



Lance E. Davis, 1989

Photo ID A89-355-2-8

**LANCE E. DAVIS**  
(b. 1928)

**INTERVIEWED BY**  
**SHIRLEY K. COHEN**

**October 27, 1998**

**ARCHIVES**  
**CALIFORNIA INSTITUTE OF TECHNOLOGY**  
**Pasadena, California**



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## **Subject area**

Economics

## **Abstract**

An interview in October 1998 with economic historian Lance Edwin Davis, Harkness Professor of Social Science in the Division of Humanities and Social Sciences. Dr. Davis received a BA in economics from the University of Washington in 1950 and his PhD from Johns Hopkins University in 1956. He joined the economics faculty of Purdue in 1955 and came to Caltech in 1968 as a professor of economics in 1968. He became Harkness Professor in 1980 and Harkness Professor emeritus in 2005.

In this interview, he recalls his undergraduate education and his naval service at the end of World War II and during the Korean War; graduate school at Johns Hopkins; and the excellence of the Purdue economics faculty. He comments on the state of the Division of Humanities and Social Sciences when he arrived. Recollections of colleagues: Alan Sweezy, Robert W. Oliver, Roger Noll. He describes the growth of Caltech's social sciences program; contributions of James Woodward, David Grether, Colin Camerer, John Ledyard. Discusses his own work on the long-term growth of financial institutions; discusses the books he

wrote in collaboration with Robert Huttenback, Robert Gallman, Douglass C. North, and Peter L. Payne.

The interview concludes with his views on the presidencies of Harold Brown and Marvin L. (Murph) Goldberger; on the Baxter Art Gallery; and on the state of the humanities at Caltech.

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### **Preferred citation**

Davis, Lance E. Interview by Shirley K. Cohen. Pasadena, California, October 27, 1998. Oral History Project, California Institute of Technology Archives. Retrieved [supply date of retrieval] from the World Wide Web: [http://resolver.caltech.edu/CaltechOH:OH\\_Davis\\_L](http://resolver.caltech.edu/CaltechOH:OH_Davis_L)

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**CALIFORNIA INSTITUTE OF TECHNOLOGY ARCHIVES**

**ORAL HISTORY PROJECT**

**INTERVIEW WITH LANCE E. DAVIS**

**BY SHIRLEY K. COHEN**

**PASADENA, CALIFORNIA**

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**ORAL HISTORY PROJECT**

**Interview with Lance E. Davis**  
**Pasadena, California**

**by Shirley K. Cohen**

**October 27, 1998**

**Begin Tape 1, Side 1**

COHEN: Good afternoon, Dr. Davis. It's good of you to come and submit yourself to this interview. Tell us about your family—your mother and father, where they came from, et cetera.

DAVIS: My mother was an early University of Washington graduate, from the class of 1916. She was a schoolteacher until she married my father. In those days, you weren't able to be both a schoolteacher and married to somebody, so she was unemployed until World War II, at which time my father took a job with the Forest Service, down in a different part of the state [of Washington]. At that time, she began to teach high school again.

COHEN: Was this in Seattle?

DAVIS: No. I was born in 1928, and we lived as a family in Seattle until 1941, when my father, who had been a logger—like all loggers, he had been unemployed throughout most of the 1930s—got the job with the Forest Service and moved down to a place called Willard, Washington, which used to be a wide place in the road. It's just a road now. I joined them a year later.

COHEN: Were you also logging?

DAVIS: I was going to school and working for the Forest Service. Ultimately I did some logging, but only during the summers and vacations. I was there until I graduated from high school, when I joined the navy. I was in the navy until 1948.

COHEN: Was that after the war?

DAVIS: Well, it was at the bare end of the war and then during the immediate postwar period. I got out of the navy in 1948 and went to the University of Washington. I graduated in 1950, just in time to get called back into the navy again.

COHEN: That was the Korean War.

DAVIS: Yes, the Korean War. I got out of the navy in 1952.

COHEN: Where did you spend your time in the navy?

DAVIS: The first time was just in the Pacific generally. The second time was off Korea.

COHEN: So you really saw wartime duty?

DAVIS: Oh, yes. Not during World War II, because I never left the country until the war was over. In Korea, we actually came under fire a time or two, but it was hardly dangerous duty.  
[Laughter]

COHEN: If you were under fire, it sounds dangerous to me.

DAVIS: When I got out of the navy, I went to Johns Hopkins.

COHEN: What made you choose Johns Hopkins? Were you already majoring in history or economics?

DAVIS: I'm an economist. In those days, there never was anything much else besides pure economics. The fact is that at the University of Washington, when I was there as an undergraduate, they began to bring in some economic historians, including Doug [Douglass C.] North, who is a Nobel Prize laureate now. So the faculty got me excited about taking economics. Fundamentally, I'm interested in long-term growth and development, and if you look at that in any serious way, it almost dumps you into economic history in some fashion. Why Johns

Hopkins? Well, I went to Doug and he gave me a list of places that he thought an aspiring young economic historian from Washington should go to. The list included Harvard, MIT, Hopkins, and I don't know where else. Hopkins paid me more money than anybody else.

COHEN: So North was really quite pivotal in your decision about what to do.

DAVIS: Well, Doug and I have been old friends for years and years and years. And ultimately, if you look at my vita, you will see that we have published together. So we've been friends and colleagues and coauthors ever since I was an undergraduate. He was a brand-new assistant professor in those days. We have both gotten older.

COHEN: It sounds like you had good economics professors at the University of Washington.

DAVIS: The answer to that is that it was a heck of a good department in which to be an undergraduate student. But with the exception of Doug—and maybe, conceivably, one other person—nobody had made much of an impact in terms of research. But it was a very good department for undergraduates.

COHEN: So you got a good solid foundation.

DAVIS: Well, yes—the training of the period, I guess.

COHEN: What in general made you interested in doing economics?

DAVIS: Do you really want to hear that story?

COHEN: Oh, sure.

DAVIS: Well, I was a pre-law major. I had a very close friend who had been in the navy with me by the name of Larry Pierson. We had gotten out at more or less the same time. Both of us went to the University of Washington. His father had also been a logger. Actually, his father was Petrus Pierson, who owned a logging company up on the peninsula. So we shared a common

background in the woods. Larry wandered into my room in the veterans' dorm one day and said, "Look, I've been reading the catalog. We're both pre-law majors. And I find, lo and behold, that under the new rules we can now actually major in something and still go to law school. All we have to do is move our records from the pre-law advisor's office over to the relevant departments." It seemed not unreasonable, at three o'clock in the afternoon, for him to say, "Come on. Why don't we go do that? And then we can go have beer at the Red Robin," which was the local pub just across the bridge. So we wandered over. I was going to be a history major and he was going to be an economics major. So we got our records. We went first to the economics department, and lo and behold, there was a good-looking secretary there, whom he started— [Laughter]

COHEN: The vagaries of chance.

DAVIS: It's actually a true story. He was hustling her, more or less. Time passed, and it soon got to be five o'clock. Offices all over the campus were closed. So she said, "Why don't I join you two for a beer? But first let me take your records." It was too late to go to the history department, so I became an economics major briefly. I was going to go back the next day and switch over to history, but I never got back. [Laughter]

COHEN: I see. Well, maybe that's as good a way to choose as any.

