PRESERVING MEMORY: NEWARK AND RUTGERS
IN THE 1960’S AND 1970’S

An Interview with

PETER D. LOEB

Conducted by

Gilbert Cohen

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and
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This is Gil Cohen. It is Monday, August 5, 1991. And I’m meeting with Professor Peter Loeb of the Economics Department here in Rutgers College of Arts and Sciences, now the Faculty of Arts and Sciences in Newark. Dr. Loeb has been on the economics faculty since 1973. He was also an alumnus of Newark College of Arts and Sciences, Class of 1967. Dr. Loeb was on campus from 1963 to 1967. He received a B.A. in economics. And he has a Ph.D. in economics from Princeton University?

From Rutgers, in New Brunswick.

From Rutgers University. Okay. And Dr. Loeb has some interesting things to say about his academic career at Rutgers and other places. So if you could pick up from where you left off before, maybe you can recap it. It was very good.

Okay. Well, since the age of five, I’ve lived in New Jersey. And when it came time for college obviously, as you mentioned, I ended up coming to Rutgers in Newark. And started off in the engineering curriculum, which was a five-year program, and gravitated towards physics. And in that process picked up sufficient credits to major in economics, which was where I finally ended my undergraduate training in. From there I moved on to do some graduate work at Rutgers in New Brunswick. And with a little bit of a delay with military service, returned and received my doctorate in seventy-three. And then joined the faculty as an assistant professor in the fall of 1973 here at Rutgers-Newark. I suspect you’d like a little bit of a dialog or discussion of what it was like as a student in those early years…1963 to 1967.

I remember my introduction to Rutgers: all undergraduate freshmen met at a large church in Newark—the name escapes me. And I believe the dean at the time was a gentleman named Power. And all I remember of that discussion was a room filled to capacity and the concluding discussion by the dean, who was saying, “Look to your left and look to your right. They won’t be here in four years.” Everyone actually did look to the left and looked to the right, and everyone was assured that it would be their neighbors who would be leaving and not the person in between those two. I was influenced by that discussion. And for better or worse, his forecast, I think, was fairly much on target. In those times everyone had to take a foreign language. And for those in the sciences and engineering, one was advised to take French, Russian, or German. I elected to take French. And being a freshman who’d never had any French was really amazed by the abilities of my fellow students at the time who seemed much more versatile in foreign languages than I was at the time. And that perhaps was the most intimidating moment of my undergraduate career.
The first year required us to take a year of—in my case—French, start off with calculus I, elements of physics, chemistry, and English. As engineering students, we escaped history for the freshman year to pick it up in the sophomore year, which was unusual, because most freshmen had to take history as well. The physics courses which we took were the elements, which was physics, which assumed that you knew the calculus. Obviously I didn’t have any calculus, so the first day—maybe not the first day—but the first week in class was a shock experience. Never having seen functional forms written out with derivatives, I was at a bit of a loss. And the game at the time was that it never crossed your mind that you would end up taking or switch down to a physics course which did not require the calculus; you just stuck with it. And, yes, you didn’t have the calculus, so what would you do? You wouldn’t drop the course. You were enrolled in calculus already, but you weren’t going to pick up those skills fast enough in the course. So you sat down with the book, and you picked it up as you went along as best you could. There were several sections of Elements of Physics. It was a fairly high-demand course, there were a lot of engineering, physics, chemistry-type students at the time, and classes were fairly large. My recollection, easily forty to fifty people per section. That was conjoined with a physics lab, and those were memorable. Our classes were in old buildings. I’m sure it’s been brought out to everyone’s attention that at those times Rutgers-Newark was housed, especially for scientists, down in an old brewery and razor-blade factory.

COHEN: 40 Rector?

LOEB: And across the street was...we had a building which when you did experiments, you were always wondering if the rumblings of the trucks on McCarter Highway would disturb things. When you were dropping bearings down an inclined plane and a heavy truck came along, you were always wondering if the things would vibrate unusually. Now perhaps that’s a bit of aggrandizing the amount of the shock which went into it. But it was an interesting building. It was an old building. And yet the faculty and the student body were fairly close. The instruction that we got, I thought at the time and still do, was outstanding. The three physics professors whom I had for the most part were Professors Freeman—Jim Freeman—Vince Santorelli, and Charles Pine. Pine, of course, recognized among the engineers and the freshman physics students, and there weren’t too many in the elements course, that they had a problem with math. Not so much that they didn’t have ability in math because most people who took that course had ability. But they didn’t have calculus. And it was quite often he would pull us into his room and sit us down and try to give us quick courses in the philosophy of calculus and some of the mechanics so that we would better understand what was going on in the classroom. And he was fairly successful. He was a super teacher. I didn’t have him as an instructor until my sophomore year when we had to take math physics. That again was a required course for engineering students as well as physics students, and there were a goodly amount of chemistry students in there as well. This was perhaps the most amazing course in terms of content that I ever took. His initial lecture of the day was I’m going to assume that you don’t know any mathematics other than algebra. Of course the average student in the class was probably a junior or a senior who had easily three, four courses in calculus and beyond.

He started off though assuming we only knew algebra and, and he started initial discussion on trigonometry. Everyone felt they knew trigonometry until Charlie started talking about the philosophy behind numbers and angles, and all of a sudden it became a very interesting
philosophical discussion. And you began to see how someone who was a physicist would use mathematics as opposed to a mathematician. From there we went on—and maybe I’ll leave some things out or embellish things accidentally—but in that first semester we covered, after going through trig, matrices, vectors, introductions to differential calculus, integral calculus, partial derivatives, linear algebra, differential equations, series, Hamiltonians, moments, triple integrals, integral equations, and of course their applications to physics. That’s really a major accomplishment. The workload was dramatic. Charlie did not have a textbook. He walked into class, sat down, and Charlie would come in with chalk in one hand and an eraser in another and start. But his lectures were so lucid it was hard not to understand. He gave tremendous amounts of homework which he insisted on collecting and correcting. He then tried to figure out where you were going wrong, assuming you were going wrong. What was missing? What point were you missing? Was it a philosophical or a mechanical or an intuitive problem? And then he would call you into his office, and he would try to rectify whatever problem you might have had. And he would work as hard as the students. Very demanding. And you found that you were demanding on yourself as well because you couldn’t let Dr. Pine down. Even if you were willing to let yourself down, you just couldn’t do it in that class. You couldn’t get away with it. You knew that Dr. Pine knew where you were and what you were doing and knew after three months what you were thinking. And he even knew where you were likely to make an error in your thought process. And at times he would direct his attention to you to make sure you followed something. An amazing lecturer.

COHEN: What was the title of his course again?

LOEB: It was Applications of Math to Physics. It was a two-semester course, take one or two of them. It was tremendously rigorous at the time and demanded huge amounts of homework, no textbook. But perhaps one of the best experiences I had as an undergraduate. At the same time, taking all of these physics and math and chemistry courses, I was required to take an introductory course in economics; all engineering students have to do that. And I suspect, like most, I had anticipated a course where we would talk about the stock market and a few other historical types of things which might be interesting to read in the newspaper. But clearly not something which would be required to do any physics or engineering. Clearly would not be quantitative let us say. And the instructor I had at the time was a young gentleman who was finishing at the time his doctorate in New Brunswick in economics. Who had received a bachelor’s in engineering and was writing his dissertation under Harry Kahn, a graduate who was a very well-known authority in public finance. The fellow’s name was Jack Osman. And he taught the course with a lot of algebra. Many of the people taking economics did not have the same quantity of math as the engineers and physicists did. But yet there was a lot of algebra and functional notation. At times he would slip away and set things up with some calculus. I remember the day he did that. It was a course in macroeconomics. He set things up with some differential equations, and I was lost. I shouldn’t say lost. I was captured. I was amazed that you could do such things, and things made so much sense, and it was so much like engineering and physics that it wouldn’t be a bad idea to take another course in this, especially with this fellow. And that’s what I ended up doing. I took several courses with Jack. And one of the courses which he offered was a course in mathematical economics. Now this was not as rigorous as math physics by any means. However, it had a lot more applications. And someone who knew the math. By then I had a fairly good understanding of elementary undergraduate calculus and linear
algebra and a few other tintinnabulations of the mathematical portfolio. It was an easy way of learning economics. Or at least developing the principles of the economic paradigms which we were discussing. But perhaps that wasn’t so unusual. What was unusual was the department at the time gave a course in econometrics. Econometrics was the applications of statistics and mathematical knowledge to economic theory. My recollection, if accurate, suggests that was an unusual course for undergraduates to be able to attend at those times.

