

# **Paul A. Samuelson's departure from Harvard to MIT**

**Version 2**

Roger E. Backhouse

January 2013

Department of Economics  
University of Birmingham  
Edgbaston  
Birmingham  
B15 2TT  
United Kingdom

## **Acknowledgement**

This paper is written as part of a project, supported by a Major Research Fellowship from the Leverhulme Trust, to write an intellectual biography of Paul Samuelson. Whilst it is clearly part of the preparation for that, it should not be seen as a draft chapter, but as a separate paper. It is very much work in progress on a project that is in its very early stages. It is incomplete and because of the quotations from unpublished material, it should not be circulated. Comments are welcome.

## **1. Introduction**

Paul Samuelson was, in the estimation of most people who knew him, the star of what turned out to be an exceptional cohort of graduate students. He is widely credited with having been the force, in the 1940s and 1950s, behind the transformation of MIT's economics department, then fairly undistinguished, into one that by the 1960s was widely considered to be one of the world's leading centres for the study of economics. The failure to retain him seems a monumental mis-calculation on the part of Harvard for in those days there was no policy of not recruiting one's own students directly on to the faculty. It has often been alleged that Harvard's decision can be explained only by anti-semitism, for though though he was not in any way religious, he came from a Jewish background, as did many of those who contributed to the building of MIT's economics department in the 1940s (Weintraub 2013). Others have contended that the real reason was prejudice against mathematical economics, or the reluctance of mediocre faculty members to hire someone who was clearly better than they were. Samuelson himself simply insisted that he moved because he got a better offer. When he arrived, not only did he get a higher rank and access to research grants, he got a telephone and a secretary, luxuries not available to all Harvard professors.

This paper is an attempt to reconstruct the series of events surrounding Samuelson's departure from Harvard to MIT in October 1940. The main evidence comes from correspondence and is necessarily limited for not everything will have been preserved and because many communications will not have been committed to paper: if minutes of the crucial faculty meeting at which the supposedly fateful decision was taken (and they were probably not), they are not available. However, despite the limitations of the sources, it is

possible to build up a picture that is more complex, and does more credit to those involved, than the conventional one.<sup>1</sup>

## 2. MIT's offer

Around the beginning of December, 1939, Samuelson received a letter from Harold Freeman, who had been a student with Samuelson from 1936-8, and was now an Associate Professor at MIT. Asking Samuelson not to divulge its contents as the letter was entirely unauthorized, he explained the professor who taught economic theory and business cycle theory was ill and might need to “rest up” “Would you mind telling me,” Freeman asked, “if you would be interested in a position here next year and if so, under approximately what terms?”<sup>2</sup>

Samuelson replied on December 5 that his appointment as a Junior Fellow ended at the end of the academic year and that he was interested in exploring all the alternatives open to him “at Harvard and elsewhere”. Explaining that he had become interested in business cycle theory, and that he had been working with Hansen in the Littauer centre, he suggested they arrange an interview.

In subsequent recollections, Samuelson credited Harold with responsibility for his move. Harold persuaded the Department Head, Ralph Freeman that not only was Samuelson a good scholar, but he would work with others.

Later I learned from Ralph, who became a dear friend, how Harold operated. Rhodes Scholar Ralph said, “I know Paul is a good scholar, but is he a *cooperator*?” Never at a loss, Harold replies, “Is Samuelson a cooperator? Why the man writes joint articles.”

---

<sup>1</sup> The remaining sections of this paper are culled from a longer paper on Samuelson's time Harvard that is still being written. If it remains a free-standing paper, some of the background that is planned for the longer paper, will have to be included.

<sup>2</sup> Freeman HA, December, 1939, Letter to Paul A. Samuelson, PASP Box 31 (Freeman).

The basis for this claim was the article Samuelson had written with his fellow-student Russ Nixon. Samuelson also said that it was Harold who talked him into taking the job.

When Samuelson replied to Freeman at the beginning of December, he was still thinking in terms of his option at Harvard being a renewal of his Junior Fellowship. However on June 19, 1940, Harvard took the decision to offer him a one-year position as “Instructor in Economics and Tutor in the Department of Economics”. This was not as good as an Associate Professorship, but it was a significant offer for two reasons. The first is that, due to funding difficulties, Harvard relied extensively on Instructors and had a comparatively small number of permanent faculty. In addition, under James Conant, Harvard President since 1933, there was pressure to appoint outsiders to faculty positions, and it had been made much more difficult for people to get tenure.<sup>3</sup> Furthermore, though Harvard might be reluctant to promote people, it offered salaries that were high in relation to those offered elsewhere. This is illustrated by a letter to the historian Arthur Schelesinger, Sr. In which Wilson pointed out that the sociologist Talcott Parsons had been offered \$5,000 a year as a full Professor at the University of Wisconsin, a salary that was no higher than what he was earning as an Assistant Professor at Harvard with the same teaching hours.<sup>4</sup>

However, despite Harold Freeman having identified likely teaching needs at the end of the previous year, no offer was forthcoming until several MIT staff had been drafted for national defense purposes and they had an urgent need to appoint someone very quickly. So at very short notice, on October 10, MIT President Karl Compton offered him an Assistant Professorship, at a salary of \$3,000 per year.<sup>5</sup> Samuelson recalls that while he was considering the offer, Rupert Maclaurin phoned him daily, dangling before him the prospect

---

<sup>3</sup> This sentence needs more work.