DAVIS: I think it was the right choice, although it was made in an awkward style, I have to admit. [Laughter]

COHEN: So you had your beer and came back the next day—

DAVIS: I had the beer and didn't come back the next day, because I was an economics major technically, and it seemed that the best thing to do was to stay with it, and I did. Then, when I graduated, I went into the navy and then to Johns Hopkins.

COHEN: Now, were you on the GI Bill under the Korean War?



DAVIS: I was on the GI Bill throughout all my academic career, both the World War II bill and then the—

COHEN: And then the Korean War. That must have been helpful.

DAVIS: Oh, the United States was underwriting a dramatic change in the number of people who went to college. If you take a look at the 1930s and early 1940s, sixteen percent of the college-age group was going to college and universities, and by the time the GI Bill kicked in, we were hitting forty percent.

COHEN: That's right, sixteen to forty. I know, because we were recipients of this also.

DAVIS: I think that once the men began to go to college, then you found the same kind of percentages go up for the women, although they were less directly involved. Not that they didn't get the GI Bill, but there were far fewer women who were in the services.

COHEN: You must have had some kind of graduate scholarship.

DAVIS: Yes, I had a graduate scholarship at Johns Hopkins, together with my GI Bill. I was quite comfortable. I eventually became a teaching assistant and then ultimately moved up and became an instructor of my own course.

COHEN: I have written down here "Ford Foundation" also.

DAVIS: Oh, that was a dissertation fellowship at Johns Hopkins. You'll notice that I got it just for a summer.

COHEN: So it wasn't a big sum of money that helped put you through?

DAVIS: No. What happened is that I left Hopkins in 1955. I had one of the shortest academic careers on record.

COHEN: You got there in '53 and you left in '55?

DAVIS: I was an undergraduate from '48 to '50. [Laughter]

COHEN: Can you explain that?

DAVIS: Well, the first round is relatively easy: I took a few courses while I was in the navy. At that time, the university [of Washington] gave you credit for a lot of things you might have done in the service; I think they were anxious to push the vets through as fast as possible. I went to summer school and I took a heavy load every summer, so I was able, without any problem, to get enough credits to graduate within two years and a summer.

COHEN: That's still pretty fast. They didn't have too many residence requirements in those days, I'm sure.

DAVIS: Yes. They had more students than they knew what to do with. [Laughter] I'm sure they were glad to get rid of me. And as far as Hopkins was concerned, the rules in those days were that there were two years of work you had to do there, and after that you could pick up and write a dissertation while you were doing something else. First, you did all the coursework. You took preliminary examinations at the end of the first year. The second year, there were some more courses you were supposed to take. And after that, except for dealing with your dissertation supervisor, there was really no particular reason why you had to be in Baltimore as opposed to Timbuktu.

COHEN: And so where did you go?

DAVIS: I went to Purdue. It was a tenure-track position, but I was an instructor to begin with, because I didn't have a degree [until 1956].

COHEN: I see. OK. So that was pretty good. Or maybe in those days they were more in need of faculty.

DAVIS: They certainly were. Although I wasn't in the job market, I had two job offers. One was from Indiana University, and it paid \$4,500 a year. The other was at Purdue, and they paid

\$4,800. So without any thought I went to Purdue—not because I thought the school was any better. [Laughter] It turned out that that was a very good decision, I might add.

COHEN: Is that where you met some of the other people who had an effect on your studying economics?

DAVIS: Yes, in some way. I hooked up again with Jonathan Roberts Tyson Hughes, who had also ended up as a professor at Purdue and then later at Northwestern. We had been at the University of Washington together, and we ended up at Purdue at the same time.

COHEN: He had gone to other places in the meanwhile?

DAVIS: He had gone off and gotten a PhD at Oxford. He had been a Rhodes Scholar. Then he came back and worked at the Federal Reserve Bank in New York for a year, and then he came to the Purdue faculty at about the same time I did.

COHEN: It sounds like you had a strong economics department there.

DAVIS: At that time, they had what I considered to be the best economics department in the United States. Now, it never got ranked higher than about fifth, and that ranking only came after everybody who was any good had left. [Laughter] But we had a man by the name of Emanuel T. [Thornton] Weiler—E. T. Weiler—whose name is synonymous with being one of the few administrative geniuses. He was the first chairman of the department and then dean of [Purdue's] Krannert School of Management. And way back in 1954, 1955, or 1956, he said, “Look, the wave of the future is going to be either mathematical economics or economic history, and I’m going to hire mathematical economists and economic historians.” This was at a time when nobody was hiring any of these people. The result was that he managed to get together a whole series of people who would never have come to Purdue, had theory or history been in fashion at the time they got their degree.

COHEN: I see. So that was really something that happened by chance—because he was convinced that this was the way things were going to go.

DAVIS: That's right. And he put together a very, very strong department.

COHEN: So this was really sort of the beginning of mathematical economics?

DAVIS: It was before the beginning of mathematical economics. It was not before the beginning of economic history, but it was before economic history had really become an integral part of economics, as opposed to history. That wouldn't occur, really, for another seven or eight years.

COHEN: So this was really not the vanguard but the precursor.

DAVIS: Oh, yes. The two most famous experimental economists in the world today are probably Charlie [Charles R.] Plott, who is on our faculty [Harkness Professor of Economics and Political Science], and a guy named Vernon [L.] Smith, who works at [the University of] Arizona. And both Vernon and Charlie were faculty members at Purdue at one time.

COHEN: They were there when you were?

DAVIS: Vernon was there at the same time I was, and Charlie came in later. Jim [James P.] Quirk, who eventually came to our faculty here [1971], had also been through that grist mill. And we had famous graduates, like John Ledyard, who is now chairman of the [Humanities and Social Sciences] division.

COHEN: I see. He was a graduate of Purdue?

DAVIS: He was a PhD student at Purdue. It was a really super time to be in a very exciting place. Then, like all good places, it fell apart in the mid-sixties.

COHEN: Why was that? Because people could then go to what were considered the stellar places?

DAVIS: I think it was partly because Weiler got interested in doing other things. He became president of a major corporation. And the trouble is, if you've got a genius running things, the

next person who comes along is not likely to be as good. Secondly, people began to get offers from first-rate places.

COHEN: Because the field then became more fashionable? Or did people recognize that it was good?

DAVIS: Because by then mathematical economics and economic history had become two very important parts of the academic world. So Vern left, Stan [Stanley] Reiter left, Jim Quirk left.

COHEN: Now, did Jim Quirk come right straight here to Caltech?

DAVIS: No, he went through the University of Kansas on his way to California.

COHEN: But you came right from Purdue to Caltech. Is that correct?

DAVIS: Yes.

COHEN: So how long were you at Purdue?

DAVIS: 1955 to 1968.

COHEN: How did you like it there? It was different from Washington.

DAVIS: The weather was worse. [Laughter]

COHEN: Yes, you were in the Midwest.