COHEN: Was it required?

LOEB: It was—I do not believe it was required either. So it was very unusual, and it was well attended. And Jack taught that and was a super teacher. A lot of excitement, meticulous, methodical, and brought out all the important points in a manner which was easy to follow if you were not a mathematician. But you were a likely candidate after that to take more math. It was intoxicating. After taking that course and not being satiated, I asked him if I could take another course in econometrics. But one was all that was given officially at the college. But would it be possible to take an individual study, an honors course, in econometrics? I ended up graduating from Rutgers-Newark with, in effect, two courses in econometrics where it was commonplace to have none. And ended up going to graduate school having a tremendous advantage over my peers. I was going to graduate school when the Vietnam War was in effect, and the competition was rather serious was and I found myself quite well prepared.

But let me mention some of the other instructors that I’ve had. Everyone had to take English composition at the time and follow it up with a year of Literary Masterpieces. And for three of those courses I had a fellow here at the college, named Louis Zaka [sp]. Professor Zaka was an unusual instructor. Going to his classes was almost like going to the theater. He was an entertaining person, it was a lot of writing, but he was not an intimidating fellow. And I found it quite enjoyable, and I think my writing skills improved under his tutelage—significantly. Tremendous quantities of reading, presumably to this day, but a lot of free thinking as well. You were allowed to play games with what you read. And there were open-ended questions on his exams. We’d have to read Falstaff, which I presume is still quite common. I’m reading Shakespeare to this day. And common questions would be, describe Falstaff. Was he a coward or was he a leading light looking to run away today in order to fight a better battle tomorrow? You could take whichever track you wanted, but you had better have your thoughts well collected and write an interesting essay. Turned out that I took another course with him beyond the requirement. It was a course in world literature. I suspect I was the only science–economics student in the class. We read many classics beyond which you would normally have in Literary Masterpieces. We The Bhagavad Gita we had Giovanni Bocaccio’s Decameron, we had The Prince, we read The Song of Roland and on and on. Along with all those things you had to do a lot of writing, including term papers. And I was a bit intimidated by this, being in a room full of English majors, anticipating the required topic to be something which would be quite disadvantageous for a scientist vis-à-vis an English scholar. Well, the list of potential topics is provided by Professor Zaka, and towards the top of the list there’s a suggested topic: Greek shipbuilding. Well, what a great topic for someone who’s an engineer or in physics or economics for that matter.

COHEN: Yes.
LOEB: And I was quite surprised a professor of literature would have something which could be viewed as sort of an interesting topic by someone outside of the traditional English discipline. So I obviously grabbed that as my topic and flew with it. And did quite well. But it always had a hidden mystery to it. How did this fellow in English pick up on a topic such as that? And that question has even—my sense of curiosity was tingled even further by some of the discussions he would raise in class. For example, we had to read Lucretius, *The Nature of the Universe*. It’s fascinating. I don’t know if our students read it anymore. And it’s terrible if they haven’t because here’s a chance to see that maybe as humans, we’re not much smarter than we were many years ago. We have more technological advantages than our forefathers. But these guys back then, they were pretty smart cookies. One of the topics which Lucretius brings up is how, what we might say today, particles are examined or detected. And Lucretius goes through his thing. Zaka turns to the class and says, “Well, how do we detect particles today?” And no one raises their hands. So he picks on me. “Mr. Loeb, you’re in the sciences. How do you detect them?” Oh, at the time there were a handful of ways you could detect them: cloud chambers, scintillating devices. And I went and enumerated five or six of them. Dr. Zaka said, “Absolutely. And by the way, there’s this other procedure.” And he rattles off another one. And I sit back and say to myself, how does this guy know this? Well as I approached graduation, I speak with Zaka informally, and lo and behold he had been a chemistry major in his youth. And that explained, to some extent, his extranalities if you will, of knowledge beyond what I thought an English professor would be knowledgeable of, which was really very, very narrow and erroneous on my part, thinking that all they knew was poetry and the Greek classics. Here was a well-rounded fellow who knew a lot of the world about him. And had a mission. His feeling, at the time, was the purpose of a college education, regardless of one’s major, is not to learn so much English or physics or history. But rather to train the individual to be a leader. That’s what he announced in class. And I suspect there was a lot of truth in that. That perhaps should be the goal of the university: to help individuals become leaders. Not necessarily leaders of others, but leaders of oneself. And clearly you can learn this without college. But hopefully college eases the pain and speeds the process up a bit.

Other faculty members of the time: Leo Troy was in economics, and strangely enough I never took his course. But we would meet in passing, so to speak, and he was teaching labor, and I was too busy taking mathematical economics and econometrics, and I missed a good thing. Because as most of us know now, Leo is the outstanding, outperforming researcher in labor union participation rates. He’s perhaps *the* expert in country on labor union participation, and he was building that reputation back then. Stanley Kaish was in the department, and I took several courses with him; another outstanding instructor, an individual who cared about his students and came well prepared to class, and it was hard not to learn. If you did your work, you had to come away knowing something. Helen Cook was in the department, and for quite a while was the chair. Again, a faculty member I never had a course with, but we’d interact quite often in the Economics Club. George Constantikopolis [sp] was a fellow who had come to the United States, who had been an attorney and I believe a judge in Greece. In mid-life came to America and went to Columbia, took his doctorate and then came to Rutgers-Newark. Now I’m sure there are other side roads in that life map, but he taught for the most part international economics, international trade, comparative advantages. And that was perhaps the bulk of the department at the time. It was a small department which had a lot of character. If you were in the department, you knew
people in the department, you knew almost the entire faculty. I’ve missed a few, some of them very important. There was Morris Beck on the faculty. Morris was a public finance theorist and very well respected in that area. And my only real interaction with Morris was I needed to get an advisor to sign my course request card, and I went to Morris since my advisor at the time was not available. And Morris sat down very carefully with me and looked over my course list, prospective courses: economics, topics in micro, things which would make an economist smile and say, yes, that’s the right thing. And then besides was Elements of Intermediate Physics II, and I had a course in mathematical physics. And he turned around and said, “Peter, what do you need this stuff for? Why are you taking this?” I would respond thinking that maybe he didn’t like what he was seeing, that this would be great for an economist because it would develop mathematical skills and the program. And Morris would sign off, and then I would need to get my engineering physics advisor to sign off as well. And he would ask me why am I taking all these economics courses for a time now. They were developing an intellectual mind which clearly was what they wanted in physics. So both would sign off, and I always felt that I was getting away with something and not realizing that I had the best of both possible worlds. Because at the time those who went on to do graduate work in economics often had strong undergraduate training in either mathematics, business, or engineering. That was what it was like in the department in economics. And it was, again, a strong department, very capable teachers.