<sup>4</sup> Wilson EB, May 28, 1937, Letter to A. M. Schlesinger, Edwin Bidwell Wilson Papers, Harvard University, HUG4878.203 Box 29 (S 1937).

<sup>5</sup> Compton KT, October 10, 1940, Letter to Paul A. Samuelson, PASP Box 53 (MIT).

of research funds, including money offered by businessman Roger Babson to support the study of the implications for economics of Isaac Newton's law of action and reaction.<sup>6</sup>

These circumstances explained why, very unusually, MIT recruited Samuelson just after the beginning of the new academic year, when he was just a month into his teaching career at Harvard. The circumstances were sufficiently unusual that Ralph Freeman, anxious to behave properly in the matter, contacted the head of Harvard's department, by then Chamberlin, to ask permission to make the offer, no doubt explaining that MIT had been forced into doing so by the exigencies of preparing for war. This was the first, though far from the last, way in which Samuelson's career was significantly affected by the military situation.

### **3. Edwin Bidwell Wilson**

Samuelson's mentor at this time was Edwin Bidwell Wilson, a polymath who had worked as a mathematician and physicist, who in 1922 had moved from MIT to become Professor of Vital Statistics in Harvard's Institute of Public Health. He had taught Samuelson statistics and mathematical economics, and he had long been concerned about Samuelson's employability, his letters to economists in other universities having drawn a blank. On October 3, when he learned about MIT's offer, he wrote to him about the decision he was having to make. The letter that merits close examination.

I hear you have the offer of an assistant professorship at M.I.T. the very first year you are an instructor at Harvard. This reminds me of the fact that I had an offer of an Associate Professorship at M.I.T. in the first year I was an assistant professor at Yale and I took it and I have never been sorry that I did it, although there were many people at Yale who couldn't understand why I should change from Yale to M.I.T.

---

<sup>6</sup> Samuelson PA, The Hurwicz 1940-41 year when MIT launched its graduate degree rocket, PASP Box 39 (Hurwicz).

under any circumstances and although I was very happy at Yale and perhaps better situated socially there than at M.I.T.<sup>7</sup>

Changing his tone to that an insider, Wilson went on to say that he had thought a lot about economics at “Tech”. After the death of Francis A. Walker, first President of the AEA, and President of MIT from 1881-1897, economics had not been given the support it should have been. In particular, the mathematical and statistical side of economics had not been developed.

So far as I can learn the staff at Tech hasn't been notably statistical or mathematical and has no way adequately capitalized in their instruction the background of their students, which consists of 2 years of required mathematics, 2 years of required physics, 2 years of required chemistry and a year of applied mechanics for most of the students with a year in physical chemistry or in thermodynamics for most of them. It would seem that a much more powerful course on economics could be given if this background were thoroughly used.

Realising that Paul would be finding it difficult to break away from a department that included mathematical economists, including himself and Leontief (not to mention Schumpeter who was an enthusiast for mathematical economics even though he did not do mathematical economics himself), Wilson wrote about the transformation that had taken place at MIT during his time there: despite thinking he was going into “utter mathematical darkness” during the ten years he was there the Tech mathematics department had developed into one of the best research departments in the country. This was the result of appointing a

---

<sup>7</sup> Wilson EB, October 3, 1940, Letter to Paul A. Samuelson, Edwin Bidwell Wilson Papers, Harvard University, HUG4878.203 Box 35 (S).

group of able young people; though he could not be certain this would happen in economics if Samuelson went to MIT, he noted that “they are starting out well if they secure you”.

Wilson then sought to weigh up Samuelson’s prospects at MIT and Harvard. He was unsure about whether Samuelson would want to say but he thought that there was a very good chance of getting a permanent position at MIT. He also expressed the view that the title of Professor would also make it easier to get offers elsewhere. The decision to cut off the Assistant Professor’s title at Harvard was in his view one of the “cruellest decisions” made by the committee charged with reviewing Harvard’s policy on tenure.<sup>8</sup> Against this, though Samuelson would enjoy being at Harvard, and though he would be very likely to be offered a 5-year Instructorship the following year, Wilson was uncertain about whether there was much chance of a permanent position. Harvard was well supplied with theorists and poorly supplied with people in other branches of economics that were becoming very important. Samuelson would have to work some other line into his work, which he could do on the basis of his theory.

