

Interview with Richard Easterlin
By Claudia Goldin, Dept. of Economics, Harvard University and the NBER
and Lawrence F. Katz, Dept. of Economics, Harvard University and the NBER

Pasadena, California
March 15, 2002

Claudia: We're at 329 Patrician Way in Pasadena at the home of Richard Easterlin and Eileen Crimmins. And I have Richard right here, and he's going to tell us about his role at the National Bureau, and what the National Bureau meant to him, and anything else he wants to talk about.

Larry: Say the date.

Claudia: Yes, and the date. Larry Katz is here as well, and he's reminded me that I should say that it is March 15th, 2002. Thanks for...

Richard: The Ides of March. Is this the Ides of March?

Larry: Yes, it is the Ides of March.

Richard: All right. [inaudible],

Larry: This is your life.

Richard: You ask the questions, Claudia.

Claudia: Well, why don't you begin at the beginning and end at the end? I mean, you can begin with, "When were you first employed at the Bureau, in what capacity? How did you find out about the Bureau?" So why don't you begin there and everything will flow.

Richard: Well, of course, I knew about the Bureau simply because [Simon] Kuznets was always, you know, associated with the Bureau, and, you know, since I was a student of his...

Claudia: At Penn?

Richard: ...at Penn. I thought, "Oh, yeah. The Bureau is a big deal." And I had...my first contact, really, was Kuznets, I guess, arranged a research associateship in 1955-56. And that was quite a phenomenal year because at the same time, Doug North was a research associate and Ken Buckley.

Claudia: And Doug was in residence in New York?

Richard: We all took up residence in New York. I lived on Long Island. I forget where Doug and...one of them was in Westchester, as I recall. And one of them may have been in New Jersey. I mean, we didn't see each other socially because we were

really scattered, except there this was one incredible dinner at George Stigler's. That's a phenomenal story.

Claudia: Okay.

Richard: You want to hear that?

Claudia: Why not? I have five hours...

Richard: You may have to censor this, you see, because...well...

Claudia: There is no censoring.

Richard: All right. Well, I mean, you know, Stigler is sort of the great potentate, and of course, you know, we are the minions that are invited to his home for dinner with our wives. So as I recall, Stigler lived in Manhattan. And you know, my view of Stigler was always that he was not really [inaudible]. I mean, you know, he wrote these books on price theory and that sort of thing. He had this strange affiliation where he presumably did some empirical work. But I never knew him to do any empirical work himself.

And I remember...this is just background, my attitude towards Stigler, but there was a luncheon...you know, we usually went out to lunch at the NBER. And at one of these lunches, the subject came up of a dissertation that had been presented at Columbia in economics, that provided historical estimates of the balance of payments. And it was done by Matthew Simon, whose name you probably know [even] if you didn't know him. Yeah, hard-working, serious economic historian. And they had done a good job of putting these estimates together.

And here's Stigler, you know, at the National Bureau of Economic Research at this luncheon, and he's saying...and the question that he's posing is "Well, now, do you think a dissertation on estimates of the balance of payments for the United States is appropriate for a Ph.D. in economics?" Well, Stigler's view on this was quite clearly that it wasn't, you know? And I was sort of really taken aback. And here's this guy that presumably is an NBER person. But I was not surprised, because I never thought Stigler really thought, but you know, a perfect example of this incongruity between Stigler and the Bureau.

I never particularly liked Stigler. This only was, you know...

Claudia: Reinforcement?

Richard: ...sort of proved the point, you know?

Claudia: Right.

Richard: You know, not that I didn't get along. I mean, I was...we always said "Hello" if we passed each other in the hall or something like that. But anyway, so he invites us to his home. Well, you must know that Ken Buckley really had a problem drinking and eventually died because of...yeah, kidney problems brought on by excessive

drinking. His wife was wonderful; you know, very attractive, very sort of understanding of Ken. And she put up with, you know, I think lots of difficult stuff.

Ken was a really smart guy and a really able economist and economic historian who did, you know, some very good empirical work on the Canadian National Income [inaudible], had association with [inaudible] and so on. And I actually went and gave a talk one time in Saskatchewan in January. I'll tell you, it was the coldest...it was 20 degrees below, but that was after we got to know each other.

Anyway...but I can see one reason why he drank so much is you had to to survive...

Claudia: Right.

Richard: ...you know? You know, in New England, how the...back in Colonial times...they grew corn in order to make bourbon, basically. It wasn't that they needed it for the food consumption.

So anyway, Ken would naturally get well-primed for an affair of this sort. So he came. And then Doug was there with his wife who was quite attractive; there's a reason why I mentioned attractive, and my wife was quite attractive. See, we're all...yeah....group, 25, 30 years old, I don't know. We're sitting around the dinner table, you know, with Stigler and his wife. And we're chatting and so on, and Ken's not saying much, you know?

And there's a pause in the conversation. And Ken looks around...looks around the table sort of bleary-eyed and says...you know, he said, "I'd like..." oh, by the way, Stigler's wife is attractive, too.

Claudia: Right.

Richard: "I'd like to fuck every wife...every woman here."

Claudia: That's what Ken Buckley said?

Richard: This is what Ken said. Well, if you know Stigler, I mean, he is never at a loss of words...

Claudia: Never.

Richard: This was the one time...his jaw virtually dropped to the table. And the silence descended on the room. Well, eventually, we moved on to other things...

Claudia: To other topics.

Richard: ...it was a situation I greatly enjoyed. But as you could appreciate given my view...

Claudia: Right. You know, George did...and you know this...and I...you know, I was a student of Stigler's, and so, I absolutely agree with you that I remember when I knew of his involvement with the Bureau, not knowing of the work that he did when I was a

graduate student, it did seem incongruous.

But then when I was, you know...when I began to read more of the material that had his name, that seemed incongruous. Because, you know, his early work at the Bureau is sort of very...well, somewhat meticulous data collections on, you know, somewhat interesting, but not Stiglerianly interesting topics such as teacher salaries...

Richard: Right.

Claudia: And aspects...

Richard: Service.

Claudia: ...service sector. Transition from domestic service to other things. It was somewhat incongruous, and were he alive, I would ask him how he got involved in that and what he thought of it. But I can't do that.

Richard: I had a high regard for his price theory book. We used it when I was a graduate student. He wrote extremely succinctly, but quite elegantly. And it seemed like none of the work he did at the Bureau ever had that type of distinction. Which is probably further testimony to the fact that he...yeah. He didn't fit very well there.

Claudia: No.

Larry: So do we think he did this because it was lucrative? Was the Bureau...I mean, how...

Richard: It was money...of course, money...the Bureau didn't have a hell of a lot of money at the time. But yeah, that was something. I don't know...I mean, I never knew too much about the Columbia/NBER linkage. And that must be how he got drawn into it. But it just seemed...it didn't seem like something that would appeal to his preferences at all. So yeah, I don't know how to explain, you know, whether it was...

Claudia: Mm-hmm. Because Milton [Friedman] got involved in 1950 with the Bureau through [Arthur] Burns, who he knew as a graduate student when he was at Columbia. And he says...and because he needed the money. That it was additional funding...I think that these were summers. And part...maybe needed the money was second or third to some other reasons. And one of them was true devotion to Arthur. That Arthur said, "I want you to do this project. I need you to do this project in monetary history." And Milton came to New York.