I was not aware of the amount of [break in recording] lots of organizations and clubs. And it seemed to me that I always had the opportunity to be involved in them. There were fraternities and sororities, which I was not a member of, but I was involved in the Observer, the student newspaper, at the time. I ended up being the photo editor. And it was sort of a nice thing to sort of round out my career at Rutgers, something sort of nonacademic. And we ended up doing lots of interesting little things. At the time we thought we were sort of mainstream, writing great, important pieces—important to at least our students. But the editor in chief was perhaps my best friend at the time, Robert Gregg; and another one of my friends was Eugene Barrant, who was another economics major. We were all involved with the Observer. And so when we weren’t in class, we ended up going to the Observer office, either to do some work for them or to socialize or to grab a desk in the back and do some reading. There were lots of non-economists, non-engineers, and non-physicists involved. In fact most of the people there were non-engineers, non-economists. It was an interesting potpourri of people, and you had a chance to meet with others and socialize. There were parties hosted by the college at the time. They had some dances, perhaps more than I’m aware of the Newark university hosting now. I don’t see big signs where the university’s hosting parties anymore.

COHEN: Were these chaperoned affairs?

LOEB: The deans were there.

COHEN: Yes.

LOEB: I remember because I was supposed to take a picture of people in the audience watching the film. You’d have a dance going on on one floor—by now this was 1967—the student center was open. That was the only new building. And on the first floor maybe they’d have a dance; on the second floor, or third—second floor, I guess—they had a large room where they showed
some old movies. And I was asked by the editor-in-chief to take a picture of those in the audience. So we had a very large camera with a large flash, the whole photographic equipment weighing almost as much as me. At least it seemed that way. And I went in there and took a picture of the audience with this huge flash. And who did I blast right between the eyes but the dean of the college. So the dean of the college was there, and he knew I was there. And I gather he didn’t hold it against me because I graduated nonetheless. Deans were there, faculty were there. Now, afterwards fraternity parties went on, but I was never very much involved in that. So I guess I can’t speak too much about it. I went to a few. Some of my friends were involved. So I would go as a guest, but not as a member. But there were students who had apartments in the area and quite often after an evening on campus, we would adjourn to someone’s house or apartment and chitchat and, you know, have a beer.

COHEN: When did the, I guess the rule of *en loco parentis* wane?

LOEB: I suspect it waned after my leaving Rutgers. I think perhaps—maybe I’m suffering from myopia here. The student body, of course, was a lot different than now. Not just the student body, the population in general, I would say was much more conservative. Students drank, yes. But I would suspect it was more of an exciting evening out as opposed to partying as usual. Again, I may have a bit of nearsightedness because your experiences quite often are tailored by your friends. And my friends at the time were very similar. They were either going to law school or graduate school or one of the health-related schools. And they were all fairly hardworking. And an evening out would be going to the movies—movies or bowling or do things which most youngsters would still do today, young men and women. And going out for hamburgers and sodas was not uncommon, as opposed to going out for a beer. It was unusual for us to go out for a beer. Now that may just be because of the group that I was involved in, and I wouldn’t be surprised. But most people going to Rutgers-Newark at the time were very professional-oriented, they were going to go to law school or business school, they were going to make something of themselves, and they were going to work real hard, and they took things very, very serious. And the nature of the school was very serious. It was a commuter school, and quite often, as I said, after studying, we would go to someone’s house. That meant that there was supervision because their parents were home. It was not like going to a dorm. There were no dorms. The nursing school housed some nurses in apartments in Newark near the railroad station, the Colonnades I believe they were called... Some nurses had apartments. But it was unusual to be living on or off campus. It was common to be commuting from home. Many of us used to get together on weekends when it was summer and go deep-sea fishing, you know, when classes weren’t in session, you made strong friendships. And I have friends to this day from—in fact my best friend—was a graduate from Rutgers. And that was not uncommon. The friendships were very strong, quite often dependent on someone to get in, to catch a ride into Newark. Or if you were going home at night, if you were in the lab and it was nine or ten o’clock at night, you could walk with someone to the train station. Many of us didn’t have cars. So we relied on public transportation. And the cars we had quite often were wrecks. They were old jalopies held together by baling wire and whatever. Part of the fun of it was fixing it yourself.

The other thing which was perhaps interesting was the amount of employment involved. Most students looked actively for jobs in the summer. During the academic year it was not unusual for people to have part-time jobs. I think it was unusual to have a part-time job where you would
work more than fifteen or twenty hours a week. And that no longer holds true at Rutgers. It’s my perception that many of our students today work close to full-time jobs. It’s not unusual for many of my students to work thirty to thirty-five hours a week. And in so doing, they lose some of the pleasures of university education, the chance to sit back and think about what do all these things mean? Not just learn it to pass the course, but learn it to become a leader. Sit back and think about, how do things fit together in the universe? To philosophize on the nature of the universe, if you wish. That’s missing for many of our students today. I think we had a greater opportunity and greater access to it in the sixties.

COHEN: How were you able to exercise that philosophical faculty during that time? What were the forums that you used?

LOEB: Again, many of us met either in university facilities, in these lunchrooms or what we might consider today as our student center of the time was the basement of this old banking building. And we would just sit around and talk. I mean after doing lots of classical mechanics in a physics course, you needed a break. Clearly you didn’t want to talk about this continuously. So there was always the option, Did you read this thing which we read in Zaka’s class? What did you think of that? That’s sort of a silly thing. Yes. Amazing this guy Lucretius was talking about particles. Or how he philosophized on how sight occurred in the human being. It was fascinating. And so you had small group discussions. It wasn’t necessarily something formal; they happened all the time. Also traveling to and from the university. I took the train, and it was quite common to meet friends on the train. You noticed I think in the transit those times two groups: there was the business group, the lawyers, the businessmen going into either Newark, as a financial district, or to New York, who sat generally in groups of four with a big piece of cardboard on their laps playing cards. Then there was the student group. And the student groups generally sat two together and chatted. Or would have sometimes cross-aisle discussions with four or more students either on the courses they were taking or what was exciting on campus at the time. A lot of it was very informal. Again, a commuter school with all of its problems, and yet a very strong faculty in the sense of willingness to be available to students, and the students themselves were an interesting group of individuals. As I mentioned, very, very success-oriented, whatever that meant. Went on to be lawyers, engineers, chemists, physicists, whatever, and they were going to succeed. Or drop out trying—or not trying as the case might be. It was a serious place.

COHEN: Are you’re saying…. Well, how would you say what are the outlooks of the students of today compared to the students you’ve just described?

LOEB: Well, I think Rutgers-Newark offers them the same thing it did to my group. My group, at least the ones that I can think of, for the most part were Americans who now were the first in their families to be trained at an American university. Many of the parents of my peers had academic experience but in the Old Country. Many of them at the time, many of them were students of Italian background, Jewish background, immigrants from Europe, Greeks, several from the Ukraine. Children of immigrants. Or, children of parents who never had an academic, advanced academic training because the economics of the time did not allow them that opportunity. I suspect—I don’t suspect, I know that’s true with many of our students today. Their backgrounds may be different. Maybe not. We still have many people from European backgrounds. But clearly there are a much [more] heterogeneous group of people coming to
Rutgers now—Newark now—who have an opportunity just as we did then. And it’s a good opportunity. The faculty I think is a little different. The orientation of the university is different.

COHEN: In what respect?