On October 14, presumably after Samuelson had accepted Compton’s offer, Wilson wrote again. Now that Samuelson made up his mind, his tone changed and he explained much more clearly why he thought Samuelson’s decision was the correct one. He laid out, in a letter that showed how deeply he was thinking about the question, a vision of the advantages that could accrue to both MIT and Harvard from Samuelson’s move and the development of MIT.

Cambridge, Massachusetts is one of the best places in the world to study mathematics because there are two good departments, one at Harvard and one at Tech which taken together are perhaps better than can be found in any one place elsewhere. There would

---

<sup>8</sup> Need to check whether this refers to making it harder for AP’s to get tenure, or to appointing people to Instructorships rather than as AP.

be a possibility of an exception in Princeton, New Jersey where Princeton University has a good department and where the Institute of Advanced Study concentrates a good deal of its effort into mathematical lines. In the same way Cambridge is a great center of research in physics since MIT built up a large research department in physics. Harvard has always had a good department for many, many years. When I came to the Tech in 1907 Cambridge was a fine place to study geology because both Harvard and Tech had strong departments. I fear that the department at Tech has fallen down a good deal since then. Jagger went to Hawaii, Daly went to Harvard and I don't think the replacements have kept the department up.

In respect to all three departments there was enough difference in the environment and in the problems which came to the staff so that the combined departments undoubtedly covered the ground more widely than it would have been covered at either institution if the department there had been as large as the two departments combined and there had been no department at the other school.

Now I see no reason why there should not be some kind of fraternization between the Tech department of economics and the Harvard department whether in Cambridge or at the Business School as there was 30 years ago between the departments of geology (which may continue for ought I know) and as there is between the departments of physics in the two institutions. It seems to me clear that economics at Tech because it is at Tech will be kept closer to practical applied problems than in Cambridge though perhaps no more so than at the Harvard Business School. One reason there has not been very much influence of the Tech department on Harvard or of Harvard on Tech is because the department at Tech has been rather weak. For a long time the department of physics was weak and buzied itself only with teaching and with rather low-grade practical research. For a long time there was no research

done in mathematics worthy of the name. I think one of the good things about your going to Tech will be not only that the department is thereby greatly strengthened on the theoretical side but that you have a chance to broaden yourself out on certain types of application and that moreover this appointment may be but the beginning of a real interlocking in interest between the departments.<sup>9</sup>

Samuelson had made the right decision to go to MIT, not just for himself but also for Harvard. Going to MIT would pull Samuelson's research into new directions—it was still very much an engineering school—but due to the synergy that would result from having two strong but different departments, economics in Cambridge would be stronger than if Samuelson were to stay at Harvard and MIT were to remain weak.

#### **4. Anti-semitism**

Harvard's decision to offer Samuelson an Instructorship has been read as sending him a negative signal: it showed that they had a use for his teaching but they were not prepared to offer him a title appropriate to his achievements and promise. The two most widely canvassed explanations for this have been anti-semitism and prejudice against a mathematical economist who was clearly better than the existing faculty.

Anti-semitism was clearly present, as Samuelson has testified, at Harvard as in many other universities, alongside discrimination against blacks and numerous other minorities. Ivy League universities employed virtually no Jewish faculty and the authorities in Harvard were concerned that if the number of Jewish students became too high, they might frighten off the well-heeled white protestants whom they considered the heart of their catchment. As late as 1940, the head of one of Harvard's houses could write to his colleagues asking what they were to do about the "Jew problem", opining that the proportion of Jews was 40% and rising

---

<sup>9</sup> Wilson EB, October 14, 1940, Letter to Paul A. Samuelson, Edwin Bidwell Wilson Papers, Harvard University, HUG4878.203 Box 35 (S).

when they ought to have had no more than 20% (Samuelson 2002, p. 53).<sup>10</sup> At one point an informal quota was instituted, though care had to be taken not to offend donors who included Jewish alumni.

In his most extensive discussion of anti-semitism, written for the Festschrift for Mark Perlman, a near contemporary whose father, Selig Perlman had carved out a career as a labor economist at a time when there were even fewer Jews in the academy, Samuelson focused on Harold Burbank, his Department Chair, of who he wrote in uncompromising terms.<sup>11</sup>

Burbank suffered fools gladly, but not Jews. On major departmental appointments, he could count on a near-majority of cronies. Where patronage appointments in the lower ranks were concerned, he was absolute king. Being myself royally supported by Social Science Research Council and Harvard Society of Fellows stipends, like William Tell I felt no need to cozy up to him. That did not stop Burbank from advising me: “Samuelson, you are narrow. Keynes and Hawtrey are narrow. Don’t take up economic theory until after you are fifty. This is what our great Allyn Young used to say.” Alas, I had already lost my heart, and aspired to become even more narrow; and furthermore, Young had died young, just before his rendezvous with greatness. ... I was always a young man in a hurry.