DAVIS: The thing is that the department was really, really exciting and just unbelievably super. The town was not very good, but it had a good school system. And as long as you didn't want to eat in a decent restaurant, it was not a bad place to live.

COHEN: Somehow I always hear things like, "We didn't know any better, so we thought it was OK." [Laughter]

DAVIS: Well, you could tell how the place was, because when you came in on the train, it was always “Laughayett, Lefeyette, and West Lafayette” [three different pronunciations]. [Laughter]

COHEN: Oh, dear. OK. I’ve never been there.

DAVIS: There was no reason why anybody in their right mind ever should have been, except for that period of time, when there was really a first-rate economics department.

COHEN: And it was a huge campus.

DAVIS: Well, it depends on what you mean by huge. It was smaller than Minnesota. It was smaller than Indiana. Purdue had about 12,000 or 13,000 students at that time, and other places at that time were up around 20,000, but it was a Big Ten school.

COHEN: Ohio State was also one of the Big Ten.

DAVIS: Ohio State was certainly bigger. Minnesota was huge. There were almost 40,000 students there, I think. I’ve never regretted for a minute the years I spent at Purdue. Honestly, if the whole place hadn’t collapsed, I guess I wouldn’t have left.

COHEN: Do you mean that suddenly, all at one time, all these people were starting to leave?

DAVIS: Between 1965 and 1968, the entire research faculty left.

COHEN: Did something happen other than that they were offered good jobs?

DAVIS: Well, in the first place, we lost our entrepreneur.

COHEN: I see. So the leader was very important.

DAVIS: And there were some nasty tenure fights. I think the research faculty felt that the university—as opposed to the department—denied tenure to some people it should have given it

to and gave tenure to some people it shouldn't have. And then, suddenly, there were lots of good job offers. [Laughter]

COHEN: I see. So it was a combination of the two.

DAVIS: Yes. If Weiler had still been in charge, who knows? I mean, the trouble is that it's very hard for any department to break into the top ten position and stay there if the whole university isn't at least as good.

COHEN: Do you mean that one department can't be a star if there's not...?

DAVIS: Well, what happens if you've got a president who wants to put money in economics, as [Frederick L.] Hovde did? Fred Hovde was the president. That's a funny story I'll tell you. Hovde had supported Weiler in this and built up the department. But once it was built up, he started putting his resources someplace else. Well, if you've got infinite resources, it's fine. But I can remember when I got the Caltech offer. I think Purdue really wanted to keep me—I hope they did anyway. I got a call at home from Hovde—we were that close in those days—and he said, "Come on over to the office. I want to talk to you." So I walked over. I thought there would be a big offer, lots of money, the whole works. He said, "Lance, I hear you got an offer from Caltech." And I said, "Yeah." He looked off into space and said, "All my life I have wanted an offer from Caltech." [Laughter] And I knew there was no way—that in his view there was nothing he could offer me to keep me there.

COHEN: I see. He thought that was very good for you. Was Caltech such a big deal in those days?

DAVIS: In economics, god no! But Hovde was a chemical engineer—he knew that side of Caltech. No, Caltech was anything but a first-rate place in H&SS [Humanities and Social Sciences]. It had a couple of really good people, but they weren't people who published anything. It had Alan Sweezy [professor of economics; d.1994], who was an absolute star undergraduate teacher. If you looked at the students that he attracted into economics—who after they had gotten their undergraduate degrees went off to get their PhDs at Harvard or MIT or

someplace—you could staff a very good economics department with his recruits; although that's less so now, because time is passing. But in the years from 1975 to 1995, there were a bunch of people who had been Alan Sweezy's students who went on to become very good economists.

COHEN: They were undergraduates?

DAVIS: They had been undergraduates here. There was no program here at all in those days.

COHEN: There was no major in economics or anything?

DAVIS: In principle, I think, you could major in economics, but nobody ever did. There were some joint majors. But there was no graduate program.

COHEN: Was Bob [Robert W.] Oliver here at that time?

DAVIS: Yes, Bob was here. He was an associate professor [of economics; d. July 1998].

COHEN: So they did have some scholarly types here.

DAVIS: It's hard to come up with many names. The chairman of the division, whose name I forget at the moment [Hallett D. Smith], had been a very fine scholar early in his career but hadn't done anything in decades.

COHEN: That wasn't [Clinton K.] Judy [chair of the Humanities Division 1923-1949]?

DAVIS: No, no. I'll come to it in a minute. It was a professor of English who was actually a very super scholar, but he was looked down on by everybody else in the division because he did research. In economics, you had Burt [Burton H.] Klein [d. 2010]. The full professors when I came were Burt Klein and Alan Sweezy. Burt had done some very imaginative work. He had been head of economics at RAND [Corporation] for a long time before he came over here [1967]. And Alan was a super teacher but not a real research scholar. Before that, they had



nobody who was doing anything. Bob Oliver was a nice guy and a good teacher and everything, but he always believed that he was not brought here to do research but to be a teacher.

COHEN: So the climate was not conducive for these people to be doing research.

DAVIS: Yes. I think the charitable thing to say is that they were here to be good teachers, and most of them actually were. The less charitable thing to say is that they were there to be able to tell good stories at cocktail parties with their colleagues in other departments who did serious work.

COHEN: OK. So you came in '68.

DAVIS: I came in '68.

COHEN: There were two new professors that year: you and [astronomer] Marshall Cohen [Shirley Cohen's husband].

DAVIS: Is that true? [Laughter] I didn't know that. It was obvious when I came in '68 that this was a place you could really do something, in terms of building up a department and a group. We brought in some people like Charlie [Plott]. We brought in Jim Quirk.

COHEN: I've been doing a lot of reading in the old *E&S* [*Engineering and Science*] magazines about the establishment of the social sciences department. Where did that idea surface? Was it already being kicked around?

DAVIS: I hate to say it was my idea.

COHEN: No, don't hate to say that. Tell us about it.

DAVIS: Well, I had been in England in '64-'65, and I had been at Nuffield College, the social sciences college at Oxford.

COHEN: Now, was this on sabbatical leave or the summer?

DAVIS: Sabbatical leave.

COHEN: You were working on your history already?

DAVIS: No, I was a Guggenheim Fellow, working on stuff in British finance, and I was a visiting fellow at Nuffield, which was a place to hang your hat. It was also a very interesting place, because it had in it a whole bunch of people who did social science. They weren't all economists, but they did economics, they did anthropology, they did political science.

COHEN: So you really saw this for the first time.

DAVIS: Well, what I saw for the first time was that these people could talk to each other. And it became clear, as you went on, that in some sense what was happening in political science was a movement to make it more inclusive of economics. Now, I'm not saying that's entirely good, but the fact is that it was a way to talk about problems. How can you talk about any kind of serious economic problem without considering the political dimensions? I mean, just take a look at Social Security. It's a terribly serious economic problem, but the problem is really a political one.

COHEN: And it's a social problem.

DAVIS: Right. At the same time, there was emerging in political science a group of people who were becoming sort of trained in the economic mode. The hilarious thing was that they couldn't get jobs in political science. And I'm including John Ferejohn and Mo [Morris P.] Fiorina, both of whom are now members of the National Academy of Sciences. Both of them are now chaired professors at Stanford, although Mo until recently was at Harvard. They were unemployed at the time, because in fact political scientists in the United States did not really consider what they were doing as very interesting, useful stuff. So we were able to hire them.