Richard: Mm-hmm.

Claudia: So I think that there was...and it's hard to believe that Stigler was devoted to anybody.

Richard: I agree.

Larry: Arthur was also...was Milton's undergraduate teacher.

Claudia: That's right. Arthur...Milton first got to know Arthur when Milton was at Rutgers. But I think that it was mainly when he was a graduate student. You know, he was first at Chicago where he met George and where he met Rose. But let's get to Richard, not to Milton and George.

Richard: So I have...I was there at the Bureau for a year.

Claudia: '55-'56?

Richard: Yeah. And basically, I just did sort of more work on what I had been doing on state income at Penn. And I wrote up, you know, a very descriptive piece in Kuznetsian style. That probably occupied most of my time.

When I went there, I had already written up how these estimates have been made, you see? And we had...at Penn...the project that Penn produced, these ditto graphs...you know, the purple...

Claudia: Right. Mimeograph things, right.

Richard: So I had this report that was my write-up, and...

Claudia: So this is the work that you were working with Anne [Miller] by yourself with Simon, with Dorothy [Thomas]?

Richard: Yeah. Well, Dorothy and Simon were the project heads. But basically, the four of us who were lackeys...

Claudia: So this is [inaudible]?

Richard: And myself and Miller and Carol Brainerd...you know, we pretty much worked by ourselves. But we would have meetings maybe, I don't know, once a month or two months at Penn when Simon and Dorothy would sort of talk about where we were going or what progress we were making.

But Simon sort of, you know, was like my supervisor. Dorothy was Everett's supervisor. And Carol and Anne were doing the labor force stuff, it sort of fell in the middle because Simon, you know, sort of knew more about labor force, I think, than Dorothy, although Dorothy worked a lot.

But actually, Anne's mentor had been Gladys Palmer and Carol's, too. And so, they probably knew more about labor force themselves by virtue of that than either Simon or Dorothy. They, I think, sort of went pretty much along on their own. Simon sort of mentored me and Dorothy played a very active role in migration...

Claudia: Let me just get the chronology straight, because you get your Ph.D. in '53. And what you're talking about now is '53, '54, when we're...

Richard: '55, yeah. Up to the year I went to the Bureau.

Claudia: Up to the year you went. And so at this point, you're an assistant professor at Penn, right?

Richard: Yeah, I got appointed in '53...

Claudia: Right.

Richard: ...and...

Claudia: And these other...

Richard: And I had never done any empirical work. But Simon said when I finished this dissertation, which was on conceptual aspects of the measurement of economic growth, he said, "Now, it's time for you to do some serious work." So he says, "How would you like to come and work on this project that Professor Thomas and I are starting?" I mean, I didn't know what I was going to do with myself anyway, you know? I had a very high admiration for Kuznets and said, "Sure." That's how I got sort of into empirical work.

Claudia: And Simon stays at Penn until what year?

Richard: I'm not sure exactly when he left.

Claudia: But he was there in '55, '56 when you were at the Bureau?

Richard: Yeah, right. Yeah, we overlapped for several years.

Claudia: We were just talking to Lance, and Lance was at Hopkins, of course, and gets his degree...what did he say, in '57?

Larry: '56.

Claudia: '56. So Simon may have split his time between Penn and Hopkins?

Richard: Well, yeah. I think he went and visited before he went there. And you know, the reason he left Penn was there was this interim president or acting president. [Harold] Stassen had been president and then he left. And I can't even remember the name...something like Dupre [William DuBarry], but that's not...but this guy didn't even know who Simon was. And Simon went and talked to him about...well, he had an offer from Hopkins, you know, but basically [inaudible]. Had this beautiful home in Elkins Park in the northern suburbs of Philadelphia. Actually, I stayed there one summer when Simon was away. He said, "Why don't you guys come and house sit for us?" So my wife and I stayed there.

He had an incredible...I don't know whether you've heard...I mean, just lined with books. I mean, the kind of thing you see in the movies...many of them Russian and German and so on. Just this...yeah. He had a couple acres...you know, it was just this lovely home. And of course, Edith [Kuznets] was great, too, and so sweet.

Anyway, he would never had left Penn. He had a decent appointment. But this guy...the president, you know, sort of acted like...well, he didn't know who Kuznets was, you know? And you know, he didn't much care about whether it came or it left. And so, Kuznets just said, "All right. I'm going to go." And he left, you know? He never said much, you know, to me about it. But my feeling is he must have been pretty upset about that guy.

It could well have been right around '55, '56 he was in the transitioning to Hopkins [inaudible]. But the years that...the couple years that the project was...you know, we were all there working on it, he was there.

Claudia: Since we're...

Richard: But he was there in the sense that he was...

Claudia: Yeah. Since we're on Simon and I've got, as you know, questions that are more about Dick than about Simon, but since we're on Simon, let me just ask this question that you may know a lot about or you may not, I don't know. This is the...what I call the Burns-Kuznets rift, which occurred, I believe, in '48 and maybe Simon said something about it to you. And this concerns the fact that that, as I understand it, Simon wanted to have part of the Bureau studying comparative economic growth. Studying, particularly, aspects of distribution. And of course, Burns following the Mitchell tradition and following his own interests was more interested in business cycles.

And this concerned the use, I believe, of Ford money...it may have been Rockefeller money, I don't know. And Simon...of course, you discussed this in a recent book review that you wrote, right?

Richard: Yeah. [inaudible] discuss it.

Claudia: What? You mentioned it.

Richard: Yeah, I mentioned it.

Claudia: What do you know about this, and in particular, what were Simon's feelings about it? How did it change Simon's attachment to the Bureau? What can you illuminate?

Richard: Well, you know, most of it is speculation. The one...you know, I had not known until, you know, there was some occasion...I may have asked him at some point, you know, why this work of his on comparative economic growth wasn't, you know, a Bureau project.

Claudia: Right.

Richard: You know, for a long time, our relationship was, you know, like...you know, he was God and I was...you know?

Claudia: Right.

Richard: Way down at the bottom, you know? Because, you know, there was many years' age difference. And Simon was never that approachable, you know? He always was...

Claudia: Right.

Richard: ...shy. So you know, it wasn't till later after I ...25 years, I would ask him questions more. And I can't remember when it was, but you know, he said, "Well, the problem..." he had proposed this to the Bureau and Burns had [inaudible]. And by then, I guess he wasn't...you know, feeling, yeah, too...you know upset about it, but I think at the time...you know, I can only imagine, you know, he and Burns were like, you know, the Peter and Paul of Mitchell. And he had a vision that was obviously quite different from Burns. And I think, you know, really more of a...more in tune than what the needs were of scholarship and research and, you know...

And certainly, his reputation was comparable at the time to Burns when, you know, he made this proposal. And I think that was the beginning of the end at the Bureau for Kuznets when that project was turned down. The thing was...you know, how Simon...he had these enormous projects going on. This was the one on capital formation and financing.

Claudia: Right.