LOEB: Well, I think right now not only is research a very, very important attribute of the faculty, and it may very well have been back in the early sixties, but the students weren’t necessarily aware of that. While I was aware that my physics professors were doing experiments in solid state physics, I was not—and I was aware of the phrase “publish or perish”—but I didn’t take it to heart too seriously at least. I think our students today recognize the amount of research that their faculty is doing, and they recognize more and more how much the publish or perish factor is in retaining faculty. We were not that aware of it. At least I was not that aware of it. The university always had—at least the people that I’m familiar with—when I was a student here, faculty had office hours. And if the faculty member was in and didn’t have office hours and he wasn’t swamped with something else, he or she would still see the student. Of course he tried to go during office hours. But the times we did go to see a faculty member, they were available. I can speak of our department in economics. Now I think we could describe it as an open-door policy. The doors are always open of the faculty members, for the most part. And students wander in. When you’re not having office hours, they’re still invited in. And that’s a great asset to students, especially in the commuter school. I think in other universities that is not the way one would describe the faculty. The faculty here are available to students. That provides the student—plus the quality of the faculty here—provides them with an education equivalent to what they could get at many other places more of an Ivy League-ish reputation. A student who wants to work, is really going to work, can get as good an education here as anywhere else. That was true back in the sixties, and it’s true to this day.

COHEN: Has the scholastic standard of faculty changed over the years that you have been here after you came back in 1973 as a faculty member?

LOEB: Well, once again, I remember, in terms of young faculty, Jack Osborne, was a new Ph.D. He was finishing up his doctorate as I was finishing my bachelor’s degree. And he was a real bright guy. And I remember when he decided to leave Rutgers, and he went off to one of the state colleges in California. And then having taken several courses with him, and he having been my mentor, so to speak, having directed me towards graduate education at his alma mater, he often took me into his confidence and told me a little bit about what was happening with him in the sense that he was going out to California, and they were going to pick up the tab for moving him. And I was very sorry to see him leave. I was sorry selfishly that I was being denied access to someone I had great regard for and great respect for. And I knew—he was very helpful to me. And I was also sorry to see him leave because I thought he was a good asset to the college. Here was a guy who clearly could publish, clearly teach, and I knew he did both. I really can’t tell you much more about the research done by the faculty when I was a student. In retrospect, I can comment on it as a faculty member I’m aware of what they were doing. But as a student, I knew they were doing things, but it didn’t have the same punch as it did two years later. When I was a graduate student, I became aware that these guys were writing in prestigious, scholarly journals. Leo Troy wrote in many of them. Jack Cullity was another one. I didn’t mention him before. He was on the faculty when I was an undergraduate. And another real hardworking, bright,
enterprising economic scientist. He did work in business cycles. And I didn’t really become aware of how good they were until I got to graduate school. No one is. I think when you come to a place like Rutgers-Newark, at least then, you say, well, I’m going to Rutgers-Newark. I’ll take so long. We tend to be our own worst enemies. We don’t recognize how good the institution either is or what good the institution can provide us. The first course I had in graduate school was a class in micro theory, which is one of the backbreakers. It’s what they weed people out with. There were about fifty people then, most of them in a Ph.D. program. It was the first time I saw people flunk exams en masse. And these were people who went to good institutions: NYU, Columbia, all good, military academies. They were people who were pretty bright. And they weren’t able to hack it for one reason or another. I had no difficulty, not wishing to pat myself on the back. It’s purely descriptive. I found I had to work. I went in thinking, as most people do, that I knew a lot. I thought I knew a lot graduating with a bachelor’s degree. I had studied Keynes, I had studied Marshall; I had studied classical and Keynesian, neo-Keynesian, and I knew this stuff. And I knew some math besides.

The first day in graduate school you learn you don’t know anything. You think you know something and then you know the words, and you know sort of the generalities; but the particulars, you really don’t have an idea on, and you really don’t have an idea of how science is conducted. Well, what did I have? I had an ability to learn on my own. What Zaka had said was important. Somehow I managed to pick up. I was a leader of myself. I was able to figure out how to do things. If I didn’t understand this guy’s lecture, I knew how to fill in the missing holes. I knew how to use a library, and I knew how to use computers; I knew how to help myself. To the point where we had group discussions and we elected discussion leaders, to my amazement I ended up being one, which scared me at that point because I was convinced after the first four weeks of graduate school that I really didn’t know anything and shouldn’t be a leader of a group. Then I found out that relatively speaking, I was well prepared and really didn’t have a hard time. Now again, I had to work hard. But I didn’t have a hard time doing well. And I was used to working long hours, used to being serious. And that’s to some extent what Rutgers-Newark prepares its students for. The students who come there, they’re commuters for the most part. And you have to be willing to work. If you’re willing to work and you have something, some intellectual prowess, then you’ve got a lot going for you. That’s what I had going for me. What I had going against me, initially, was I didn’t know as much as I thought I knew. And perhaps that’s part of maturing is that you realize those things. But perhaps I’ve gotten off the beaten path.

COHEN: Oh, that’s okay. The other part of the question was in the early seventies there was an increased effort as a part of affirmative action the enrollment of minority students into Rutgers in Newark with the takeover of Conklin Hall, which was a major event. You came back as a faculty member in 1973. You left as a student, graduated in 1967. There’s a hiatus there of six years. What changes did you perceive in the preparation of the students that you were teaching?

LOEB: A tough question. The school is smaller in terms of enrollment from when I was a student. I think we had maybe…. When I was a student there was at least…Early seventies I bet we had eight hundred or more undergraduates than we do now. That’s my perception.

COHEN: I’ll have to check on that. That’s your perception, huh? Yes.
LOEB: Yes. We are smaller. In terms of class sizes, I have large classes. I think I have larger classes than… I had larger classes as a professor, you know, than I did as a student. It’s not uncommon for me to have fifty or more people in the classroom.

COHEN: In advanced classes that you taught?

LOEB: For example in econometrics, which I taught just this summer, I had upper thirties. When I have a class of twenty-five, I find that I’m thinking of it as sort of a seminar. I’ve gotten used to large classes. I’ve had statistics classes with a hundred or more. And I don’t do that anymore because it’s so unfair to the students. But, economics does not have a small supply of students because we end up serving the business community. We do have more minorities here now than when I was an undergraduate. Minorities in the traditional sense. Minorities in the sense of that we have more black students and Hispanics than when I was a student. However, my class president I believe as an undergraduate was either Hispanic or of Spanish origin. I don’t recall. I mean we had some students like that. But we were all not minorities in the sense of today’s standards. But we were all first-time academic, enlightened experiences. We did not come from homes where there are three Ph.D.’s in the family already. We came from homes with many blue-collar workers. We came from homes where there were professionals. But many of those professionals were trained in Europe or trained in the United States going to evening school, going to night school. It was not unusual. To that extent there was great similarity. The drive, I think, of many of our students is still there. I think we don’t have as many people—my perception is that many of our students don’t have the same experiences as my group. My perception is that the group that I hung out with—and clearly now I may have some statistical error because I have some pre-selection bias—when you look at the people whom I hung around with and you look at them now, many of them are well-respected, well-to-do businessmen, lawyers, or whatnot. So this may be a small sample problem. But many of them had tremendous determination to succeed by grabbing for that golden ring. And were quite willing to take math courses. There was never a question: Do you take calculus? Even if you were an English major, you took calculus. Why? Because that’s what you did when you went to college. Maybe that was wrong. But it wasn’t just physicists and mathematicians in Calc 101. There were a lot of people who were really there to get as much as they could out of the educational opportunity. And my point was, I think that my group, which may be biased, many of them probably got accepted or could have been accepted at institutions which had at the time…..

[End of Tape #1]

COHEN: We’re back again. We were talking about….

LOEB: Trying to describe the student body.

COHEN: Yes.

LOEB: Many of the students were accepted at places like Rutgers-New Brunswick, Stevens Institute of Technology, institutions of that reputation or better.
COHEN: Why would they come here?