COHEN: This is very interesting. So the idea for the social sciences really came out of your experience at Nuffield College.

DAVIS: That's right, and from long discussions with people there.

COHEN: When you came in '68, did you share these ideas? I mean, did you say, "This is what I want to do when I come here"? Was Harold Brown [Caltech president 1969-1977] here in '68?

DAVIS: No, he was not yet here. I remember the interviews with Harold Brown and the various other people who were candidates [for president of Caltech] at the time. That must have been '69 or so.

COHEN: Right, because I think Harold thought that the social sciences were *his* thing.

DAVIS: Yes. Well, it was clear that the then-president [Lee A. DuBridge] thought it was a good idea. I don't know if he had a clue as to what the idea really was about, but—

COHEN: He was open to any good idea.

DAVIS: That's what I was going to say. He didn't really know what it was all about, but it sounded like a good idea to him, and he was very supportive. He was particularly supportive in going out and making faculty appointments before we ever had a program.

COHEN: So he was a man with vision.

DAVIS: Yes, I think that's right, but whatever he was, I think he was very supportive. The [division] chairman we're talking about was Hallett Smith, by the way.

COHEN: OK, right.

DAVIS: And Hallett had actually previously been interested—long before I got there—in doing something in economics.

COHEN: So they were seeing this as a good thing.

DAVIS: Yes. The early political scientists we had were Bob [Robert] Bates, Mo Fiorina, and John Ferejohn. They're the stars today.

COHEN: And they were just starting their careers at that point?

DAVIS: Yes. Every one of them was new on the market. In Bob Bates' case, for example, he had been trained as an old-line political scientist, but when he got here he got excited about being more technical and more formal and went off and spent a year at Stanford.

COHEN: Where was this type of social science being done at that time?

DAVIS: There was no program like ours.

COHEN: So this was really unique.

DAVIS: Yes, but not anymore. We've now got a Harvard/MIT program that does what we do. We've got a good program at Stanford that also does the same stuff.

COHEN: So you have to take credit for this.

DAVIS: I'm not sure I want to. Come on—you don't take credit when you just have the idea. The fact is that the people who really did it were the people who came. Charlie Plott came here and made this a center for experimental economics.

COHEN: Well, what made Charlie Plott come here?

DAVIS: We offered him a job. [Laughter]

COHEN: Well, that was an opportunity for him to do this.

DAVIS: I agree. We also hired Jim Quirk. He was a central figure.

COHEN: Now, he wasn't as young as the other people here. Did he come from somewhere else?

DAVIS: He came from Purdue. He's my age—maybe a year older. We were assistant professors at Purdue together, and then he went off to Kansas and then he came out here. But even so, he provided the center of the theory part of the economics program for ten or fifteen years until, ultimately, other people came in and did the same sort of thing. Part of it's just pure luck. In the cases of Ferejohn, Fiorina, and Bates, we just plain lucked out.

COHEN: They had the right synergy, or whatever word you want to use.

DAVIS: I think the answer is that we gave them a place to do what they wanted to do, and nobody else would at the time. I'm sorry we lost any of the three of them. Unfortunately, we've lost all three. We've replaced them with good people, too.

COHEN: Well, I think that happens. People come and develop themselves and then want to go where they're going to do their thing and be in charge.

DAVIS: We finally convinced the rest of the Caltech faculty in '74 to be allowed to give a PhD. It was going to be a new and unique program, because it combined economics and political science in a way that nobody else had thought about doing. Or if they had thought about it, they hadn't done it.

COHEN: And who brought the mathematics into it?

DAVIS: Well, that came partly with Quirk and partly just because the profession changes. Right now, the first year of the economics program looks like an applied math program.

COHEN: Right. Well, your first bunch of graduate students—if I'm remembering—were undergraduate mathematics majors.

DAVIS: There were some. There was no question that the idea of using formal theory meant the students must have mathematics facility. Clearly we couldn't compete with Harvard for the very best undergraduate economics students, but we did frequently manage to successfully compete for undergraduate engineers and undergraduate mathematicians who had formal math training

but who weren't being recognized yet in economics departments as potential graduate students. So we got them. The program is heavily technical. It's not one of my bags, but that's all right. [Laughter]

COHEN: How do you think this program has been received by the rest of the institute?

DAVIS: I could joke with you and say that they used to laugh at us and now they're afraid of us, but I don't think that's true. I think, honestly and truthfully, that we have been received very well. If you take a look at the vote that was taken back in '74 to allow us to establish the program, we had lots of support from all kinds of people. A few people didn't like us, but that's all right. I honestly believe that we aren't as good a group as the chemists are; but on the other hand we're not bad. [Laughter] The current rankings put us somewhere between twelfth and nineteenth in economics and somewhere around sixth in political science. Given the fact that we've only got twenty people doing all this stuff—

COHEN: That's pretty good. So tell me a little bit more about the program when it started. These people came, and you said, "OK, you can do your thing."

DAVIS: The first year, we had one student.

COHEN: That would have been 1974?

DAVIS: Yes. He failed all his exams at the end of the year, but since he was the only student we had, we kept him around for another year. And he's now the chairman of the Political Science Department at Stanford. [Laughter]

COHEN: Since he ultimately did well, you can tell me his name.

DAVIS: [Barry R.] Weingast.

COHEN: Well, there must have been some reason. Maybe you guys were just adjusting your courses to live students or something.

DAVIS: Well, when you have only one student, who knows what's going on? I have no idea what the reason was. All I know is that he's become a real star in the profession. [Laughter]

COHEN: A late bloomer. So then you already had how big a faculty?

DAVIS: Oh, god. By that time we had three political scientists: Bates, Ferejohn, and Fiorina. And we had an economics faculty that included [David M.] Grether [Gilloon Porfessor of Economics, emeritus].

COHEN: I remember Grether coming in.

DAVIS: He came early in the game, 1970 or '71.

COHEN: So that's shortly after you came.

DAVIS: Yes. He was one of our economists, along with Quirk. So we probably had five or six economists and three political scientists. So we probably had a faculty of about ten.

COHEN: Now, did you ever incorporate [Alan] Sweezy and Oliver into the group? Or did they stay out of it?

DAVIS: Alan really looked at himself as being a very good undergraduate teacher. And I doubt if Caltech had really seen any better. Just look at all those people he convinced to do economics.

COHEN: Of course, Alan was playing his part on the national and international stages also. So he probably got his satisfaction there.

DAVIS: And Oliver, on the other hand, I think, was unhappy with the way things turned out, because he thought he had come here to be part of a fundamentally teaching operation, and it turned out that it took him a long time [fifteen years—ed.] to get promoted to full professor [1974]. He apparently was not happy about that.

COHEN: So then by '75-'76, you had a better recruitment of students.

DAVIS: Come on, the program was always tiny. One year, we had twelve entering students. But most of the time, we would take in somewhere between five and seven students a year. I mean, this is a really small program.