Richard: It went on for close to another 10 years. And he stuck with it and he did all the work. But as far as I'm aware, what he did was then go to the Social Science Research Council and the Ford Foundation and say, "Okay, the Bureau will buy this project, or this is not going to be done under Bureau auspices, but I would like to..." you know, [inaudible] what happened.

Claudia: In part, the beginning of the end of Simon at the Bureau was, as you say, this proposal. But was it not as well the transition from Mitchell to Burns, rather than from Mitchell to Kuznets?

Richard: Yeah. I don't know how to answer that. I don't have the sense that Kuznets ever particularly wanted to be the director. I could be mistaken, but I don't see him that much in that role as an administrator over projects that he does not personally take a role in.

So I don't know...

Claudia: Maybe not?

Richard: ...much about...I don't know anything about that transition. And you may be right. But I never had any intimation from him that he ever resented not being...not running NBER.

Claudia: Let's keep on with Burns for just a moment, which...when you were at the Bureau for this year, how much did you see Arthur?

Richard: You know...was he the director?

Larry: Sounds like not a lot.

Claudia: Right.

Richard: I can only remember...he probably was the director. I can only remember one meeting with Burns, which actually went pretty well. Because he asked how I...something...I don't know, something about how...what I taught in a course on economic development. I sort of said, "The allocation of resources, distribution of income, international trades." And he said, "Oh, that's a good idea." So that was my one contact in which we had any sort of personal exchange, that I recall.

Claudia: What about Saul [Fabricant]? I mean, what happens is that Arthur...

Richard: Saul, I had more contact with...yeah, he succeeded.

Claudia: Well, what happened was that Saul didn't really succeed.

Richard: Well, Arthur went [inaudible].

Claudia: What happened was that Arthur went to the council and he was the director of research, and Saul took over. And then when Arthur came back, they created the position as president of the Bureau. Arthur then became president, Saul became the director of research.

Richard: Most of my dealings such as they were at the Bureau were [inaudible]. Almost all.

Claudia: Right.

Richard: Except probably for that one time with Burns. So I always think of [Sol] Fabricant as running the Bureau in my tenure, such as it was. But probably in that year, I was a research associate, Burns was a director, and then he went to Washington.

Claudia: I think he went to Washington before, but that's...

Richard: Okay.

Claudia: ...that's all [inaudible]. Yeah.

Richard: See, it may have been...I just...he was back for a day or something, and I met with him. Because I don't even remember the circumstances.

Claudia: Right.

Richard: But Fabricant was the one running the show.

Claudia: Right. Well, when you were at the Bureau...

Richard: And I'll tell you, they didn't pay much...

Claudia: Right.

Richard: ...this, I know for an absolute fact...you may have financial records, but it was funny; I had gotten this desk and this office, you know, and...I don't know, this was after I had been there maybe 10 months or so. But I pulled out the drawer one day because I was looking for something. And the piece of paper had fallen in the back, you see. And it was, in fact, a record of how much these guys were getting paid by the Bureau at that time. I don't know, maybe not at that precise time, but within the past four and five years. And it was like a couple of thousand dollars or something. You know, you say [inaudible], well, money was important, but I'll tell you, there wasn't a lot of money anybody was getting out of the Bureau.

Claudia: But some of it was just...I'll use the word "gravy," even though people were working for it.

Richard: Yeah, it was nice.

Claudia: But they were getting paid for doing things that they probably would have done anyhow.

Richard: That you wanted to do, right. That's what I got, basically, a summer's salary, which [inaudible]. Well, also, I guess I got half-time because I remember now, I was only teaching half-time at Penn for quite a few years, so it was because...

Larry: So the Bureau helped buy out courses one year?

Richard: Yeah. And one of your questions is about...

Claudia: Money.

Richard: ...yeah, money. Well, my...you know, I didn't...I had no conception that you went out and you got money to do research, you see? So I just assumed that when you were on the Bureau staff, you just sort of, you know, got a little gravy along the way, which is what I was getting.

And Fabricant obviously thought that I could do better than that. So he sort of, you know, in a meeting, sort of tried to channel my thinking into "Well, maybe if we go to the Department of Labor, we could generate some money to support this stuff."

Claudia: And this is the manpower part of the Department of Labor?

Richard: Yeah, right, exactly. Of the long swings project. Well, I...at the time, I mean, I sort of resented the idea that I had to go out and raise some money, but I did raise some money. At least they were...they gave us some money. So I did have some funding for part of the time on the long swings project. But basically, you know, I was getting a few thousand bucks from the Bureau.

Claudia: There was the year that you were on leave, which was funded by the Bureau when you lived in New York, and that was really nice you were on leave. But then for subsequent years, you would receive, as you said, and correct me if I'm wrong, some summer support and some leave from some of the courses; you had some buyout particularly when you were on the manpower project because you had raised the money yourself...

Richard: Correct.

Claudia: ...right? Okay. And...

Richard: That's about as well as I remember.

Claudia: Right.

Larry: Ken had no problem of a faculty member buying out time?

Claudia: No.

Richard: No. There wasn't a lot going on at Penn. The idea that they might actually have somebody besides Kuznets or after Kuznets doing some empirical or doing some research, it wasn't a bad idea.

Well, the chairman of the department was Ray Bowman and he was a Kuznets student. And he eventually got...became the president of the American Statistical Association because he went to Washington and headed the Bureau of the Budget at one time, at a later time. And so, he was quite agreeable to this arrangement; the other people in the department that were mainly writing textbooks or had written textbooks didn't much care one way or the other.

Claudia: So did you...after the year that you spent at the Bureau, did you go to New York, like, during the year for a few weeks?

Richard: Yeah.

Claudia: Did you have research assistants at the Bureau?

Richard: I would usually just go in about once a month. I had a woman research assistant who was very good...

Claudia: Do you remember her name?

Richard: Yeah, Chantelle Demolien. What a wonderful name. She was French, too. Very sweet person.

Claudia: She was a Columbia graduate student or...

Richard: I don't think so. Somehow, she...

Larry: She was a full-time Bureau employee, then?

Richard: Yeah, she was a full-time Bureau employee. But she was hired...I guess...I don't know, I may have hired her. I think I hired her. I had an earlier research assistant, Marcel Tannenbaum, who was a graduate student...

Claudia: Right.

Richard: ...at Hofstra. Or he had been an undergraduate at Hofstra and had went to Columbia.

Claudia: Right.

Richard: And he was very good, too. But then he got his degree and went on. And I think probably that's when I found Chantal. She applied for the job and she...

Claudia: And did you ever spend part of the summer at the Bureau?

Richard: No.

Claudia: No?

Richard: No. I basically just would go in back and forth once a month thinking, "Not a bad trip."

Claudia: Right. You mentioned before about the very important Lee/Miller/Brainerd/Easterlin...sorry for putting your name last there, Kuznets/Thomas project. And of course, this project sort of...in some sense, it's...once again, in terms of odd aspects of the Bureau's involvement, this project had a life of its own. It gets published under the imprimatur of the American Philosophical Society in Philadelphia. And yet, part of it is a Bureau project in part because you were that year, and it...a piece of it goes into the important Williamstown conference volume, the CRIW volume. That's...am I right? That was the relationship between that project and...

Richard: Well, that was how I came to get connected to the Bureau. But I never think of it as a Bureau project.