Faced with a plethora of unsavory talent, H.H. B. solved his dilemma by confining the best of them to a ghetto of assistants in statistics and accounting under W. L.Crum and his satellite Edwin Frickey. Because Burbank had almost absolute pitch in his distaste for talent, such names as R. A. Gordon, Abram Bergson, Joe Bain

---

<sup>10</sup> For extensive discussions of anti-semitism at Harvard, see Keller, & Keller 2001.

<sup>11</sup> It should be noted that Samuelson’s attitude will not have helped his relationship with Burbank. On his arrival at Harvard he had told Burbank that he had not applied in advance because his SSRC scholarship meant they would not turn him away, and that because he might not be there long, he wanted to “skim the cream” of Harvard, taking only those courses he wanted to take.

and Lloyd Metzler made this a legion of honor. Metzler, a boy from Kansas with a German-sounding name, used to sing hymn duets with Marion Crawford—such as, “Jesus wants me for a sunbeam”. But as has been said, an anti-semite can smell out the last nine of the six Jews who have entered the room. (Samuelson 2002, p. 51)

On May 22, 1939, Wilson wrote to Burbank explaining that Samuelson would be difficult to place in an academic position despite having a first-class mind. The problem was that he was not as good a statistician as a mathematical economist and so, given the paucity of openings in mathematical economics, his only hope of getting a post was to be able sell himself as a good teacher of general economics. He wrote at length, drawing on his own experience, to argue that Samuelson should be happy with a position in which he taught elementary economics, which would not make the same demands on his time as more advanced teaching, whilst getting on with his own research. Wilson pointed out that as Burbank had lost a large number of teachers on Ec. A, the introductory course, and advised him to get hold of Samuelson and offer him a division of poor students, telling him that “you would have to place him as a teacher because of the scarcity of positions in mathematical economics and that to place him you needed to know that he had made himself a good teacher even for poor students”<sup>12</sup>. If Burbank would do this, Wilson would square the teaching with the Society of Fellows. However, despite Wilson making a tightly argued case for a student who was now near the end of his fourth year at Harvard, and suggesting that he make him an offer that would be unattractive to many students, Burbank made excuses for postponing any action, even though he accepted the thrust of Wilson’s argument:

Samuelson does present a problem. Sooner or later I suppose we will have to break him in. By all means the best place for him is in Economics A, but whether or not I

---

<sup>12</sup> Wilson EB, May 22, 1939, Letter to Harold H. Burbank, Edwin Bidwell Wilson Papers, Harvard University, HUG4878.203 Box 32 (B).

can handle him next year I am doubtful, I will find it necessary to break in at least a dozen new men, and to add Samuelson with his particular problems to this difficult list is a bit more than I care to face, I agree with you that it is unlikely that he will be able to find a post in strictly mathematical economics. He must equip himself for general work.<sup>13</sup>

This does not prove the charge of anti-semitism but Burbank's refusal to accommodate Wilson's request is strongly suggestive of motives that were not stated explicitly.

Anti-semitism was not confined to Burbank and even those faculty members who were strongly supportive of Samuelson were to some extent complicit in it. Samuelson recalled a story told to him by Alfred Conrad, Schumpeter's assistant at the time of his death in 1950, on the way to Schumpeter's funeral.

Alf: Professor Schumpeter, what do you think of Nicky Kaldor?

Joe: Oh, these Asiatics. They are only early bloomers.

Alf: I am puzzled. Are you perhaps referring to Kaldor's Hungarian Magyar ancestry?

Joe: My dear Alfred. My figure of speech was to spare your sensibilities. It was my delicate way of referring to Kaldor's Mosaic ancestry. (Samuelson 2002, p. 54)

As Samuelson pointed out, despite believing Jews to be early bloomers, Schumpeter may have done more than anyone else to place European emigré economists in academic posts.