LOEB: And I suspect many of them came here because of financial reasons. Which is probably why many of our students come here today. They can have access here by having a car or a token on the train, and they were here. The price was right although many of the students had to work to pay for tuition back then. And they had an opportunity to get a good education. The school was well respected. We had lots of students from the neighboring towns around Newark, Irvington, the Oranges, Morristown, people traveling twenty, twenty-five miles from New York, Jersey City; lots of people traveled more than three, four, five miles. They traveled relatively long distances. And the transportation system was set up so you could get student discounts. You could buy a monthly train ticket, for example, at reduced rates. And many students would take advantage of that. We also had required gym. You had to play gym three days a week or something like that.

COHEN: Required—?

LOEB: Gym.

COHEN: Gym! Physical education.

LOEB: Yes, yes. And there was swimming, and you had to do bowling, wrestling, you name it, we had to fool around with lots of this stuff. And I look back at it, and, you know, it was sort of silly in a way. If you thought you were doing it because you were going to, you know, do a body building exercise. But it was some fun. And it did break up the tension in a college which was very commuter-oriented. And it gave you a break, and it was sort of fun even if you laughed at it. But it was a fun experience. It wasn’t—you know everyone kidded that it was silly, but you took it seriously. But anyway, getting back to the students, there were a lot of students who came here purely for financial reasons or for family reasons—they were close to home—and that’s why they came. They came from, as I said, surrounding neighborhoods as well as twenty miles away. I suspect if you were going to go to Rutgers and you were in the northern Jersey, you would have a great incentive to come to Newark. If you lived in Central Jersey, you’d go to New Brunswick, assuming that you were going to be a commuter.

I’m not sure that that description of the students remains. Many of our students come here now that have really poor mathematical skills. And my guess, being a professor of statistics, is not—they’re coming in with poor quantitative abilities. That doesn’t mean nor am I implying that they’re not smart kids. They are smart kids for the most part. They’re not geniuses. There are very few geniuses, though, in the world, very few. They are capable kids that just have not had the opportunity to have math as part of their everyday life, either because they’ve been told, oh, it’s not for you, or they decided that themselves, or they’re very fearful of it. I suspect a lot of it has to do with their education up to their college involvement; whether their education was at home or in the schools. But I can tell you that there’s something very different between our students today and our students twenty years ago in my perception. Again, my perception was as a physics, engineering and economics major. So math was sort of like a tool—I wasn’t a mathematician—but something which I didn’t run away from. This is a tremendous disadvantage for our students. And what I find happening in statistics, is that if you can grab someone and
tickle them a bit, tickle their thought-process, they pick it up. Many of them have never really been allowed to question anything academic. They’re just used to listening to someone say something and then regurgitating it. Which is common even twenty years ago. But more so now. They’re much more fearful of trying something new than we were. And it’s a shame because they’re the future leaders.

COHEN: Has there been any—can you comment on the degree, if any, of grade inflation during the seventies and beyond? If such a practice has occurred.

LOEB: You hear of that quite often. And I suspect if you look at the registrar’s list, one could solve that; and I don’t know the answer in the college. Clearly those are the things that you hear, and I wouldn’t be surprised to find grade inflation. Clearly that’s been a problem, not just at Rutgers but elsewhere. But I can speak of economics. And I think it has always been hard in economics—probably this is true in physics as well, and I’d better hold off. In economics I know it’s hard to get an A. If you work, it’s probably hard to flunk. But it’s probably hard to do real well just by grade inflation. So I can only speak of my department. I think if one gets an A in our department, it means that person really knows something. But obviously the problems with grade inflation is something which affected universities in general during the sixties and seventies. And perhaps we’ll have to address that in the future as to quality of the people which we—not we here at Rutgers, but we as an academic community in general. We haven’t addressed that question yet, and we’re going to have to at some point. Or the business community will by judging things on different criteria. I’ve been very careful. I think my department has been very careful about inflation.

One thing I meant to mention when I was discussing faculty at Rutgers, and perhaps it was most noticeable in the seventies when I returned to Rutgers. At that time I don’t think there was a real strong emphasis on hiring minorities or women. Or if there was, it was just beginning in the seventies. The Economics Department at Newark was perhaps unusual. As a student, there were women professors in economics. And a large percentage of the faculty were women compared to other faculties at other institutions. The chairman was Professor Helen Cook, who wanted to be called chairman and not chairperson; that’s my recollection. Helen was a wonderful person. In fact—well, I’ll get to that momentarily. Besides Helen there was Eva Hersh, who was a professor of economics. And Beth Nimi, who must have joined the faculty after I graduated and before I returned as a faculty member. So there were three women on the faculty. There was another woman we hired, whose last name I believe was Ezrati [sp], who did not remain at Rutgers, who went, I believe, to General Motors. Her husband worked in New York if I recall, and had a better job opportunity outside academia. So there were a lot of women in the Economics Department. Over the years we’ve lost them. Now we would actively attempt to look for women, we’re having a much more difficult time of it. Beth Nimi died several years ago—very sad situation. A young economist, a bright young lady, and we lost her. Eva Hersh is retired as is Helen Cook. And the department now does not have women in it. As hard as we’ve attempted to hire them, it’s just been very hard. We had one black—well, we’ve had several black faculty members, but we don’t have any right now. And it’s getting harder and harder to hire blacks, for example, because black PhDs are few and far between, and they become very, very expensive commodities.
COHEN: Did the black faculty go up for tenure, or did they leave before a tenure decision had been made?

LOEB: When I said expensive commodities, I used it as an economist would. The services they provide are very expensive obviously. We had one fellow who left two years ago, James Peoples. He joined us after her completed his doctorate at Berkeley, and he was renewed only for one—I believe it was upgraded to a two-year period or a second contract. And prior to that running out, he left Rutgers to go to University of Wisconsin but not in Madison, at one of the other campuses. And he’s missed. He’s very nice, cordial and hard working young man. And we’ve had some difficulty retaining minorities.

COHEN: How did the department go about recruiting minority members, women, to fill the Affirmative Action requirements of the university?

LOEB: If I had to describe our department, I would say by and large it’s a straight-arrow department. There are rules which must be followed which are stipulated by the university or by the profession or by common sense. The problem with common sense may be that it’s not too common, but be that as it may, we advertise in a publication called JOE—Job Opportunities for Economists inviting applicants to apply. The university criteria are established that affirmative action, and all the right things which have to be stated, both as a moral, ethical, and legal issue, as well as what we want. We were going to get zillions of applications, and we go through them. And we look for who we think is the best for the department hires, the college, and the university. It’s obviously easier to determine if the applicant is a male or a female versus a minority or non-minority, excepting, of course, Oriental names or certain name types. But we then go to the meetings, and we attempt as a faculty to interview. We try to have all of our, or at least the majority of our interviews set up prior to the meetings so that if I’m going to interview with you, if you’re going to interview me for a job at Rutgers. We’re going to have the interview on Monday morning at ten o’clock to ten-twenty. And that’s my window of opportunity. And there will be—usually when I’m involved in this thing…usually there’s at least two people involved in this interview—sometimes three or more depending if it’s local. If it’s local, we all try to get in. If we have to go to—if the professional meetings are in Atlanta, usually budgets require only one or two sent by the college. But many of our faculty attend these things. And although they’re not paid for it, they show up to help interview because it’s a big job. The purpose of that interview is sort of find out what’s there. The forty or fifty people that end up interviewing in a two-day period, you’ll have an idea of who you think will fit the bill, we then invite them to come to Rutgers. We have to get the dean’s permission because of the costs involved.