Claudia: I think that only...yeah.

Richard: And I was going to mention, when I first got there, I circulated this ditto graph thing. And thinking, "Well, everybody at the Bureau has enormously estimated...interested in how you go about constructing estimates."

Claudia: Right.

Richard: I never got any comment from anybody on that.

Larry: Really?

Richard: Yeah. And so, that was a little disillusioning. But the reason that I got

connected to the Bureau...it had nothing to do with that project except that, you know, it sort of gave me credentials of a sort, I guess. But it was...you know, Bowman, Ray Bowman and I had done this work on the National Income concept, and there was this controversy, you know, between Kuznets and the Department of Commerce about National Income. And that was something Kuznets clearly really always felt strongly about.

Larry: This is treatment of capital gains and...

Richard: More than that...

Larry: ...or how broad it should be?

Richard: You know, the idea that the commerce...it was basically the idea that all you're doing is social accounting versus the idea that you're doing Pigovian measurement of economic welfare. That is the crux of it. And there were always these meetings at the Conference on Research on Income and Wealth. And one of them had to do with...I forget what the topic for the conference. But I mean, George Jaszi was there, who was running the National Income division.

And Bowman and I had given a paper on some other topic, but Jaszi got up and gave this talk, you know, all about...how social accounting is the be all and end all. Basically, you know, the idea that you're getting a measure of economic welfare is nonsense. So I really got pissed off, you know?

So I got up...you know, and I was...you know, like, this little kid [inaudible] to these people...I certainly was in my own mind, but I was really upset. You know, I rattled off all the assumptions that were made, you see, to necessary...which, you know, basically derived from, you know, welfare considerations. Do you include legal activities? You know, this and that stuff.

But anyway, I guess it was a pretty good explosion. Because after that, Fabricant calls me in the big office and he says, "What do you think about becoming a member of the NBER [inaudible]?" "Great." That was how I...

Claudia: So what year was that? Once again, chronology. What year was that?

Richard: I would have to go and check when that meeting was. I mean, you know, those comments were published...I could check my CV, I guess, [inaudible] later on.

Claudia: I'll look. So...

Richard: So my sense it may have been while I was at the Bureau. In fact, I'm quite sure now it was. Because I can remember going back home and saying to my wife, "Well..." I was quite elated, in fact, and quite proud. I go, "Well, I've been asked to become a member of the NBER." So it was during that period I was there.

Claudia: Right. So that's when you switched from being...having this year to being on the staff...

Richard: Right, right.

Claudia: ...and that's when your name becomes part of the annual reports...

Richard: What I did was I would continue...

Claudia: ...right.

Richard: ...as a member of the staff. But you know, I'd be at Penn and...

Claudia: Which you did for the next 10 years?

Richard: Right.

Claudia: From '56 to '66.

Richard: Exactly when...and I guess I was to continue...

Claudia: Well, on your CV, you list yourself as a research associate...well, this is a research associate in '55, '56, and by that, you mean that you were on this year...

Richard: Right.

Claudia: ...but you're a member of the research staff from '56, so it was right at the end to '66? Okay, that's right.

Richard: And I think...

Claudia: Oh, that's right. And '57 the first year you're listed as a staff member in the annual reports.

Richard: Okay.

Claudia: Okay.

Richard: And I think the idea was I was to, you know, do sort of demographic aspects of [inaudible]... project.

Claudia: Right, right. Now, the State Income Project, of course, built on work that had been done very, very early at the Bureau on state incomes?

Richard: Yeah, well, built on this little [inaudible].

Claudia: Okay.

Larry: Superseded it.

Richard: The way I went about it was entirely, you know...it was Simon's idea. I don't think I went back and looked at that earlier work until I started trying to make some comparisons. Yeah, he had mentioned that work, but that didn't provide the model.

Simon sort of...yeah, had that conceptual model about how to go about doing this.

Claudia: Can you say anything about that, or...

Richard: Yeah. Well, you know, it was basically...the labor force estimates would be sort of the basic structural...the industrial just...give us the industrial distribution. So what we needed of the labor force...what we needed were per worker income figures for the various sectors. And I was doing manufacturing. So out of the manufacturing sector, you were getting these estimates of wages per employee. And...

Larry: This was from Census of Manufacturing?

Richard: Yeah, right. And similarly from agriculture, you know, you could construct...there, construct new estimates of net farm income by state. But beyond that, there wasn't much to go on. You just knew that there was this other...

Claudia: All these other people.

Richard: Yeah, all these other people that you had [inaudible] estimates.

Larry: So you had some estimates from censuses of the other [inaudible] labor force laws...

Richard: Yeah, or national...I can't even remember now exactly where the other numbers came from. And as I've mentioned a couple of years ago in some article I wrote, you know, I probably would have made better estimates if I had known a little economic history. American economic history.

Claudia: I was actually going to say, you would have made better estimates if you knew how much they were going to be used.

Richard: Yeah, well...I did suppose...I think I did assume that they would be used. Actually, you know, I think they came out reasonably well, and I got a little better educated as time went on. But that was the basic conception. So the labor force distributions that Brainerd and Miller put together were, you know, fundamental to the design. And then the stuff I was doing on manufacturing provided another key component, but then I had to do agriculture as well.

Claudia: What about the...just out of curiosity, the price side, the problem with price indices?

Richard: You know, I'd looked some at it. I didn't try to do anything about adjusting for the differences of the processes.

Claudia: Right. So these were stated as these are nominal...

Richard: Right.

Claudia: ...prices unadjusted. Let me move to...and of course, we can come back to any of this, how, then, your ideas regarding population emerge from this. So the long

swings project. And so now, we're going to move from the important three volumes that are done, that I have. The library's copies of these that I just noticed the other day, I've had for 10 years in my office. I feel as if I own them, which I don't.

And so, they're done. And now, you're moving into this other project, which fits together with lots of what the Bureau was working on and what [Moe] Abramovitz was doing.

Richard: Yeah. Well, that may be how you see it.

Claudia: Well, I don't see anything. This is...I'm trying to...

Richard: I never thought, in the period that I was there, that the Bureau was particularly interested in any demographic questions.

Claudia: Yes.

Richard: And you know, my own experience and thinking changed quite a bit. You know, Dorothy Thomas was the key influence. Because we were on this project, she made me go to these population association meetings and get to know who the demographers were; I mean, there were no other economists there, you know?

Larry: So what was her position, actually?

Richard: She was a professor of sociology.

Claudia: At Penn?

Richard: Yeah. So one of the great trivia questions, you see, is who was the first woman president of the American Sociological Association? It was Dorothy Thomas. And that was in, like, 1952 or '53, and the next woman president wasn't till about 1967 or '68 [actually 1973]. Dorothy was just a phenomenon.

I just had occasion to write a piece, you know, only, like, 400 words for the Encyclopedia of Population about Dorothy. But it made me go back and look at stuff that I had never seen on her, you know? Some biographical stuff, some autobiographical stuff. She was just an incredible woman.

In retrospect, I was incredibly lucky because I had Kuznets as a mentor, and then Dorothy Thomas. And she, you know, was this very strong personality. More empirical even than Kuznets, you see. Even though if you look at her evolution, she was involved in theory, and she had very...I would claim that...but she had become...and you look at her presidential address to the American Sociological Association and it talks about theory and so on.