The seemingly paradoxical attitude emerges even more clearly in an exchange with the Norwegian economist, Ragnar Frisch. On October 31, 1932, Schumpeter had written to Frisch raising doubts about the suitability of Jacob Marschak to be a fellow of the Econometric Society. Marschak was, Schumpeter claimed, "obviously working to create a

---

<sup>13</sup> Burbank HH, May 31, 1939, Letter to Edwin Bidwell Wilson, Edwin Bidwell Wilson Papers, Harvard University, HUG4878.203 Box 32 (B).

majority of friends of a certain complexion on the German groups.”<sup>14</sup> In response to Frisch’s inference that Schumpeter must be objecting to Marschak’s socialism, Schumpeter explained his position in detail writing on December 3,

You do me an injustice: I am not so narrow as to object to anyone because he is a socialist or anything else in fact. If I did take political opinion into consideration I should be much in favor of including socialists in our lists of fellows. In fact, I should consider it a good policy to do so. *Nor am I or have I ever been an anti-Semite. The trouble with Marschak is that he is both a Jew and a socialist of a type which is probably unknown to you:* his allegiance to people answering these two characteristics is so strong that he will work and vote for a whole tail of them and not feel satisfied until we have a majority of them, in which case he will disregard all other qualifications, this is the nature of a difficulty. (Emphasis added)

Despite claiming not to be anti-semitic, Schumpeter stated explicitly that Marschak’s being a Jew *was* a problem. The explanation of this apparent contradiction is presumably that though Schumpeter had no objection to Jews, he believed that being Jewish might indicate the presence of certain personality types that were problematic.<sup>15</sup> It was because he believed that Marschak’s socialist commitments would interfere with his scientific judgement that Schumpeter believed he should not become a fellow of the Econometric Society. On the other hand, he had no qualms about promoting Marschak’s career. To the contrary, he was concerned to promote it, recognising that Marschak had no future in Germany.

---

14 Bjerkholt O, Extract of correspondence between Ragnar Frisch and Joseph A. Schumpeter as written down by Olav Bjerkholt, PASP Box 71 (Summers family) contains extracts from this series of letters, deposited at the University of Oslo.

15 Not long after this, as Jamie Cohen-Cole has pointed out, it was argued that communists should not be teachers because of what they would teach but because being a communist indicated psychological issues that rendered someone unfit to be a teacher. There is a parallel, quite apart from the tendency to bracket Jews and communists together.

Schumpeter was not free from the racial stereotyping of his time but he was a strong supporter of Samuelson. When Samuelson sent his friend Wolfgang Stolper a lecture had written to commemorate their teacher,<sup>16</sup> Stolper reminded him that Schumpeter had threatened to resign over Harvard's failure to appoint him. Stolper recalled Schumpeter having said, "I could understand it if it were anti-Semitism; but it is just that he is better than they are".<sup>17</sup> Shigeto Tsuru, another fellow student and one of Samuelson's close friends said that everyone had expected Samuelson to stay on as an Assistant Professor, and also believed Schumpeter held this view.<sup>18</sup> The view that Samuelson was too good would be consistent with the fact that Schumpeter shared Samuelson's contempt for Burbank's scholarly standards. Given Samuelson's work, it could be seen as tantamount to a prejudice against mathematical economics.

Samuelson was even clearer in exonerating Wilson from the charge of anti-semitism, believing that living in a bigoted society may have affected Wilson's advice to move to MIT. He cited a conversation between Wilson and Parsons in which Wilson explained that an able Jew should never be appointed to a temporary position because the impossibility of granting him tenure would simply be the cause of heartache later on<sup>19</sup>, taking the view that though Wilson was not himself anti-semitic, his actions took account of its presence around him. That is probably a fair assessment, though in the letter he had written to Henderson, recommending Samuelson for the Society of Fellows, he wrote, "My own personal contact with him lead me to believe that he is not objectionably Semitic".<sup>20</sup> Given that this form of

---

16 Presumably this was Samuelson 2003.

17 Stolper W, February 12, 2002, Letter to Paul A. Samuelson, PASP Box 71 (Stolper (1)). Paul replied that he was well aware of these efforts (Samuelson PA, March 11, 2002, Letter to Wolfgang Stolper, PASP Box 71 (Stolper (1))).

18 Tsuru 2001, p. 124.

19 Reference needs to be found in Swedberg file.

20 Wilson EB, January 13, 1937, Letter to Lawrence J. Henderson, Edwin Bidwell Wilson Papers, Harvard University, HUG4878.203 Box 29 (H 1937).

words implies that someone might be objectionably semitic, though if this was something that had to be established through personal contact, presumably it referred to behaviour rather than being racially grounded. Presumably he felt the need to counter objections that might be raised later on but even so he was treading a very narrow line.

## **5. Other considerations**

The timing of MIT's offer helps explain why the the Harvard department chair's action was controversial: though Ralph Freeman's request was essentially a courtesy and could hardly have been refused, Chamberlin consulted the whole department before giving MIT permission to make the offer. Compton wrote on November 12 that he had heard that this had caused a disturbance: "I heard by the grapevine route ... that there was subsequently a little disturbance over the matter in the minds of some members of the department".<sup>21</sup> This was presumably when Wilson heard about Samuelson's offer and when Schumpeter threatened his resignation.