COHEN: Well, astronomy doesn't take any more than that.

DAVIS: No. It was a very special program. In some sense we lucked out, because we got a whole bunch of students many of whom have gone on to become very distinguished. And if you take a look around, the best political science departments in the United States are probably Rochester and UC San Diego, and I think we staff a substantial portion of those departments with our students. [Laughter] We've been lucky. We hit a market that had been ignored completely and that gradually has become very important. For a long time, we worried. Early on, we thought that every department in the country would want one of our students—but we worried about what was going to happen when they each had one. [Laughter] But it turned out that the profession has moved in a certain direction, more toward Caltech's emphasis.

COHEN: So how different is this from traditional economics?

DAVIS: A traditional economics department has three major strands. There's something called microeconomics, which is the study of individual consumers and firms. There's something called econometrics, which is nothing but applied statistics, but applied to a bunch of problems that are sort of semi-unique to the social sciences. And there is macroeconomics, which is [John Maynard] Keynes and all that stuff. We deliberately decided to scrap macro completely—our graduate students take no macro at all—and replace that strand with formal political science. Now, we view that as a benefit; others think it's not so good. So that's the first-year program. It looks like an economics program where we've pulled out the macro and put in political science. It turns out that, lo and behold, our students who come in not really knowing what they're going to do don't really have to become either economists or political scientists until they get ready to go on the job market. Some don't decide; they go on both markets and see where they get the best offer. We've done a better job in marketing in political science than we have in economics, which suggests that the political scientists are doing better work than the economists are. I don't know—perhaps there's less competition or something.



COHEN: Right. When did Roger Noll [Institute Professor of Social Sciences, 1982-84] come into the program?

DAVIS: Roger Noll had been here early on.

COHEN: Oh, he was an undergraduate.

DAVIS: He was an undergraduate. He graduated in '62 and went off to Harvard. He came here, I guess, in '65—before I got here—and then went on leave. So he was not here for the first year or two. Then he came back, was here for a while, and then disappeared again—to Brookings [1970-73]. Then he came back and finally wandered off to Stanford [1984]. So he was an integral part of the program off and on. Roger in some sense, I suppose, represented the real policy-oriented wing of the program. He was always interested in policy, and by the mid-seventies he was very much an integral part of what we were doing, because policy was one of the things that we thought we were going to be heavy on. When he left, we never really replaced that.

COHEN: So you really have nobody doing policy now?

DAVIS: Not anything that you'd call policy. But the fact is, there's nobody like Roger around, which is too bad. Of course, on the other hand, there are very few Rogers anyplace. [Laughter]

COHEN: Now, is Ted [Thayer] Scudder [professor of anthropology, emeritus] not part of your program?

DAVIS: Well, the answer is that in principle Ted could have been part of the program if he had wanted to be. We actually once had a student who came into the program wanting to major in anthropology, but he decided to leave at the end of the first year. But Ted's always been a member of the social sciences voting faculty, and there's nothing in the program that said he couldn't have had a student, had he really wanted one. But Ted has not been very anxious to take students on. He seems to feel that what he does he does well, and, in fact, he does it superbly.

COHEN: Well, he probably wants to come and go as he wishes.

DAVIS: Yes. But there's no reason why we shouldn't have had an anthropologist in the program. It would have been a nice addition.

COHEN: And you've never had a sociologist.

DAVIS: That's probably by choice.

COHEN: Is that right?

DAVIS: Well, the fact is that in sociology they've got good demographers, but the rest of sociology is a pretty wishy-washy field.

COHEN: It's not quantitative enough for Caltech?

DAVIS: Well, I'm not sure if "quantitative" is the right word. I think it's partly quantitative, but it's partly a matter of employing formal models to help explain things, and sociologists tend not to have models that you can specify in any reasonable way. I mean, demographers are super—we actually offered a couple of demographers jobs. On the other hand, we've never really gone out desperately searching for them, on the grounds that demography sort of lies outside the mainstream of economics. At one point, we offered a job to Dick [Richard A.] Easterlin from Penn, who was a super demographer. If he had come, I suspect that you would have found more demography in the program. [Laughter]

COHEN: But that's true of all Caltech: The people who come develop the program. That's the kind of place Caltech is.

DAVIS: Right.

COHEN: Have you had a psychologist?

DAVIS: Until recently, we have had psychologists on the faculty. I don't remember who the psychologists are at the moment, but most of them have come out of the humanities, not the social sciences side. Right now, we have both Dave Grether, who has moved over very dramatically into the area on the interface between biology, psychology, and economics, and Colin Camerer [Kirby Professor of Behavioral Finance and Economics], who does the business end of psychology. And they're both out trying to recruit authentic psychologists who will help fill in the gaps. One of the hot questions right now concerns the stuff Grether is doing. For years and years and years, economists always said, "All right, we've got a set of tastes out there, and we're going to focus on those tastes." So you ask: Where do the tastes come from? And the answer is, "Ask the psychologists."

COHEN: Do you mean, "What do people want?"

DAVIS: Yes, or how bad do they want it. What Dave is trying to do is to try and look into that interface. It's one of the areas, I think, that's going to be really hot in the next decade. It's good stuff. Right now it would be nice to have a real psychologist who is research-oriented.

COHEN: I'm covering all these threads, but I'm going to get to your work in a little while. How about the philosophy of science? Does that come into your program at all?

DAVIS: It doesn't, although I think I can honestly say that the history of science aside, the one really strong group on the humanities division side is the philosophers. And they have decided, quite reasonably, to concentrate on the philosophy of science and the philosophy of social science. We have Jim [James F.] Woodward [Koepfli Professor of the Humanities, emeritus] and John Ledyard jointly teaching a course.

COHEN: There's a lot of that cross-teaching. That's one of the strengths of Caltech. It's small, and people do these things together.

DAVIS: Yes, and that group is very good. Jim Woodward has been particularly responsible for putting together a group. Given the fact that there are never going to be more than five or six philosophers around, he said, "Why don't we do something that's (a) relevant to Caltech and (b)

will teach beginning philosophy and all that stuff? At the same time, why don't we get people whose research interests overlap?" And that's really what he's set out to do.

COHEN: Well, that's using the strength of a unique place, it sounds like.

DAVIS: He's done a very, very good job.

COHEN: So there's sort of a melding of all of that coming in.

DAVIS: Right, but nobody has a joint appointment in philosophy and social science. I'm not saying they shouldn't—only that at the moment nobody does. We have people who have joint appointments in history and social science.

COHEN: Who would that be?

DAVIS: Phil [Philip T.] Hoffman and [Joseph] Morgan Kousser. They have appointments on both sides of the division. As a matter of fact, Phil is the executive officer for humanities. He's really an economic historian.

COHEN: And then, of course, you've got this whole game-theory stuff coming in.

DAVIS: Well, that subject has taken over economics almost completely. Whether it's going to keep doing it, who knows.

COHEN: That's your foremost strength now, this game-theory stuff?

DAVIS: I think it's an important part of the program, and we have some very good game theorists. Dick [Richard] McKelvey [Wasserman Professor of Political Science, d. 2002], for example, is a real star.

