and perquisites to be threatened. They can pose as being valiant and principled, but they are inclined to disperse and camouflage themselves upon hearing the first volleys of significant battle.

With respect to Economics specifically, the professional arena now is largely one of gamesmanship in technique. My advice to my grandchildren and great grandchildren approaching college will be to expect little from the economics department at their chosen school, it probably being best to take only the Principles sequence, and yet to read and discuss the kind of economics that inspired the Core at UCLA and that we ventured to enhance and impart to others.

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## About the Authors



**William R. Allen** has labored primarily in the scholarly fields of international economics, monetary economics, and the history of economic theory. He has educated the public through his popular writings and radio work as “the Midnight Economist.” After serving in the Army Air Corps, he obtained his A.B. (1948) from Cornell College and Ph.D. (1953) from Duke University. He taught at Washington University prior to joining the UCLA faculty in 1952. Like the economists interviewed in the present paper, he has worked for government as consultant to the Balance of Payments Division of the Department of Commerce. He has received teaching awards from the UCLA Alumni Association, the Western Economic Association, and the Freedoms Foundation at Valley Forge. He has been Vice President and President of the Western Economic Association, Vice President of the History of Economics Society, and Vice President and a member of the Executive Committee of the Southern Economic Association. Among his many publications is his *University Economics*, coauthored with Armen Alchian. From 1978 to 1992 more than 200 radio stations carried daily broadcasts of “**the Midnight Economist**” written and delivered by Allen. He has been Chair of the UCLA Department of Economics, President of the International Institute for Economic Research, Vice President of the Institute for Contemporary Studies, and Associate of the Reason Foundation.

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