Responding to Compton's anxiety about MIT having behaved properly, Wilson explained what had happened.

H heads of departments at Harvard have very limited authority. They are really only chairmen and are according to the rules limited to a three year term although the rules are very often not followed in practice. Thus when your professor Freeman checked relative to Samuelson with Professor Chamberlin, Chamberlin could only represent his own attitude except as he called a special meeting of the department and took a vote on the matter. When some members of the department heard that Samuelson was likely to go to MIT they made a serious attempt to get the department to take some

---

<sup>21</sup> Compton K, November 12, 1940, Letter to Edwin Bidwell Wilson, MIT, Office of the President, AC4 Box 239 (10).

action which would keep Samuelson at Harvard. ... The discussion was entirely friendly to MIT and to Samuelson.<sup>22</sup>

Wilson then explained how this decision was consistent with Harvard's own teaching needs: "Of course Professor Chamberlin would never have encouraged Professor Freeman to make an offer to Samuelson if it weren't for the fact that we are overloaded, so overloaded with high-grade people in economic theory that there really isn't much prospect that we can make a permanent position for a young fellow for a good many years especially as we are understaffed in agricultural economies, in labor, and in social security and for that matter in economic history".

Harvard's teaching needs reinforced the Wilson's conviction that MIT was the right place for Samuelson, about which he had written to Compton earlier in the month. In a letter that dealt mostly with matters relating to the American Academy of Sciences, Wilson had added a paragraph that began by reassuring Compton that he had made the right decision in recruiting Samuelson: "I note with great satisfaction that you have taken on Samuelson in economics. He is one of the ablest young fellows I have ever met. I am sure he will have a distinguished career whether he stays with you or goes elsewhere".<sup>23</sup> Echoing what he had said to Samuelson three weeks earlier, he held out a vision of what could happen to economics at MIT.

It seems to me that it is particularly appropriate for MIT to have in its department of economics persons who understand science and mathematics. Your students come to their economics with two years of mathematics, two years of physics, a year of chemistry and are simultaneously taking for the most part either physical chemistry or

---

<sup>22</sup> Wilson EB, November 13, 1940, Letter to Karl T. Compton, MIT, Office of the President, AC4 Box 239 (10).

<sup>23</sup> Wilson EB, November 5, 1940, Letter to Karl T. Compton, MIT, Office of the President, AC4 Box 239 (10).

thermodynamics. It would seem to me that if the instruction in economics could be given in a way to use to the full the advantage of this long scientific training of your students it should be possible to give those students in one year a broader and deeper course of economics than can be given to ordinary economic students in two years.

Significantly, Wilson then explained that this was not his own view, for he had discussed this with at least one of his Harvard colleagues:

In this opinion Leonard Crum agrees. Neither of us would mean that such a course should be in mathematical economics as such. My great trouble in teaching advanced economics at Harvard is to get the young economists to realize the importance of definitions, of consistency, and of logic. Even those who know considerable mathematics don't seem to know how to use it for scientific purposes.

Wilson was thus laying before Compton a vision of how MIT might develop its economics through building on what were, he believed, Samuelson's strengths, and in a way calculated to make sense to MIT's physicist President.

In coming to the conclusion that Samuelson's profile was not a good fit with Harvard's teaching needs, it is important to realise the extent to which he was then regarded as a very narrow specialist. Hard as this is to imagine today when academic economics is dominated by the use of mathematics, "mathematical economics" was then considered a specific field of economics—one specialization among many and, moreover, one the importance of which had not yet been established. In 1940, 70% of articles on economic theory in the AEA used no mathematics at all (Backhouse 1998, p. 93). Immediately after Samuelson defended his thesis, Wilson, one of the examiners, wrote to him urging that he should revise the text so as to make it accessible to "good economic theorists who are not primarily mathematical

economists”, an end that required considerable rewriting and expansion of the text. Such rewriting would both make it clearer what they could learn from Samuelson’s results and “help them to appreciate the value or rigorous mathematical economics of which not a few of them are rather sceptical”.<sup>24</sup> The thesis might be accessible to himself, or to John Hicks and Roy Allen, but beyond such readers its audience was limited. Implying that Samuelson might not necessarily wish to remain at MIT, Wilson explained that if he became known as a “general theoretical economist” he might find “first class positions” opening up all over the country.