COHEN: And a member of the academy.

DAVIS: Our only member of the academy, I might add. But he does really super stuff. And I think game theory is important. It's not clear to me that it's the wave of the future; on the other hand, I'm an old fuddy-duddy. Our students now have a required fourth sequence in game theory. That's now part of the first-year program. It used to be that we had three courses plus a policy sequence, and now we have three courses plus a game-theory sequence.

COHEN: I see. And you've seen this go on at other places, too?

DAVIS: Yes. Since the mid-eighties, it's been the dominant paradigm in economics. I think it has not been the dominant paradigm in political science, but I think it's had an impact. It's not clear it's going to continue to be the dominant paradigm in economics. I think that if you look right now at what's going on, there's been a shift back from theory to more applied stuff. We had a decade of building fancier and fancier theories, and now people are out there sitting around figuring out what, if anything, they can do with them. If I had to guess where the field was going to be ten years from now, I'd say that it's going to be more applied than it is now. On the other hand, it's going to have a very strong theoretical base. Whether or not it's going to be dominated by theory, I'm not so clear.

COHEN: OK. Now I'd like to talk about your work.

DAVIS: OK, what do you want to know about it?

COHEN: You said you were at Nuffield College, where you saw this wonderful interaction with all those people. But you weren't just sitting there drinking tea. What were you doing? Was that your Guggenheim that year?

DAVIS: Yes.

COHEN: That would have been in '64?

DAVIS: That was '64-'65. What I've been really interested in is long-term growth. And particularly I'm interested in institutions, where institutions are defined as the set of rules that

govern how agents can act, cooperate, or compete. Most of my work over the years has been done in financial-type institutions.

COHEN: When you say financial institutions, do you mean banks?

DAVIS: Banks, insurance companies, stock markets, you name it. That hasn't been all I've done, but that has always been the major background of what I've done. That goes back to the first book, on the Savings Bank of Baltimore, way back to when I was a graduate student.<sup>1</sup>

[Tape ends]

### **Begin Tape 1, Side 2**

DAVIS: My own work was fundamentally on what causes these arrangements to change over time. It's sometimes law. Sometimes people's tastes change, or various other things change. Most of my work was on finance. The stuff I was doing in England was on the evolution of British financial markets. The British had such markets before we did. I've done stuff on imperialism and recently on whaling. None of these has much to do with finance, except they still are the same kind of thing: political-economics interface, long-running institutions, and such.

COHEN: So you spent the whole year in England?

DAVIS: Yes.

COHEN: Did you publish a book at that time? Did any book or anything come out of this work?

DAVIS: A whole bunch of articles came out of it. There was not a book specifically out of that, although it's been a background for others, including the current book that's not quite finished. It draws very heavily on the stuff I did research on thirty years ago, in the sense that it's on the

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<sup>1</sup> Peter L. Payne & Lance E. Davis, *The Savings Bank of Baltimore, 1818-1866: A Historical and Analytical Study* (Johns Hopkins Univ. Stud. Hist. & Poly Sci, 1954).

impact of British capital on the evolution of markets in the United States, Argentina, Australia, and Canada.<sup>2</sup> The British stuff comes largely out of what I did back then.

COHEN: Now, I was reading part of the article in *Engineering and Science* on a Seminar Day talk that you gave about colonials.

DAVIS: OK, yes. That's probably the imperialism project.

COHEN: Right. Then you subsequently went back to England for several summers after that?

DAVIS: I started that project and worked on it for more summers than you'd care to know. This was a project done jointly with Bob [Robert A.] Huttenback. It started, I think, in '72. We finally published the book in '87.<sup>3</sup> In that period of time I think I spent from March to October in England, for ten or eleven of those years.

COHEN: So England is almost a second home for you.

DAVIS: I probably know London as well as I know any city in the United States, that's true. One of the great mistakes I made was not buying an apartment in London while I could. [Laughter]

COHEN: Well, hindsight's always very good. Can you talk a little more about the work you've been doing more recently?

DAVIS: OK. A year ago, we published a big study of American whaling.<sup>4</sup>

COHEN: When you say "we," who are you talking about?

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<sup>2</sup> Lance E. Davis & Robert E. Gallman, *Evolving Financial Markets and International Capital Flows: Britain, the Americas, and Australia, 1865-1914* (Cambridge, U.K.: Cambridge University Press, 2001).

<sup>3</sup> Lance E. Davis & Robert A. Huttenback, *Mammon and the Pursuit of Empire: The Political Economy of British Imperialism, 1860-1912* (Cambridge, U.K.: Cambridge University Press, 1987).

<sup>4</sup> Lance E. Davis, Robert E. Gallman, & Karin Gleiter, *In Pursuit of Leviathan: Technology, Institutions, Productivity, and Profits in American Whaling, 1816-1906* (Chicago: University of Chicago Press, 1997).

DAVIS: I have a longtime coauthor named Bob [Robert E.] Gallman, who is a professor at the University of North Carolina and who, I hate to say, is currently dying of cancer, which is one of my problems at the moment. Besides being unbelievably upset about his condition, I am in the process of trying to finish up this book manuscript, which is about the impact of international capital movement on the domestic capital market in several countries. I'm trying desperately to get the damned thing done while he's still alive.

COHEN: What is the focus of the book?

DAVIS: We're really interested in the evolution of economic institutions, so we're looking at the role of British merchant banks. For example, it may be difficult to think of J. P. Morgan as being the ne'er-do-well son of Junius Morgan, but that's what he was, all right? What happens is that the British, in the middle of the nineteenth century, are looking around to invest throughout the world—far more than anybody else. And one of the things they are interested in is American railroads. But they really don't trust Americans very much, for good reason. So the British merchant banks all originally established a branch, with a junior partner in the United States, to sort of watch and see what is going on and see who is good and try and oversee whatever investments they make. And J. P. Morgan gets in trouble in England and is shipped by his dad out of the country to the United States.

COHEN: Oh, I didn't know that.

DAVIS: And of course he becomes the most famous American financier of all time. [Laughter] There are a whole series of these firms. Of the four countries we're looking at, it happened in no other country. What happens, of course, is you get these sort of first-generation Anglo-American banks. Then you get second-generation, purely American, investment banks that kind of nibble around the edge of railway finance. Gradually, when you move from railroad finance to the finance of commerce and industry, it's the new guys who come in—except for J. P. Morgan, who gets into everything. So in some sense the British decision not to trust the Americans sets off a train of institutional innovation that results in our current set of investment banks, and you don't find that in either Australia, Canada, or Argentina. Canada and Australia are parts of the British Empire, although only loosely, but at least Britain had some kind of alleged control over what



those countries were doing, although the British haven't seemed to exercise much of it. So you had a different pattern in those countries. The British don't trust the Argentinians at all. They sort of vaguely trusted the Americans. So in the case of Argentina, they'd just go in and directly invest; they'd buy the companies themselves and run them. The result is you'd get very little capital market investment in Argentina.