But in truth, I mean, when I got to know her, she didn't give a shit about theory. All she cared about was "Make those estimates in migration," you see, "and let's look at what they show." Anyway, so, Dorothy had sort of gotten me into the...you know, not liking population, but I told Kuznets at one stage, you know, when I was still a graduate student. I didn't see any interest at all in population. And he was a little

taken aback by it, because, you know, he was more...obviously more interested in the subject. But you know, gradually...because of these couple of years of meetings at Penn and so on, and you know, getting to know [inaudible] and demographers, and something about the field, you know, I began to get more interested in it.

So then..I think it was that Abramovitz wanted somebody to work more on the demographic side of the long swings project. And my initial take on that...I mean, Abramovitz never provided any supervision. And Kuznets provided no supervision, either. And so, I was just off on my own.

And you know, I was totally empirical. So I was gathering all kind of data about population and the labor force, and just trying to see whether they showed these fluctuations. God knows, I must have spent several years on, you know, just compiling these things. Including, like, going to...you know, Penn had this library. I don't know...I forget whether you...you came after the new library.

Claudia: Right.

Richard: There was this old library which is where..the building they once said was a transplanted railroad station. You know, it was between...if you're facing toward the city, and the new library's on the left and College Hall is on the right, this is the building right in front of you. That was the old library. I forget what it became after.

Well, they had, like, dungeons down in the bottom of this thing, you see. And I wanted to see the state health reports that had statistics on births and deaths, you see. So they gave me a light...one of these long cords, you know, and a light, and this place was so incredibly dusty. It was like these caves, you know? And I was going around pulling these reports down and kind of copying down. They had wonderful pictures; this is like in the 1870s, you know, what gonorrhoea looked like and so on. It was just...but this was the sort of thing that I was doing for a couple years, you know? I was just accumulating all these data.

But gradually, I actually wrote up a monograph that I never got around to trying to produce. But it became, like, part of one chapter in my book eventually that had to do with what the labor force and population data showed from the census about long swings. And it turned out they did show the long swings pretty clearly. Because they had...the censuses happened to occur very fortuitously in terms of picking up these demographic movements. That was basically what I was doing and, you know, Chantal was tabulating some of these things, and I'd say, "Do this," and "Let's do...compute the decade changes, and then the changes, and the decade changes," and so on by occupation, by industry. Nobody at the Bureau had paid much attention to what I was doing and, you know, occasionally, when I would go in, there would be a seminar or something, and I would go to it. But basically, I was just working on my own.

And that...gradually, I guess, because, you know...I had been trained as an economist and I sort of had learned theory and I'd done well in theory. You know, I was teaching economics, and so, you know, there was some sort of tension, maybe, between, you know, the empirical work and the theory. I gradually, you know, started trying to do more to, you know...I forget exactly how I got into the baby boom, but it

grew out of...you know, looking at these fluctuations and the population changes, and the fact that the immigration swing was replaced by a fertility swing.

Claudia: I think that was a key insight.

Richard: Yeah. And part of it was also...I'd lived this experience. Because I remember, you know...I gradually came to realize, you know, how these aggregate supply and demand forces were operating, you know? Here we were in this incredible post-war boom economy and how there...the immigration had been cut off by legislation entering...entry into the labor market from, you know, a natural increase in the population was way down because of the fertility.

And the result was, you know, young people were the exceptional circumstance to that. I can remember sitting with Al Phillips, who was a colleague of mine, and it was probably the late '50s or something...we were at a bar and we were drinking. I said, "Al, you know, we're in this incredible situation." I realized, finally, this was sort of, like, what our whole generation was about. Everybody was, you know, finding it easy to make money. They didn't have big aspirations; we had grown and come out of the Depression. Butts...Bill Butts and Ward, I mean, these people have this crazy idea that the labor market for women, young women, was so bad, you know? And that's why they were having kids.

Claudia: The labor market was good.

Richard: And the truth was, it couldn't have been anything farther from it. I knew it from personal experience, you know? These guys writing 20 years later, they didn't have a clue what was going on. I mean, the labor market was incredible, but all these young women were choosing to get married and have kids because...the job market was so good for the men, they could just, you know, pick and choose.

And that's what was going on. You know, so that was sort of how I got into the American baby boom, had sort of grew out of the long swings. And that was, I guess...you know, the first real analytical insight that I had where I merged the empirical with the analytical...or theoretical.

Claudia: Right.

Richard: And I knew it was right because I lived it. And that sort of got me on this track, sort of...you know, you look at the data and you're trying to...and so, you know, then, I got more into trying to understand the mechanisms of the long swings, and you know, reconciling some of that...the differences in timing that turned out.

If you looked at decennial data that related to manufacturing activity, it didn't show the swings. Only certain components would show the swings. And you know, and I knew that...I had read Burns and Kuznets on these movements and so on, and I knew that, you know, they had found these movements, but they weren't showing up the way I expected. But they were...and they were showing up in demographic data. Well, you know, eventually...so I got to realize you sort of got the sequence going on of, you know, an investment boom that generates urban growth, which generates migration and household formation in a whole new way with investment. And that

was what I had been picking up in the [inaudible].

So you know, it was sort of...you know, this working back and forth between what the data seemed to show, you know? What sort of ideas came out, you know, theory. I knew, you know, Keynesian theory, and aggregate demand, clearly, was involved in this whole process. So yeah, that was...

Larry: These were issues involving how the age structure of the population affects aggregate demand?

Richard: At that stage, I hadn't gotten really into the age structure.

Claudia: Right.

Richard: This was simply how...what was happening was basically...well, you've got a long-term process of economic growth going on of reallocating labor from rural areas to urban areas. Because the investment that is centered in urban areas as a result of that...that large-scale technology that's emerged.

So the thing is, this process didn't occur in a linear way. It occurred in this wave-like fashion, and it occurred in this wave-like fashion because what happened is the new investment would get started, say, like, you know, in the development of electricity in certain places. Well, labor would kind of become scarce and then you get this movement of people to these areas, and that would sort of give you a sustained economic boom that would minimize the inventory recessions and so on.

That was the basic idea. And actually, this was published in *AER*, I guess...what was it? Maybe '61? Was it that early? Probably '61, right? Which had to do with...there were these interactions going on between private investment booms and population movements that generated the sustained expansion in aggregate demand more than [inaudible] cycle.

But at the time, I didn't get that much into the age structure except insofar as, you know, it was producing low rates of entry into the labor force.

Claudia: I'm going to have to change this film.

Richard: Yeah. Well, this is a good breaking point. I don't have anything more to say.

Claudia: This is good...what do you mean you don't have anything more to say? I have various questions that I want you to think about during this break, which is that you're working on labor issues attached to the Bureau. The Bureau has this business cycle shop...this little business cycle factory, and they're not that interested in people that are doing their business cycle things.

But in through the doors of the Bureau, up here, various people who are labor people at this time and...

Richard: Gary Becker and me.

Claudia: ...and Jacob [Mincer].

Richard: Right.

Claudia: So I want to bring them into the picture a little bit, and Vic [Fuchs] and who else here? Maybe some others. Tom Juster was later, I take it?