At this time, as Schumpeter (1954, p. 23) explained, many applied fields were defined in relation to policy problems: agriculture, labor, transportation, public utilities, control of industry, and public finance. To teach such fields, it was necessary, to an extent perhaps not true today when theory has spread much further, to venture into facts and institutions. This was an area on which Samuelson was still considered weak, even by Wilson who supported him so strongly. The remark, quoted earlier, that Wilson made to Burbank that “Perhaps he doesn’t know much concrete economics” might be seen as qualified (perhaps because he was trying to persuade Burbank that Samuelson should be allowed to teach economics) but he was more explicit when he wrote to Henderson, with whom he could presumably be more frank, recommending Metzler for the Society of Fellows.

You may want me to compare him a little with Samuelson. As I see it he is nothing like the mathematician that Samuelson is though he has an adequate command of mathematics for an economist. As I see it he knows his economic phenomena and

---

<sup>24</sup> Wilson EB, January 14, 1941, Letter to Paul A. Samuelson, Edwin Bidwell Wilson Papers, Harvard University, HUG4878.203 Box 37 (S 1941).

institutions a good deal better than Samuelson did when you took him on and is a better statistician.<sup>25</sup>

Though the comparison is between Samuelson a few years earlier, it remains an unfavourable judgement on his knowledge of concrete phenomena reinforced by comments about the narrowness of Samuelson's work: "I doubt whether he [Metzler] has a so highly specialized technique or is working or would be willing to work in so narrow a field as that of mathematical economics". Wilson even expressed the view that Metzler might end up being more influential than Samuelson because "although he understands mathematical economics he can express himself, and prefers to express himself so far as possible in English." The implication was that Samuelson stayed within the confines of mathematical economics, choosing not to express himself in language that non-mathematical economists, let alone the weak students on which Wilson thought he should be allowed to develop his teaching skills, could understand. MIT, where university entrance requirements meant that Samuelson would never encounter students innocent of maths and science, was the right place for him.

The argument that Samuelson's profile did not fit Harvard's teaching needs was not simply a justification for a decision made on other grounds. In April 1941, Wilson wrote to Chamberlin at length about the need to bring on young people in applied fields: "there is no use of over-building theory and under-building agriculture, history and other items".<sup>26</sup> He urged Chamberlin to get together with Burbank and Crum to plan a strategy for coping with a situation where they had a small staff and rapid turnover.

---

25 Wilson EB, January 31, 1940, Letter to Lawrence J. Henderson, Edwin Bidwell Wilson Papers, Harvard University, HUG4878.203 Box 34 (H).

26 Wilson EB, April 16, 1941, Letter to Edward H. Chamberlin, Edwin Bidwell Wilson Papers, Harvard University, HUG4878.203 Box 36 .

## **6. Conclusions**

There is no reason to doubt that both anti-semitism and scepticism about the mathematical economics Samuelson was doing will have motivated some members of Harvard's faculty. There seems no reason to doubt that Samuelson was justified in describing Burbank as anti-semitic. One prominent Jew, Seymour Harris, then an Assistant Professor, did eventually achieve tenure at Harvard, but not until 1948 when the situation was beginning to change. Clearly, Harvard was not an institution that welcomed Jews and it cannot be coincidence that during the 1940s MIT built up its economics department on the basis of recruiting Jews who had obtained their doctorates at Harvard. As Weintraub (Weintraub 2013) points out, MIT was able to take advantage of its greater openness to Jews. However, Samuelson appears to be wrong in implying that Burbank dictated policy in the department. In October 1940, Burbank was no longer Department Chair, and the decision seems to have been made by the department as a whole, including those such as Schumpeter and Wilson, who, whilst not immune to these prejudices, appear not to have let them interfere with their judgements of academic merit and supported Samuelson very strongly. McLaurin's phoning Samuelson sufficiently often for him to remember is as being every day must have reflected a concern that Harvard might make Samuelson a counter-offer that would cause him to stay.

This makes it important for any assessment of the reasons why Harvard did not make more effort to retain Samuelson that there were other legitimate reasons that could be adduced for not keeping him. Since the arrival of Conant, two years before Samuelson came as a graduate student, promotions procedures had been a sore point with many Harvard faculty, and one can understand the argument put to Samuelson, that people had to wait their turn and that his promotion would not be rapid. Prejudice against Jews might be a reason why some would have to wait longer (Harris had first been appointed an Instructor in 1922) but

there were plausible reasons for arguing that he should wait longer. Conservatism would lead to the same outcome as prejudice against Samuelson.