But those people are then invited to the campus to meet us, to give a presentation, and that’s true of all of our candidates: minority, non-minority, male, female, it doesn’t matter. And based on that, we try to make a determination. And as a faculty we discuss these things. It’s not done cavalierly. And we go down, and we ask the candidates then to meet the dean and the powers that be. And a decision is made to offer or not offer. We’re finding it very hard to recruit women. If you are a female economist, the demand is high and the supply is small. How do we induce them to Rutgers-Newark? Well, there are lots of reasons to be at Rutgers-Newark. You’re close to New York, which means you’re close to the National Bureau of Economic Research, you’re
close to Columbia and NYU. There’s a lot of professional reasons. There are a lot of social and cultural reasons. Like one of the things which we probably need to do is enhance the green tickets, the salaries. Because certain groups are paid more than others, and that’s the way life is. You can say it’s unfair and all those things. But it’s difficult. There are fewer and fewer black scientists being graduated. And the ones who are graduated from good institutions can command lots of financial and non-financial returns for their investment in education. And it’s hard for Rutgers Newark. But we are actively looking now. We always have been. Right now we’re not hiring, but we’ve done so in the past. We think of ourselves as a good place to work. It’s a very cordial department, the Economics Department.

COHEN: In recruiting for affirmative action purposes, what publications are targeted, if you can recall?

LOEB: Well, if you’re going to…. Any well-trained economist going into the job market is going to be aware of this publication called JOE, and that is the main one which we would have targeted. The other thing is word of mouth. We call up dissertation advisors at various institutions. And we have within our department people that have graduated from Columbia, Brown, Yale, Rutgers-New Brunswick, City College. I mean it’s a vast grapevine. So it’s not that hard to get word out. Now today, of course, the academic market is fairly dried up. So even for minorities perhaps and/or women, if you want to put them in that group, they would become aware of us. But there are other places as well.

COHEN: In hiring and promotion of women and minorities, to what extent do university affirmative action requirements influence their decisions?

LOEB: That’s a tough one. I really don’t know if I can even answer that. I suspect—I can answer it as a member of a department.

COHEN: Yes, yes. Of course.

LOEB: Okay. And once again when we have a young person join us, and for the most part assistant professors are young and they’re not people who’ve been in the business world and then come back after thirty years, they are advised by the faculty of what is expected of them. And what is expected of all our faculty, in my perception, is gender-free, race-free, any of these things free. My understanding of what’s required for promotion is you have to have—there are three criteria. The university criteria is to provide, right in the beginning, teaching, scholarship, and service. And they’re made to understand—they clearly are made to understand—the importance of research. What else is done? Most of us not only urge our younger colleagues to great productivity, to start writing as soon as possible, but offer ourselves as sounding boards and as readers of their manuscripts prior to submission. When the manuscripts come back—and I can speak now not just on the minorities, but for any of my colleagues who came to Rutgers after me, offered to read the comments of the reviewers and try to help them understand what’s required. So you try not only to tell them what to do, but you try to provide some guidance on writing the stuff. And to the extent you’re successful, you hope that they will meet the muster—pass muster.
The criteria for minorities in theory I think is the same as for anyone else. I think on paper...I really don’t have too much of success stories to report on my colleague and friend, James Peoples, who was not reappointed. He’s a black economist. And I think it’s very difficult to start publishing when you come out of a PhD program. James came to us. He was a very young PhD and one of the things you have to learn is after having written something, the willingness to throw half of it out the window. And that’s a tough thing to do. Okay? It’s a very tough thing, to take a thirty-page document or a forty-page document and make it twenty pages. I mean you can cut, you know, some of the adjectives here and there. But that won’t cut it in half. You’ve got to throw something out. What do you throw out? How do your resurrect the part you threw out? I think it’s a tough thing to do. Plus again, I’m basing this on a small sample.

COHEN: Sure.

LOEB: Many of our faculty come, and they want to be teachers. And they spend an inordinate amount of time with their students. They are really dedicated. If you are very dedicated and you go home exhausted and you have to spend an hour helping your wife with the kids before dinner, and then you have dinner and you help clean up and you put the kids to bed. If you don’t have kids, you spend some time with your wife. Or if you don’t have a wife, you spend some time doing whatever it is that you would normally do. It’s ten o’clock now. Now you should sit down for two hours and work, you’re exhausted. You’re just not going to do it. It’s tough. It’s a tough game we play in this academic business. If what you want to do is be the best of all possible worlds, something’s got to give. And my perception is tenure will give. It’s tough. And I think it’s getting tougher.

COHEN: Are you saying that the pressures to teach in this school are greater or—could you comment on that—than in other places? Or the combined teaching and research?

LOEB: I wasn’t really necessarily.... That’s a separate issue. I think many people come here, and they say, gee, I’m going to be a great teacher. And I think that’s a great thing to say, and it’s a great thing to do. But it’s a lot of work. You come here as a graduate of any major university, how much teaching have you done? Well, you’ve taught a course here or there. Now you’ve got to have at least two, three preparations. Maybe four in a given year. That’s a lot of time. You’ve got to have office hours, you’re going to put a lot of time into it. And it’s not so much the time in preparing, and it’s not so much the time in presenting the material; it’s when you’ve done all that, you’re tired. And now you’re going to sit down and do state-of-the-art research, it’s a tough thing. You’ve got to learn how to allocate your time so that you can be a good teacher and a good researcher and a good servant to the community. And your time becomes a very precious commodity, and it’s a hard thing to learn how to manage.

COHEN: Well, how does the situation at Rutgers, specifically at Rutgers in Newark, differ from the situation in let’s say Rutgers in New Brunswick or other institutions which Rutgers attempts to emulate.

LOEB: Well, we have the same promotion criteria as New Brunswick here in Newark. I know that’s true. I know that’s what the university says as well. But I’m pretty sure that’s true—clearly in economics. The differences are that the classroom requirements, the number of classes, the
number of preps, it’s my understanding, have been different at Newark and New Brunswick. I
can’t talk of Camden. I’m even less informed with Camden. Now, it’s true that sometimes New
Brunswick faculty have fewer courses, but they have larger courses. So you might say, well, in
terms of FTEs they balance out. Of course in New Brunswick they have graduate teaching
assistants which we don’t have in Newark, at least not to the extent available as in New
Brunswick. They’re not the same kettle of fish.

COHEN: Talking about the Economics Department, huh?

LOEB: Yes. And I think that’s true in many departments. New Brunswick’s Economics
Department is at least forty-five, let’s say; it’s in the forties. We have a much smaller
department, closer to ten. New Brunswick’s faculty at one point I heard was around fifty, maybe
a little more. And that includes part-timers at the graduate school. So these are people with PhDs
who are at big industrial—have big industrial positions who work part time at night. Not so
much for the money, I suspect, but for the privilege of being at a major research university.
There’s a certain excitement about that, and some people like that. Although some people do it
for the money as well. [Laughter] The requirements are the same; the resources available are
very different. And that makes it tough. Even if what I said is not true, the perception is that it is
true.

COHEN: Mm-hmm. Yes.