Richard: Yeah, I knew him, but I never had much...

Claudia: Yeah. So I'm going to turn this off and we'll continue. I have almost the [inaudible]. So this is tape number two of March 15th, 2002 in the home of Richard Easterlin. So when we ended the last tape, I mentioned that there were some other labor people at the Bureau. Some during the time of your residence and some when you would sort of come back every now and then. And that's, of course, Gary and Jacob. What relationship did you have with them? Did you talk to them much?

Richard: Well, I had, really, I think, a good relationship with Gary. Jacob, I always found a little hard to deal with. Gary always seemed pretty open-minded. And as I recall, Gary was a research associate the year after I was. So that's when I first got to know him. You know, we shared a lot of interests in terms of, you know, understanding population and labor. He approached it, you know, from a theoretical hypothesis testing point of view, and I was approaching it, from, you know, trying to understand particular empirical phenomena.

But Gary and I, I think, became good friends at the time. And as I recall, there was a time when I stayed at Gary's house; I don't know, maybe I was staying overnight for something at the Bureau or something like that. And Gary provided my introduction to Playboy Magazine. Now, that's something I bet you would not have predicted, you see.

Claudia: No, but Gary probably got it because of some academic question.

Richard: Gary had a good supply that I think had nothing to do with academic questions. He said, "Well, here, Dick..." he says...when I was in the guest room or whatever, but he came in with a stack of Playboys, and he said, "This will keep you entertained for the rest of the evening."

And indeed, I tried to hire Gary at Penn when I was chairman, which was not too long after. So yeah, Gary had the...you know, he really had more...I guess more of a program than I did. I mean, I was sort of working as part of the Abramovitz thing. Gary had more ideas about, you know, where he wanted to see the search in human capital going.

Claudia: I'm laughing because, with hindsight, you had a program. And I think that Gary would say that he didn't have a program.

Richard: Well...it's nice of you.

Claudia: But it's true.

Richard: You know, over the years, I mean, Larry...Gary and I had not had, you know, any sustained contact, but we always had friendly get-togethers.

Claudia: What about...

Richard: We ended up pretty much on opposite sides of how you go about studying things and, you know, what's right and what's wrong. Aside from that small difference, I think we still are close friends. I think I'm his close friend.

Claudia: What about Vic Fuchs?

Richard: Victor...actually, I had tried to hire Victor, too. Victor, however, got...I think...well, the department wouldn't hire him. I don't know why they wouldn't hire him, you know? This was at Penn. By that time...

Claudia: What year are we talking about?

Richard: I guess the early '60s. So we're talking about...

Claudia: Well, his good work was yet to come. I mean, he's a late bloomer.

Richard: That's true. But I thought he was a...you know, I thought he was a smart guy...

Claudia: Right.

Richard: And I knew it was good. He had this sort of peripheral appointment at the...you know, in the College of General Studies or something at Columbia. And I don't know, I guess...you know, his status didn't look good enough for the part. After that, I always felt...since we did not make him an offer, I think Victor always sort of, you know, held it against me personally, as though I had been responsible. Whereas in fact, I had been the one that, you know, had tried to hire him.

But he was always very sort of critical of, you know, Penn and, you know...things that I would discuss with him. I don't know. But actually, you know, in our early get-together, Victor and I, he was more empirical, certainly, than Gary, though I think somewhat too amenable to influence by Gary. But he had ideas similar to mine about the baby boom, and actually referred me to a little piece he had written in the popular press that he sort of had some of the same notions. So Victor and I hit it off well, I thought, until things got a little frigid after this unfortunate...but you never want to be a chairman, I can assure you that.

And Jacob, Jacob always...he just wasn't flexible, you know? So I don't know. There was one time when...I don't know. There was something I wrote about the labor force. His view was "Well, you know..." did I have an identification problem, or this kind of problem, or that kind of problem? He was giving me all this econometric crap. I said, "But Jacob, it all hangs together nicely, theoretically. Why don't we focus on the substance and not the methodology, you know?"

That was the problem I always had with Jacob. I mean, you know, he...

Claudia: Yeah, I think that Jacob...

Richard: He wasn't good at give and take.

Claudia: Yeah. I think that Jacob...

Richard: Good at "Give."

Claudia: ...had a very good sense of his agenda of what to follow. He knew that he was starting the day and he was going to get to B and then go to C. And in that sense, I think, he was somewhat inflexible.

Richard: Yeah. Gary was always much more open.

Claudia: Oh, Gary was completely open. Gary's story about how he got involved with the Bureau is that someone came to him; maybe it was Arthur, maybe it was George, I don't know, and said, "You know, all you have to do is write a grant proposal and we'll give you some money." And Gary said, "Okay, that's fine." And he went off and he wrote this proposal. He said, "What am I going to write about?" And he wrote about this thing that, you know, he had talked in Chicago to Ted Schultz about human capital. And then he got the money, and then someone said...maybe Arthur or George said, "Well, now, you can do whatever you want." And Gary said, "Well, I didn't know what to do whatever I wanted, so I decided to do what I promised."

So in that sense, there is a tremendous meta-flexibility, and there still is in Gary.

Richard: I agree.

Claudia: Bob Lipsey, did you talk to Bob at all...

Richard: Sure, yeah.

Claudia: What about Ruth Mack? Did you see Ruth?

Richard: Oh, yeah. Well, actually, Ruth was sort of...I tend to think of Ruth as being, in my state, sort of a peripheral member of the Bureau, because if you weren't at Columbia or if you weren't anywhere...in New York and at the Bureau all the time, you weren't involved...

Claudia: I thought she was at the Bureau 100 percent?

Richard: Well, yeah. It may not fit her. But somehow, she doesn't seem to...I don't know. She didn't [inaudible]. But...

Claudia: Maybe you didn't like....

Richard: ...I always liked Ruth [Mack]. I mean, she was...

Claudia: ...you didn't like hides and shoes?

Richard: Hmm?

Claudia: You didn't like hides and shoes.

Richard: She had an article that was very good on consumption aspirations, you see, that was totally out of step with, you know, what the profession was doing.

Claudia: Right.

Richard: But was right, you know, basically, I think about...I mean, I probably didn't appreciate it till later on, but somehow, I always liked Ruth. She had a...you know, she was a good person to talk to, because she had a lot of intelligent things to say.

Claudia: Yes.

Richard: Maybe it was because she was a woman she was peripheral.

Claudia: That's a good point.

Larry: Probably.

Richard: So just as Anne, you know, seemed...

Claudia: Right.

Richard: ...Anne always seemed to be sort of that way.

Claudia: Ruth is alive and lives in New York City.

Richard: Still? Great.

Claudia: She's very frail. She's 99.

Richard: Wow.

Claudia: Yes. And her husband passed away some years ago. She had a boyfriend and he just passed away a few years...two years ago. And she was living on the West Side and he had been living on the East Side, and I heard about this because they were...she was combining these residences and her library was being donated to the New York Bureau.

Is there anyone else in the years that you were at the Bureau?

Richard: I think of Bob...you mentioned Bob Lipsey. I think of Lipsey and [Daniel] Creamer sort of sine qua non NBER...