For much the same reasons, it is not necessary to invoke prejudice against mathematics to explain why Samuelson looked like too much of a very narrow specialist to fit in with Harvard's teaching needs. It may have been Burbank's anti-semitism, reinforced by the arrogant attitude that Samuelson had taken towards him on his arrival in 1935, that had meant that Samuelson had been unable to develop and demonstrate his ability to teach general economics. By 1940 the damage had been done. Even Wilson harbored doubts about whether Samuelson could communicate with economists outside the very small number who were trained in mathematics. It was also a time in which economists were expected to know more than is the case today about concrete economic problems and economic institutions. At that stage in his career, Samuelson was undoubtedly weak to the extent that Wilson had doubts as to whether he would get an academic position. Moreover, the reason why Harvard had been such a good place for Samuelson to be a graduate student—the presence of economists with the theoretical abilities of Wilson, Leontief, Schumpeter, and Haberler—was at the same time a reason why the argument that the department was believed to be overloaded with theorists has to be taken seriously. This imbalance in the department is something that Wilson continued to be concerned about after Samuelson had left.

Later in his life, Samuelson attached importance to the remark Wilson made to Parsons that one should not appoint a Jew to a position in which their progress would eventually be blocked. What he failed to point out was that Wilson had also outlined, both to him and to MIT President Compton, a vision of what might be achieved at MIT should Samuelson go there. Wilson, with his extensive network of contacts in the natural sciences and at MIT, will have been well aware that MIT was being transformed from an undergraduate engineering school into a fully-fledged research university, Compton having been instrumental in

increasing the level of fundamental science in the curriculum (see 2010, chapter 3). Economics at MIT had lagged behind and Wilson could see that Samuelson could help bring about a transformation in MIT's economics comparable with what Compton had done with MIT's engineering. Wilson's familiarity with the fields of mathematics, physics and geology also led him to see that there could be benefits, even to Harvard, if economics at MIT were strengthened, turning Cambridge into a much stronger center for economics than Harvard could ever establish on its own. His case was so strongly argued that there seems little reason to doubt that he genuinely believed that Cambridge economics would be stronger with Samuelson at MIT than if he remained at Harvard and that he had expressed this view to at least one of his Harvard colleagues. This not mean that Wilson did not support Samuelson within Harvard—he would have wanted him to be treated properly. Wilson's view that MIT economics needed to be developed may even have been a response to the fact of anti-semitism at Harvard, though it appears to be much more than that. However, it would have been reason for believing that, provided Samuelson himself was happy at MIT, it was the best outcome.

There is a final twist to this story. Samuelson's move to MIT may have been a side-effect of preparations for war, in that were it not for losing people to war work, MIT would not have had a vacancy at that point. This circumstance will have been a further factor making it impossible for Harvard not to accede to MIT's request without good reason, and would presumably have made it that much more difficult for them to justify making promises that would clearly have been motivated only by the need to stop him from going where he was needed. Such pressures were obviously nowhere near as strong as they would have been once the USA had entered the war, but they may nonetheless have been significant. The Second World War was extremely important to MIT and it was beginning to be important to Samuelson as well.

## References

Works in Samuelson's Collected Scientific Papers (Samuelson 1966a; Samuelson 1966b; Samuelson, & Merton 1972; Samuelson 1977; Samuelson 1986; Samuelson 2011b; Samuelson 2011a) are cited as "CSP n:m" where n is the volume and m the article number. Where an item is reprinted in the CSP, page references are to the reprint, even though the date provided is that of first publication.

Material from the Paul A. Samuelson Papers, Rubenstein Rare Book and Manuscript Library, Duke University, is cited as PASP Box n: Folder name.

Backhouse, R.E., 1998, The Transformation of U.S. Economics, 1920-1960, Viewed through a Survey of Journal Articles, *History of Political Economy*, 30(Supplement), pp. 85-107.

Kaiser, D. (ed.), 2010, *Becoming MIT: Moments of Decision*, MIT Press, Cambridge, MA.

Keller, M. & Keller, P., 2001, *Making Harvard Modern: The Rise of America's University*, Harvard University Press, Cambridge, MA.

Samuelson, P.A. 2002, Pastiches from an earlier politically incorrect academic age, in H Lim, US Park & GC Harcourt (eds), *Editing Economics: Essays in Honour of Mark Perlman*, Routledge, London, pp. 47-55. **CSP 7:593.**

Samuelson, P.A., 2003, Reflections on the Schumpeter I knew well, *Journal of Evolutionary Economics*, 13(5), pp. 463-7. **CSP 7:561.**

Samuelson, P.A., 2011b, *The collected scientific papers of Paul A. Samuelson*, Volume 7, Murray, J.(ed.), MIT Press, Cambridge, MA.

Samuelson, P.A. & Merton, R.C., 1972, *The collected scientific papers of Paul A. Samuelson*, Volume 3, MIT Press, Cambridge, MA.

Schumpeter, J.A., 1954, *A History of Economic Analysis*, Oxford University Press, New York.

Tsuru, S., 2001, *Recollections of Many Crossroads: An Autobiography (in Japanese)*, Iwanami-Shoten, Tokyo.

Weintraub, E.R., 2013, Telling the story of MIT economics in the 1940s, .