LOEB: And so psychologically people come up to that, and there’s tremendous fear of the
promotion process. I think part of that fear has been what’s important? I’ve got these three
criteria. What do I need to do to satisfy the promotion requirement? I need to be a good teacher.
Okay. I have teaching evaluations; I’m chairman. Someone else sits in on my class and tells me
something, get some feedback. [Break in recording] there that the individual doesn’t know
exactly what is enough. However, that’s true of all applicants. So if you don’t know exactly how
many to publish and I also don’t know, we are on the same—we’re running the same race. And I
guess what you have to do is to run as fast as you can and then some. Is that fair? Tenure is a
funny thing. Once you have it, you’re not willing to give it up. However, I’m not so sure that
tenure by itself is such a great thing. Forgetting the questions of the political sensitivities, if you
were working at Bell Laboratories where they do not have tenure and you were there for twenty
years and you do your work every day, you’re not going to be fired on the twenty-first year. You
have sort of implied tenure. And which is true of most industries unless they go bust; but that
could happen at an academic institution as well. Hopefully not here. But fair? Life is tough.
Better than its alternative. That’s my value judgment. I think you try to make it fairer—at least
what we do in our department is continuously tell those around us what is expected. And not just
browbeating them. It’s encouraging them to write something up and to give it to you so you can
comment on it and help him address the referee’s comments where they come from the scholarly
journals. So the individual knows exactly what the guy’s looking for. As well as what to throw
out.

COHEN: What changes have you seen in the grievance procedure?
LOEB: I haven’t really been involved in the grievance procedure. But my understanding is that
if you win your grievance and you win the right to go through the same trouble all over again but
this time those who denied you will know what not to do if they still want to deny you access,
that’s, I mean, it sounds like I’m browbeating now the administration. But they have a task to do as
well. And I don’t claim to know what their charged to know.

COHEN: How would you assess the AAUP’s role in the whole grievance procedure and as a
collective bargaining agent for the faculty?

LOEB: Well, as you know, we concluded just recently a recent contract which was concluded
after the previous one had run out. I’ve been at Rutgers since seventy-three as a faculty member,
and I have a hard time recalling when we’ve had contracts completed in a timely manner. Maybe
it’s happened once or twice. But I recall mostly…. You asked me what do I expect to happen on
the next contract. I do not expect it to be completed in a timely manner. That’s my expectation.
Is it the AAUP’s fault? No, I think it’s easy to say, well, they’re at fault. They’re the union,
they’re the bargaining…. But, we’re in a funny business. We provide a service to the state, to the
country. And most of the faculty here take it seriously, the ones that I know. What could they do
to tie things up? Well, they could strike or they could threaten to strike. And I believe New
Brunswick threatened to strike prior to the recent decision to pay the contractual salary increases.
But Newark was not asked to do that. I don’t see our faculty to be very headstrong and willing to
go on strike. I may be wrong, but that’s my impression. I think they think of themselves as
professionals, as they are, and they’re a little reluctant to go on strike. Well, what bargaining
chips are left to any bargaining unit, then? It’s a tough one. So it’s easy to say, gee, they didn’t
do great because most contracts are not concluded on time, and clearly I don’t get as much
money as I deserve. I mean they should’ve got me more money. Am I satisfied? Not really. Do I
have something better to suggest? Not necessarily. Alternative bargaining units might be more
militaristic. I’m not so sure that that’s what I’m looking for. Alternatively maybe what we should
do, you might say, is do away with bargaining units and have administrators bargain individually
as they do at some institutions.

COHEN: Yes.

LOEB: Well, I’m not sure that that’s appropriate either. So my crystal ball is sort of cloudy on
this. And the amount of cloudiness changes yearly. Some years it’s less cloudy; I think I know
better what’s going on. Other years more cloudy. But again, the person who might really know
quite a bit about this is—you may have interviewed him already or plan to—is Leo Troy.

COHEN: Yes, I do.

LOEB: He knows quite a bit about this now. I don’t pretend that that’s an area of my expertise.
And the AAUP has its problems. One of the problems that I have with it is when it tries to be a
bargaining unit for everyone working for the university, including TAs. Now that sounds mean-
spirited, but the extent to which there is a given body of money available, the amount that you
give to the TAs diminishes the pot which is available to others. So how can one bargaining unit
defend both, you know, separate demanders of the pie. I’m not sure it can do that. What it should
be doing is aggrandizing the pie if you will. If the pie cannot be made bigger, then it has to try to
disperse a given set of funds among competing groups within its area of influence. And clearly the faculty is not helped by that financially. Emotionally maybe, but that’s a different issue.

COHEN: Talking about funds and resources, in the course of other discussions I’ve had the issue of university support or lack of support of the—was it the Business Cycle Development Center under Geoffrey Moore?—has come up. And I was wondering what your perception of that event is.

LOEB: Okay. This was the late seventies.

COHEN: I believe so.

LOEB: And Geoffrey Moore previously was at the National Bureau of Economic Research and the federal government and had taught many other places. A very well-respected individual in business cycles. He may be the business cycle person of his type in the country. He joined Rutgers in I think it was the late seventies, someplace in there. And clearly a prestigious guy. He brought in funds. I believe most of what he did was to be paid for by funds generated through contracts. He came during the time when the economy wasn’t that great. And still he brought grants in. And he had lots of difficulties with obtaining appropriate computer time. Now you might say what’s the big deal? He does a lot of stuff which requires charting of various economic indicators. And to do that you have to have large data sets which have to be managed by fairly large and sophisticated computer facilities. Not only do you need the hardware, there are certain software requirements. And it’s my understanding that he thought Rutgers would provide him with these facilities in an expeditious manner. And until he was able to get onto the Rutgers machine, he was renting space I believe off of the MIT machine, paying real money—real meaning we’ll get a bill and we send out money. Funny money as we called it when I was a graduate student when you get a grant at the computer center. And those are real resources, and they have to be allocated to doing research, or doing what Geoff Moore does or what Peter Loeb does. There’s a fixed amount of computer time available. There’s only twenty-four hours in the day, and only so many ports on the machine. It can only handle so many jobs per unit period of time. So there is an economic question. But it would be much cheaper to do it on Rutgers’s time than going outside. It caused tremendous problems. Moore was continuously in the newspaper while he was with us—as he is today. When I say in the newspaper, I mean this was a real prestigious guy. The New York Times, the Wall Street Journal, other local newspapers calling him up all the time asking where are we going to be with regard to the business cycle? When are we coming out of a recession, out of inflation? In fact he’s one of the few people who are on the committee which times business cycles. I mean he’s a real hotshot. Happens to be a real nice, mild-mannered individual and a graduate of Rutgers.

COHEN: Oh!

LOEB: He graduated—I believe he took his Master’s at Rutgers, and his doctorate’s from Harvard. A very gentle soul and a real smart guy. And with the financial problems which arose, he moved from Rutgers and is now at Columbia University. Now some might say that that is a lowering of one’s stature by going to Columbia from Rutgers. But be that as it may, I think we could have acquired a lot of good things had Moore remained with us…not the least of which
would have been great publicity. A very able scholar, publishes all the time. He’s a man in his seventies and works as if he were an assistant professor running for tenure.

COHEN: Was this simply a question of just no money available to support this man or the center, or what? Why did the university let him go?

LOEB: That’s a good question. I really…I’m really the wrong person to ask because I was not privy to those discussions. It’s my understanding that his appointment was between the GSM—Graduate School of Management—as well as the graduate school or the College of Arts and Sciences. Or some sort of joint relationship. And I think there was in there understanding of where moneys would come for financing this. Clearly—I don’t believe he had a line. And clearly finances can’t be ruled out. But I’ve been here long enough to know that Rutgers can do what it wants to do. This is a major university, and I suspect that someone had a decision to make and decided they were not going to expend moneys on computer time, for example, to bring his system up to snuff on the New Brunswick mainframe. Or even the mainframes, the VAC machine for example, housed at Newark.

COHEN: Was that the main cost problem, computer time?

LOEB: I suspect that that had to have something to do with it. Again, this is speculation on my part.

COHEN: Sure.