Claudia: Yes.

Richard: ...very empirical, and Fabricant's...and Fabricant, I mean, they were all, you know...Kendrick, John Kendrick, "Let's do the numbers." You know, it was a view that I had at one time. And it's a view I wish I had some support in the profession now.

Claudia: Well, come to Cambridge.

Richard: The Bureau's changed, you know? It's much more mainstream than it used to be.

Claudia: The Bureau's completely different.

Richard: Yeah, right. Let's put it this way...

Claudia: The Bureau is an umbrella organization.

Richard: Right, exactly.

Larry: It's just...the takeover's already going on.

Richard: If [inaudible] most of that work, almost all that work would be done now, okay?

Claudia: Yes.

Richard: Back in the '30s, '40s, and even '50s, if the Bureau weren't there, that work would not have...

Claudia: That's right. There's no question.

Richard: It represented a distinctive strand of work.

Larry: It just facilitates stuff that's taking place anyways now. It's really...

Richard: Yeah. So Fabricant, I found to be a very difficult person to get along with.

Claudia: Saul?

Richard: Yeah. You know, he was a director and he had his views. He just always seemed to be thorny, you know? I never could ever feel like, you know, friendly toward him, or that he was friendly toward me in any way, you know? It was sort of like employer/employee relationship.

You know, I knew his work pretty well because I read most of the stuff these guys had done, you know? It was very solid, respectable work. But somehow...he did hire me. I found him difficult to get along with.

Larry: So was he...if you were at the Bureau, he was the main sort of administrator...

Richard: He was the main administrator...

Larry: ...person, research associate, or a scholar would interact with?

Richard: ...during the time that I was mainly involved. I think, you know, by the early '60s, you know...although this project was still going on, I wasn't...you know, I became less and less involved. It just...I don't know. My work seemed to sort of diverge something.

So you know, even though you say the thrust shifted, it was mainly because Gary was there and Jacob was there, and they were in New York, and you know, they were there all the time, they had students. Mark Rosenzweig was...as I recall, a doctoral dissertation student of Gary's at Columbia. I can remember...

Claudia: Jacob's.

Richard: Mm-hmm. Maybe it was of Jacob's...

Claudia: Jacob's. A little after. Gary leaves in 1967, '68 to go to Chicago. But Michael Grossman is a case in point.

Richard: Yeah. But see, Grossman, I didn't know. I think he was after...

Larry: Barry [Chiswick] [inaudible]...

Claudia: [Michael] Grossman was before...

Richard: Barry I knew, but only...

Claudia: Barry, right.

Richard: I'm not even sure I knew him at the Bureau. So you know, it's part...part of it was simply...I was not that much involved. But whatever they were generating in this area of human capital, I don't think I'd take any credit or responsibility for.

Claudia: Anyone else? What about Geoff Moore? You talked about Saul. Was Geoff Moore...

Richard: Yeah, well, of course, he's sine qua non, too. But yeah, Jeff was a good guy, but totally interested in his stuff. nothing else.

Claudia: But what did you think of the business cycle shop? I mean, did you ever think, "Well, there is this part of the Bureau that's devoted to business cycles. It's this little factory in which they did business cycles"? Or was it that you felt that your work was a part of that, of the business cycle [inaudible]?

Richard: I thought my work was related. I never had the sense that that feeling was reciprocated. But you know, by virtue of my association with Abramovitz...and of Abramovitz's approach to long swings, you know, we generated some of the standard NBER measures, you know. We computed averages over the NBER business cycles to show the long swings and so on.

And so, I had a fair exposure to some of the business cycle methodology. And I thought it was good. You know, I thought it was worthwhile.

Claudia: Where was Moe [Abramowitz] living at the time?

Richard: He was in Stanford.

Claudia: So he would just come back for a week at a time? How did you...

Richard: Yeah, I'm not even sure of that. I guess, you know, my big...the time when I had a real opportunity to interact with Moe was I visited at Stanford in 1960, '61. And that's when I was still working on, you know, all the long swing stuff and the American baby boom and so on. And so, that was when Moe and I had a reasonable amount...

Claudia: So prior to that...

Richard: Before that and after, we had almost none of that stuff.

Claudia: Right. So it's just that you would read his work? You would do your work...

Richard: Right.

Claudia: ...and if you read the annual reports, there would be Moe's section, and then there'd be your section. And so, it gave the impression that these were two people who talked to each other.

Richard: Mm-hmm. Well, read each other.

Claudia: "Read each other." Well, that's good. Did you ever see...I throw this out because he entered everyone's work and he was behind the scenes, and that's Irving Forman.

Richard: Oh, Irving, he was...

Claudia: Irving, yes.

Richard: He taught me a lot about how you can construct a figure.

Claudia: So Irving was the draftsman of the Bureau?

Richard: Right.

Claudia: He was...he understood numbers...

Richard: He was a prickly guy.

Claudia: He was a prickly guy?

Richard: Oh, yeah. He was absolutely certain about how to do things. You know, Jacob Viner always talks...there's a story about Jacob Viner...the envelope curve and...

Claudia: Well, it's true, yeah.

Richard: And I can see Forman as being the draftsman in that situation and saying, "You absolutely can't do it this way."

Claudia: And Irving would never have done it?

Richard: Right, he would never have done it. But you know, he was right, because he said...every goddamn journal you see, they put the titles of things at the bottom of figures, you see. He says, "You never put the title at the bottom. You read a page from top to bottom. You want to put the title at the top." And of course, he was absolutely right, you know?

Claudia: Right.

Richard: You know, there were a lot of things like that that...

Claudia: But he was just a genius at taking many series and drawing them in the same diagram.

Richard: Right, right. Yeah, he taught me how you go about doing that, how you can, you know, splice different scales and stuff, and put them together and so on. And the book, you know, my book, you know, just...the figures in it, you know, bear his imprint.

Claudia: Right. Absolutely.

Richard: He was undoubtedly, you know, he contributed a lot, you know, in that way, to presentation of the Bureau's work. That was very rarely appreciated, I think. But I always liked him, and we got along quite well.

Claudia: That's extraordinary that he did all that...he was a full-time employee of the Bureau. That's just how much came out that was...that needed graphical analysis.

Richard: Yeah.

Claudia: Complicated in...

Richard: He taught me that a figure is a work of art.

Claudia: It is.

Richard: I mean, it's...

Claudia: His [inaudible], yes.

Richard: ...a creative work of art.

Larry: Well, certainly, it can communicate as much as the entire [inaudible].

Richard: Of course, yes.

Claudia: We should find the original Irving Formans and have them mounted.

Richard: Yeah.

Claudia: I wonder...I'll have to call up New York and see.

Larry: You should have them in the Bureau offices. There should be some originals of his work.

Claudia: Yeah. There must be.

Richard: There was a time when I had some of the things he had done for me on file, but I don't know where...

Claudia: Yeah, and you can never find any...I'm always looking at them to see that overhang...because he's doing it all by hand. And there's never an error. And all of the print, he must have had plates that he used for that.

Richard: Yeah. And the thing was, you know, my undergraduate degree was in engineering...

Claudia: Yes. From Stevens.

Richard: ...and my worst subject, absolutely, was mechanical drawing.