COHEN: So all the money comes back to—

DAVIS: The money probably comes back to Britain. And the United States, too, but the trouble is that in the U.S. what you did was produce a set of institutions that were ultimately domestic and therefore capable of organizing domestic finance, so you didn't need the Brits anymore. On the other hand, in the case of Argentina, they were so dependent on British finance that when World War I comes along, the economy just dies.

COHEN: So this is really quite interesting to look at.

DAVIS: Oh, I enjoy it. It's what I do for a living.

COHEN: I have here on this piece of paper the names of a half-dozen books you've written.

DAVIS: I think that's probably right. Who knows?

COHEN: OK. We had one book here on our shelf about institutional change.

DAVIS: That is *American Economic History: The Development of a National Economy* [by Lance E. Davis, Jonathan R. T. Hughes, and Duncan M. McDougall]. This was the first textbook in economic history that was written by economists where economic theory was explicitly brought in to develop the story of the development of the United States.

COHEN: I see. This was in 1969?

DAVIS: The original one was actually done in '61, with a second edition in '65 and a third edition in '68, I think. It actually went through three editions. I'm not sure it sold any copies, but—

COHEN: Is that something you would have used here for a course?

DAVIS: Yes, except that I don't like to use textbooks very much.

COHEN: And then *In Pursuit of Leviathan: Technology, Institutions, Productivity, and Profits in American Whaling*.

DAVIS: That's the last book I finished. And the current one—the one I've just been talking about—is the one that's not quite finished yet.

COHEN: I see. Now, the one I've been looking at, which is the only one on our shelf here—I mean, all of these are in Millikan [Library], but we had one right here [in the Archives]—was the one you did with Doug [Douglass C. North].<sup>5</sup> So was that something you were still working on when you were at Purdue?

DAVIS: That one I started on when I was at Purdue. Doug and I have sort of a love-hate relationship, so there was lots of yelling and screaming. It was started at Purdue, but it was finished here. What's the date on it?

COHEN: I have '71.

DAVIS: Yes.

COHEN: What did he win the Nobel Prize for?

DAVIS: The work on institutional change.

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<sup>5</sup> Lance E. Davis & Douglass C. North, *Institutional Change and American Economic Growth* (Cambridge, U.K.: Cambridge University Press, 1971).

COHEN: Oh, I see. So you had some little—or big—part in that, I'm sure.

DAVIS: Well, who knows. The thing about Dougie is that he has been the most innovative economic historian that I've ever met. The thing is, he sort of sets the agenda for the profession, in the sense that he gets an idea, produces it, and then people sit around trying to disprove or prove it. And time after time after time, it turns out to be a very exciting issue. So he's the Nobel Prize winner, I'm not. [Laughter]

COHEN: In some sense, he really breaks the ground for new fields—that's what you're saying?

DAVIS: Given the profession, there isn't a single major topic, except maybe slavery, in which he wasn't the one who broke it to start with. He's an absolute genius.

COHEN: But you did work very well with him, and you put out a book together?

DAVIS: Oh, yes. We still work together.

COHEN: It says "Davis and North."

DAVIS: There are some articles in there too, by Davis and North.

COHEN: OK, let's see. Then the '76 one is an early one—now that I'm looking at my dates rather than the order in which it's written here—which is *The Savings Bank of Baltimore, 1818-1866: A Historical and Analytical Study*.

DAVIS: Believe it or not, I did that one before I got a PhD.

COHEN: So was that part of your thesis or something?

DAVIS: It was a chapter in my thesis.

COHEN: But it was interesting enough to be published.

DAVIS: It was a very nice thing. There was a guy, Peter Payne, who was the coauthor on the book. I was a young first-year graduate student at Johns Hopkins, in a seminar run by G. Heberton Evans, who was the chairman of the department and also an economic historian. And he said, “Well, Lance, you can’t be an economic historian unless you go work in the archive.” And I said, “What’s an archive?” And he said, “Peter is here.” Peter was visiting that year from England. Evans said, “Look, why don’t I get signed up and you and Peter can go down and look at some archives?” So we went down and looked at the archives of one of the biggest department stores, some firm that produced Bromo Seltzer, and the Savings Bank of Baltimore.

COHEN: They had an archive?

DAVIS: They had an archive that nobody had ever looked at before. It had lots of stuff in it—really exciting—about how a savings bank gets started, way early on, in 1818.

COHEN: So you did that work together. I haven’t looked at it. Is it a long book?

DAVIS: No, just a little book.

COHEN: Just a little book, OK. And then we’ve got *Mammon and the Pursuit of Empire: The Political Economy of British Imperialism, 1860-1912*.

DAVIS: That’s the one on imperialism.

COHEN: That’s the one I was reading about, the one I believe you gave a Seminar Day talk about.

DAVIS: That’s the one that concludes with the assumption that in fact the people in the empire probably made out better than the people in England. [Laughter]

COHEN: Right. The people were footing the bill. But India must have been a different story. The economics may have been the same, but didn’t England have a different feeling? I mean, they had India for 300 years.

DAVIS: Yes. Maybe it's a consumption good, in the sense that it may have gotten satisfaction from running India. But the fact is, if you look at the numbers economically, the British were paying more out than they were getting back from it. So it's not an economically good investment. Maybe a perfectly good consumption good.

COHEN: From an economics standpoint, it wasn't good?

DAVIS: Well, no. I mean, you know, we buy ice cream because we like ice cream, and maybe they bought the empire because they liked empires. But it shouldn't be viewed, as it frequently has been, as an economic attempt to exploit someplace, because in that it was a dead loser.

COHEN: OK. Let's see what else I have here. We got the books. On the other page, I have the general statement that I almost always finish these interviews on.

DAVIS: And the statement is?

COHEN: "General observations about life in the division and at Caltech in general."

DAVIS: Caltech is the best place in the world to be an assistant professor, and it's probably the best place in the world to be a full professor.

COHEN: Are you skipping associate professor for a reason? Or is it just the best place to be?

DAVIS: The point is, I can understand why we lose people to Harvard occasionally if they're already full professors.

COHEN: Do you mean because they can branch out?

DAVIS: Well, maybe—if you are not a physical scientist—because of the prestige of being attached to Harvard. I mean, I can think of reasons why, if you've got Charles River fever, you might want to go to Harvard and become a full professor. I can think of no conceivable reason

why anybody in their right mind who was given the choice between being an assistant professor at Caltech or Harvard would choose Harvard.

COHEN: Right. There would be no choice on that at all. So you see this as just a wonderful place to be.

DAVIS: I'm sure happy I'm here. I can't think of a better place for me to be. I can yell and scream at my colleagues from time to time, and sometimes I can get angry that the administration isn't treating us the way we should be treated. But that would happen anywhere. Day in and day out, I don't think you can beat Caltech. Hopefully [David] Baltimore, as the president, will lead us—will lead somebody, not me—into the twenty-first century. [Laughter]

COHEN: Let's go back a little bit and talk about this. You came in during DuBridge's last years [Caltech president 1945-1969]. And he had an instinct about the right way to go, even though you felt he didn't know what it was.

DAVIS: Right.

COHEN: And Harold Brown, I think, made social sciences his thing.

DAVIS: Well, sort of. My own view of Harold was that his only real goal in life was to keep the place afloat until he became secretary of defense.