LOEB: Jack Cullity perhaps being much more informed on that because Jack continues to work with him at the center at Columbia University. We have faculty members now who maintain their relationship with the center at Columbia, who previously were at Rutgers. And again, Professor Cullity and Professor Moore, it seems to me that they’re always going off giving talks and speeches to both professional and scholarly groups, and they’re quite different. Business economist versus professional forecasting groups. Most of us statisticians are economists. And they publish books and journal articles and things for the popular press continuously. They’re interviewed I want to say daily—not daily but several times a year by the mass—the New York Times, Wall Street Journal, well known, well respected media.

COHEN: I’ve asked that question of a couple of people like who had raised the—who had told me about this. I knew that Moore had left, you know, it was sort of cloudy in my mind. But the question still hasn’t been answered, how the decision was made.

LOEB: I think those decisions, despite their origin, were made at upper levels of the administration at Newark, maybe in New Brunswick; I’m not sure.

COHEN: Uh-huh.

LOEB: Again, I suspect there’s a lot of factors. I was very sad to see him go. I worked with Professor Moore; we did some work together on leading indicators for New Jersey to try to track economic activity. And a real super resource to have at a university. He has students galore who
want to work with him now at Columbia and do dissertations with. He’s the type of guy who in a high-tech world where most people like myself, econometricians, are used to having some mathematical model and then putting in the data on a mainframe, sticking on the machine, doing all sorts of esoteric mathematical games. I don’t mean games in a childish sense but in a real rigorous sort of methodological way of looking at the world and never really touched the data. Never really know how many little blips there were in the GNP in 1930 as we went into the Depression. How many labor union discussions were going on. Moore’s a guy who looks at the data. He says, “You know 1930, there were so many labor union and participation problems as compared to 1928.” “And how many strikes were there in 1927?” He knows that. He can tell you those things. And he has a good sense of the data, aside from the mathematical or statistical games which you can get younger people to do for you. But he’s a real smart guy and sort of a philosopher-king in the forecasting world. And he’s around with the high-tech guys, and he’s a high-tech person who knows what’s going on in the data. And that’s very unusual today. That’s what makes him a great resource at a university.

COHEN: Can you expand on that idea? High-tech person who knows what’s going on in the data.

LOEB: Well, it’s very easy to get a data set today. We have thousands of observations. Run it through a computer with fancy computer techniques and come up with a model which forecasts. Forecasts well or bad. Doesn’t necessarily have a forecast which explains something. And never really going into the history of the data. What happened in 1932? What was going on in terms of business activity…other than having a sense of what the general indicators were. Moore is the type of person, who because of his combination of intellect as well as his longevity in this business of remembering what was going on in terms of discussions between let’s say the steel industry, the glass industry or the automobile industries. What was going on with the institutional part of it as well? And a lot of the institutional part of this is missing in current-day economics. We tend to be almost engineers.

COHEN: Right. He’s combining the econometrics with the raw data with the history, is that what you’re saying?

LOEB: Yes. He knows why the data had these blips. He knows—he sees a blip, there was a strike that year in that month. And that explains why there was a downturn in output in iron and steel. He can tell you things like that without pulling out a book. He has a good sense of what’s going on. He’s knowledgeable of the history of American, as well as world, economic activity. And it’s with that that he helps build some of the indicators which his center has a great reputation in. It’s technically quite demanding what he’s doing. But he’s not—it’s not a sterile game that he plays. He has a sense of the history of economic activity, and it makes him very interesting.

COHEN: I found out that the other big program—or almost program, I gather—was the Austrian Economics Proposal.

LOEB: The Austrian as well as the business—the accounting programs.
COHEN: Well, that’s also on the agenda. But these are sort of….

LOEB: I wouldn’t say they got away. They were gleaned off.

COHEN: Right. If we have time, we’ll maybe get into that.

LOEB: Sure. The Austrian Program.

COHEN: Okay.

LOEB: Again, the Austrian Program is in the 1970’s for the most part later, mid to later seventies. I’m I guess an assistant professor, maybe associate professor at the time. Naïve of the world around me in terms of the politics of the place. And I’m not yet one of the centerpieces in the department. We had an opportunity to develop a program in Austrian economics, which is not the history of Austria, nor is it the economy of Austria. But it’s based on some of the philosophical thinking developed by economists, many of them out of Austria, who are in a tradition centered upon a set of individuals who came from Austria—or from that neck of the woods. It’s a paradigm; it is not a historical thing. It’s a way of thinking of economic activity. And for the most part most of those involved would be described as conservative, although there are Keynesians, or quasi-Keynesians, in their camp. Most of them are more conservative in terms of economic paradigms.

One of our former students was involved in that enterprise. I think it was Richard—is Richard—Fink. And he is a great entrepreneur, no doubt about it. He was a student at the time at NYU studying under I guess Kurzener [sp] who was a well-known Austrian economist at NYU. He got funding from I believe it’s pronounced the Koch Foundation. And basically what they wanted was I think two courses taught per year at Rutgers; it could be one a semester, whatever. And in turn they were going to give the institution—us, Rutgers—a goodly sum of money. I think it initially started, and I’m rusty on this, at fifty thousand dollars initially, which would have paid much more than an assistant professor’s salary at the time, and I don’t think he was an assistant professor. I think he was an instructor at the time. We must have been paying thirteen, fourteen, fifteen thousand dollars a year; I’m guessing. But much less than what Koch was giving. What was the money, the remainder, to be used for? Well, while Richard was here, we gave a seminar series or—that’s unfair; it’s not a seminar—a conference on Austrian economics in principle. But it wasn’t just Austrians. We invited many mainstream economists to come and give talks. And these people get honorariums, substantial honorariums. Rutgers would not come up with that on its own; the Koch Foundation would. It was, I believe, a two-day conference. After the first day there was dinner at I believe it was the Gateway. In addition the next day they continued, and they had breakfast at our student center, and they picked up the bill for that, too. And they were open to all sorts of people who were displeased with them. They could voice their opinion or write rebuttals. It was set up as a true academic conference. Now, I’m not an Austrian. But I was quite pleased by the professionalism of the program that was provided.

COHEN: Did the panel reflect a broad spectrum of economic thought at the time?
LOEB: I think within the Austrian group, yes. There were those who were, you might say were sort of Keynesian or liberal-type economists. Now I said Keynesian, not Marxist. Okay? I’m being very careful because there are those who might say that side of the paradigm was not presented. But from the Keynesians to the classicalists, would be more well represented. Now the Austrians wouldn’t call themselves classicalists either. They considered themselves in a setting of their own. But more conservative than less conservative in their views towards economic behavior. Their views on gold; they were very different than let’s say the Keynesians would be. Not necessarily very different, but different than many, but quite scholarly. This is a scholarly exercise. And anyway the Koch Foundation provided tremendous sums of money. It was almost as if, if my understanding’s correct, the university had a hard time making a decision of whether they wanted to take this money or not. Now, Fink would teach one course of Austrian economics a semester let’s say. And if he had a three-course load, he could teach two traditional ones, and it was expected that he would. So in effect there was a great subsidizing of the academic workload through Koch. They didn’t require that he teach just this. They just had a minimum amount that they wanted to see taught. Then he could use that resource as the university department saw fit: teaching introductory economics, statistics, whatever. And it was a good opportunity. And the potential moneys would have been much, much larger as time progressed. As it turned out, Richard Fink left Rutgers, and he went to George Mason. And there’s a high correlation with his joining George Mason and other people’s joining George Mason as well.

COHEN: He left Rutgers because—

LOEB: I think he was…. Again, it’s my understanding he was having tremendous difficulties with the administration, getting the paperwork completed for the transmission of funds from the Koch Foundation to Rutgers, with the understanding of how that money was to be used.

COHEN: Was there opposition to accepting the program under those terms?

[End of Tape #2]

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Reviewed and edited by Catherine Carey 7/15/2013