Claudia: Yes.

Richard: I hated drafting, you see. And I could really appreciate, you know, what artistry went into that, because I had been so terrible at it, yeah? And he could just do exquisite work.

Claudia: Larry's shaking his head because he's terrible at it.

Larry: Yes. It's all good, don't worry.

Claudia: I have two questions, and then we can say anything else...you can say anything else that you'd like. The first one is just my own desire to understand the intellectual roots of your own work on relative income, a very important part of where your work then went in terms of the...the economic theory that you had in your head was that what mattered was not just the absolute level of income, but your expectations where you saw yourself fitting into some relative. And the relative could be at that moment, or relative to your parents, relative to when you grew up.

And you came upon this notion...I don't know if you know in your own mind, when

you saw the light and everything fit together, so maybe you can say a word about that. But I was interested...I was reading Rose and Milton's book last night and came upon a statement of Rose's in which she talks about [inaudible] work with Dorothy breeding on relative income in the '30s. And then of course, Jim Duesenberry does work on relative income.

I know that these are somewhat slightly different concepts than the one that you hit upon, but can you say anything about the intellectual roots of this, when you saw this?

Richard: Well, I think about...you put your finger on it, basically. You know, when I was doing graduate work and then subsequently when I was teaching at Penn in graduate...a graduate course in economic development, there was always this big controversy about the savings ratio, and [James] Duesenberry's book was, you know, directed to that, and [Franco] Modigliani had written more of a time series type of analysis, but both of a relative income nature.

And so, I had been teaching, you know, Friedman, consumption function, and these other various views and so on. You know, I'm not sure at what stage sort of...you know, I got to make the connection to fertility behavior. But I'm sure that, you know, those were the roots of it, because I knew that literature quite well at the time. I don't know much anymore, but...you know, I sort of...in the NBER book, when I got on to the baby bust part of the thing, I tried to do more of looking at some indicators of the kinds of backgrounds that people came from that might have influenced their aspirations. I remember trying to look at some of Goldsmith's work, Ray Goldsmith's work. Now, there's a name you didn't mention. Ray was quite a...he had a great personality and quite an influence.

Claudia: I didn't know he was in residence.

Richard: Well, he was in and out. But I always sort of liked Ray. And I knew him because of his close association with Simon. So we sort of shared a mutual admiration for Simon. So you know, I'm not sure, you know, exactly when...I think, you know, I sort of had started playing around with the idea of aspirations and gradually, you know, I realized that basically, this is what Duesenberry and so on had been talking about in the savings ratio, and Modigliani. And so, it sort of merged. I think that's basically the genesis of it.

And then, you know, when I was at the Stanford Center in '70, '71, 10 years later...see, I remember these dates because at '60, '61, I was at Stanford as a visiting professor. In '70, '71, I was at Stanford at the center. So '80, '81, I was at Cal Tech. The junctures in my life.

But then at...I don't how I got started on looking at happiness data, but, you know, it had...I initially expected in the happiness data everything would be relevant. That there would be no differentials at a point in time, let alone over time, and then, you know, I sort of got this paradoxical result.

But that was an evolution, a subsequent evolution of that. So I think...sort of it was Dussenberry and Modigliani, and then I got into this and then I got on the happiness,

and that's sort of how...

Claudia: I remember when I was at Wisconsin, you came to give a talk on happiness. I think you gave a talk...and it may have just been that was a Cliometrics Conference. And we went out and there were certain moments that you remember so well because a light bulb comes over your head. And you were talking about the theory stuff that you were working on happiness. Or maybe in my mind, I had a theory model. And I remember that dinner so well, and that was a lot of fun.

Richard: I remember going to Wisconsin, and you were sort of my host. You were an assistant professor there. And it was so nice...that sticks in my mind as the first time I knew you. And you know, how just...you know, what a great person you were. That was the very next visit.

Claudia: It was a fun visit. Sort of the final question that I have, and I probably missed some; I've been checking them off and we can return to any, was data work at the Bureau. You know, Larry and I certainly remember computer cards and mainframes and tapes, and we don't remember doing things...

Richard: These enormous printouts.

Claudia: ...on hand calculators as many people do. But you...I know that people at the Bureau who worked in the '50s and the '60s speak about the fact that IBM gave them time on their machine. In one of your annual reports, you speak about the IBM 704 and the 602-A. Do you remember...what's the matter? I don't know what these are. What a 704 was ... do you have any recollection of where these machines were housed, and who actually...

Richard: I think they were at IBM's headquarters.

Claudia: That's what I thought. So IBM was giving the Bureau...

Richard: At 59th Street.

Claudia: Right. So IBM was giving the Bureau a time on the machine.

Richard: Right. The essay. My recollection...this is one of the reasons I always was sort of skeptical of computers because there was this wonderful young woman who sort of did that computer...she was the one you talked to, and she went out...

Claudia: Was that Charlotte?

Richard: What's her last name?

Claudia: [inaudible]

Richard: Yeah, I think that's right.

Claudia: Okay.

Richard: I think that's right. And she was very sweet and nice. But to get anything

done was a matter of a month or more, you know? I would come up with this idea "Well, this would be a good thing, you know, to do." So I'd give it to Charlotte to do.

Well, by the time I got it back, I either couldn't remember what it was, or I realized that it was something else that was much more interesting to do than look at this study. So I would have these, you know, sizable computer printouts given to me, you know, that I would just put on a shelf. And I decided that, you know, the main advantage was...of getting anything done on the computer was that it gave you time to think about something different. That's my recollection of that.

Claudia: That's good, because that answers the other question I had about this, which was "Tell me about the problems encountered." I think we've got that.

Richard: Yeah. No, all of the stuff that I really analyzed...all of the time series and population data were done by Chantal by hand. And you know, she would send these things to me at home or wherever I was in the summer. And I would just work with that. I don't think I ever or hardly ever used any computer stuff that was done.

Claudia: Right. Are there any other things about the Bureau that I missed? Anything much?

Richard: Well, one of the best parts about going to the Bureau was that I would stop at Chock Full o' Nuts. And they had the greatest doughnuts...

Claudia: The greatest doughnuts, yep. They were crunchy on the inside.

Richard: Exactly.

Claudia: That's right.

Richard: You remember, too.

Claudia: Oh, yeah. In the hole. The crunch is in the hole.

Richard: Absolutely.

Claudia: That's right. Okay. What about...what sandwiches did you like?

Richard: And then...but I think that was as far as I went. [inaudible] But at the Bureau on Madison Avenue, they had Schrafft's coffee service...

Claudia: That's good.

Richard: ...and Schrafft's, of course, had the best coffee going. So going to New York, I had the best doughnuts and the best coffee. I would have it once a month.

Larry: Bureau Kitchen in Cambridge used to have doughnuts all the time, but from Dunkin' Donuts...

Claudia: Those were terrible.

Larry: ...which were terrible. But now, there are bagels and coffee cakes.

Claudia: Now, Chock full o'...

Richard: Krispy...what is it...

Larry: Krispy Kreme.

Richard: Yeah, I never had had a Krispy Kreme. Have you?

Claudia: No.

Richard: We're out.

Claudia: Let me turn this off and thank Richard Easterlin.