COHEN: So you think he was just marking time.

DAVIS: He helped us. There was no question about it. But I don't think that he had any real long-term vision for us or for Caltech in general.

COHEN: It was just someplace that he was while he was waiting. Well, he made that remark that seven years was a good time to be president. And that would have been when the next administration came along.

DAVIS: And it would have been three years, if the [national] election had been four years earlier.

COHEN: I see. Then how did you find [Marvin L.] Goldberger [Caltech president 1978-1987]?

DAVIS: He was OK. It seems to me that—and now I'm really unclear, because these are not people I know that well—

COHEN: Well, I'm not asking you on a personal basis. I'm asking you in relation to the development of the program.

DAVIS: Goldberger was helpful to us. On the other hand, I don't think he was terribly helpful to the institute in general. When I came here, Caltech had the second largest endowment per capita if you divided by either students or faculty, and the last time I looked we were thirteenth or something.

COHEN: So the money wasn't raised properly. Now, you had the fiasco of the [Baxter] art gallery during that period. Do you have anything to say about that?

DAVIS: Well, I wasn't involved with the art gallery at all. But it was very clear that, although the program was done within tight limits, it was a good program.

COHEN: The art gallery program?

DAVIS: Well, I mean the art exhibits we had and all that stuff—not the idea of having a permanent gallery. Remember, we just had the regular exhibits that came through, and they were really fun and exciting.

COHEN: Oh, right. It gave a certain panache to the place. A lot of ladies were very happy.

DAVIS: Well, I think they should have been. Now, the question of whether or not Caltech should then dedicate a piece of space for a permanent art gallery is a question that's got to be answered at a level higher than I'd have anything to do with. I guess I felt personally that they should have

kept the program kind of like it was—a series of traveling exhibits. But on the other hand, if they wanted to have an art gallery, I wasn't going to argue with them. It just seemed that to have a permanent art gallery without having a faculty that was involved in some way struck me as kind of strange. But why not?

COHEN: Because it is an educational institution?

DAVIS: Yes.

COHEN: Well, that's an interesting thing. I haven't heard that particular view.

DAVIS: What I'm sorry about is that it made a lot of ladies unhappy, when you did it the way you did. It seems to me that if you're going to go down this path, you should decide early on that you're going to do something and then do it—and don't go halfway down that road and stop.

COHEN: Or lead people to think that something is going to happen that's not going to happen.

DAVIS: That's what I mean.

COHEN: So you felt that it really didn't have a part in your building [Donald E. Baxter, M.D., Hall of the Humanities and Social Sciences]. Having it there was OK, but not as a permanent thing.

DAVIS: Yes, well, of course the trouble was that we, like everybody else, are unbelievably short of space. We just threw three faculty members out of their office so we could expand the social science lab, and we have three not overwhelmingly happy faculty members at the moment.

[Laughter]

COHEN: But they have an office somewhere, I'm sure.

DAVIS: Oh, sure, but not as nice as the office that they had. They were in an office in the basement.



COHEN: And now they're somewhere else.

DAVIS: And now they're somewhere else. The fact that they're somewhere else suggests that we're down a few people, both on the humanities side and on the social science side. If we do manage to fill those spots, we're going to have real trouble finding offices.

COHEN: It always seems to be the cry.

DAVIS: Well, come on. The fact is that the biologists and the chemists are complaining bitterly about lack of lab space.

COHEN: They're getting new buildings, though.

DAVIS: But they're always complaining. But that's how it is. We'll probably always complain, too.

COHEN: So you feel that what happened to the art gallery is too bad, but you're not—so to speak—losing sleep over it?

DAVIS: I never missed an opening, and I almost always went back at least once while the exhibits were there to look at it quietly. But on the other hand, it's not what I do for a living.

COHEN: I see. So you didn't see why it had to be in your building, taking up your space.

DAVIS: Well, at that point the space was not a problem. Now, what would have happened if they had decided to put it down there permanently, I have no idea. Weren't they talking about some building over on Hill Avenue?

COHEN: Oh, yes. Who knows? You hear a lot of different stories. But part of it was that they thought a big building was going to be built—and is that the function of Caltech? And it was done, of course, in a bad way—I mean, the cutting off was not done very well.

DAVIS: It was not handled well. Let's put it that way.

COHEN: OK. They made a lot of enemies. Some people say that Roger Noll left because of it, which is probably silly.

DAVIS: That is not true. Roger Noll left because he didn't become provost.

COHEN: OK.

DAVIS: You can ask Roger himself. He was the committee's choice and he was the president's choice to be provost, and he got turned down. Whether that was a good decision or a bad decision, I have no idea. But it was certainly one that hurt him very badly.

COHEN: It was when they were still dedicated to physicists. Of course, now they're dedicated to biologists [laughter], so that wouldn't have done him any good either.

Where do you think your program is going?

DAVIS: Well, it depends on who the next [division] chairman is going to be.

COHEN: Are you the chair now?

DAVIS: No, no. John Ledyard.

COHEN: Of course. And he will be for some years to come?

DAVIS: I wouldn't want that honor. I mean, he's just been renewed for another five-year appointment at this point. But I think, given his own feelings—

COHEN: He won't stay the five years?

DAVIS: That's just my interpretation. It's really hard to know. The social science program is going to struggle along and not change dramatically unless somebody comes in with a new, creative idea.

COHEN: But you've got an extremely good group.

DAVIS: We've got a good group, and it's going to live no matter who's the chairman. The humanities have more troubles. They've got this good group in philosophy, and Dan [Daniel J.] Kevles [Koepfli Professor of the Humanities, emeritus] does pretty stellar stuff. But the rest of it's pretty strange.

COHEN: Something has to be done.

DAVIS: The people are still living back in the 1960s, in the same sense that they have a good teaching faculty, but you really want more than that if you're going to be a full member of a big research institution like Caltech, so maybe you'd want a chairman who has more interest in humanities research. I don't know.

COHEN: So you think that's the problem that's lying ahead.

DAVIS: Well, it's not my problem.

COHEN: [Laughter] Well, we're talking about in general at Caltech.

DAVIS: When I came, you had the best physics department in the country—probably don't anymore, but it's still a reasonable department. You clearly have the best chemistry in the country, probably the best geology department in the country, and the best astronomy group in the country.

COHEN: In the world, they say.

DAVIS: The biologists have done bits and pieces of good stuff, but it's never been a very coordinated operation. When I came here, the engineers were not all that great. Over time, they've gotten much better. And the big push in biology should push that division to the top. Our division, however, is still not world-class.

COHEN: Well, I would say your social sciences and economics is OK.

DAVIS: It's OK. We'll probably rank as high as the engineers do, but probably not as good as we'd like to be. But on the humanities side, literature and history, we've got Dan [Kevles] and his history of science. We've got Phil Hoffman, who does super stuff, but the rest of it is sort of— Literature is literature. So I don't know. Maybe we need a chairman who wants to do something along those lines. I don't know.

COHEN: Well, I think they're always looking for somebody. I mean, I always hear about them looking for someone in English, but then, you know. OK.

DAVIS: Thank you very much.

COHEN: Thank you.