

**INTERVIEW WITH
DICK SCHMALENSEE
Sloan Oral History Series
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D: Richard (Dick) Schmalensee

B: Robert (Bob) McKersie

G: George Roth

B: Another way to talk about this whole project is to really get into the archives, a story line, things that you want to say about MIT as an undergraduate, MIT as getting your PhD in economics, coming back to MIT from San Diego. Really trying to understand your journey and some of the things that were salient as you moved through these different important parts.

D: I don't know if I have a coherent story line from way back, but I have snapshots in my head. I think the first course I took down here, back when Sloan was all in the Sloan Building, was a managerial psychology course that I stumbled into. Since advisors knew nothing about advising, it was a teaser of course. And I'm an undergraduate and in this class with all these MBAs who would like to be in charge in this unstructured environment. I thought, "What the hell am I am doing here?" I mean it was all fine and I learned about personality types who really want to be in charge, and the reaction that provokes, and a little psychology, not a lot.

G: Who was teaching that course? Do you remember?

D: Do not remember.

G: The teacher disappears in that course anyway.

D: Yeah, exactly. He says, "You guys figure it out." I'm not sure that's the best way to compare executives but I'm glad we've gone away from it.

B: What year was this? You were an undergraduate.

D: '63 maybe?

G: I see you graduated in '65.

D: Yeah, so it was some time in the early 60s. I took a finance course which was OK. I had friends in Jay Forrester's program little program.

B: System dynamics? Or was it not called that then?

D: It was called something else. It was a special thing you got into.

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G: He had a one year program where he worked with seniors. It was a UROP program, and he had students who went on to interesting careers in his group that went out and built system dynamic models.

D: Yeah, I had two friends who weren't actually that interesting, but it was an interesting program. I mean systems dynamics was very much a buzzy thing among undergraduates at that point. I had a little interest in finance. I took an exam and got credit for accounting because I had to learn accounting to be treasurer of my fraternity. Like a typical undergraduate, I thought, "I'd better get that knot." God knows how I did.

B: Backing up, did you come to MIT with a major in mind? What happens is you get exposed to a lot of engineering and science before you have to make up your mind.

D: I came here very unfocused. I liked engineering and science. I was good at math, and everybody said, "This is what you want to do." OK. I had an uncle who was an engineer and he seemed like a happy guy. I got here and by the end of my freshman year I decided I didn't want to be an engineer. My grades were fine, I just didn't want to spend my life in a lab. I took an economics course and I did well at it. I thought about transferring but I had a lot of friends and I stayed. And it was a good choice because I could take a lot of course within the economics major. I got a fairly broad education as it happened. But no, I didn't have a major. Economics was just lucky. I thought about Sloan, but Sloan in those days was what you did if you couldn't do engineering as an undergraduate and I thought, "Well, I don't really want to do that. I don't want to get the second class degree." So economics, which nobody took, was perfect! And then I realized it was actually a great department, which nobody knew.

B: And the luster of the department because people like Samuelson and Solow were here then.

D: Oh yeah!! But they didn't teach undergraduates. The other influence, I took a course I think in the Economics Department with Paul MacAvoy which got me interested in industrial organization, industrial economics. Paul did some work that was really 20 years ahead. It wasn't what's done now, but it's a style that's done now and nobody else was doing it and I thought it was quite attractive. Paul became a mentor and wrote my undergraduate thesis under his direction. And he let me use his office! I'm sitting at one of those big tables, writing away on my thesis, thinking I'm really something. And I also got to use the IBM 1620 computer in the basement of the Sloan building. This was a peak experience because to run a regression was like you put the box of cards in and you hoped to God you hadn't made a mistake and it hums along for an hour and maybe you get a regression coefficient. I got some of the least significant regression coefficients in the history of empirical research! I still managed to write a thesis out of it.

B: And what was your thesis on?

D: The beer industry. Paul had data from an antitrust case of sales in barrels of every American brewer from 1950 to probably around 1960. And I was doing firm size and growth

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models, Gibrat's Law and all that stuff. Is the distribution of growth percentages different, depending on size? And the answer is yeah, but in weird ways. So that's what it was and that was sort of fun and fit my interests. When I applied for the economics graduate school, I applied to MIT and Yale and I got a nice offer from Yale and was asked, "Why do you want to stay at MIT?" And being a snotty kid, I said, "I'd like to meet the senior faculty." Which was true! I'd been taught by graduate students and assistant professors and had never seen Samuelson or Solow.

G: This wasn't a question from Yale, this was a question from MIT.

D: Yeah. So what MacAvoy said about Yale, where he had gone to school, was "You'll love it there. You can join the line standing outside the hospital where you can see nurses because those are the only women you'll see all week." That sounded great. It was a heck of a sell job. While I was in the PhD program, I was registered for one year as a Sloan masters student. This is part of a conspiracy to avoid the draft, which we all did. I also wanted to get married and I needed some serious teaching income, so I taught. I took a bunch of operations research in Sloan while I was a registered master's student.

G: This would have been the late 60s?

D: Yeah. '67-68. I took a course from Jerry Shapiro, a completely incomprehensible course in stochastic processes from some visitor. I can't tell you what else. I had a good friend and fraternity brother who was getting his PhD in OR so I took some courses with him.

B: And why did this operate differently in terms of the draft?

D: I don't recall. You may recall one of the requirements for the masters was you had to write this FORTRAN program that did whatever it was. I was a pretty good FORTRAN programmer but it was like, "Do I really have to do this?" "Well," says Miriam, "If you're going to be registered, you're going to have to do this." So I did it.

B: You probably never met Miriam Sherburne. The school ran on two women.

D: It really did! Miriam and Esther.

G: And the book that they had right? They had a book. I've heard the story of the book but the books haven't been found in the archives.

D: You think about the administrative staff we had, it was those two women. And the Economics Department, it was Dell Tapley and that was it. If you knew those three, you could do anything, so I made it a point to be very nice to all three of them. I passed generals in spring '67. I then got married that summer and we moved into Eastgate and I think I was teaching more or less full time that year because she was still in school. I was teaching in Sloan '67-68 as an instructor. I taught a macro course with Peter Temin. I taught a micro with Paul MacAvoy. I think Dick Bower was down from Dartmouth for some of this time and he was involved. Got to

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know Dick. And then after that year, my wife graduated, got a job and supported me and I went back to finish my thesis.

B: And who did you work with in the Economics Department as a PhD student?

D: Mainly Frank Fisher, but Morrie Adelman and Ezra Domar. It's an odd combination but I had planned a thesis with Ed Kuh.

B: And he died suddenly.

D: Yeah, he did, though that happened some years later. We wrote a book together and he died shortly after. The thesis involved production and inventory behavior in manufacturing. And an awful lot had been done with two digit data. And it was clear even to a small boy that two digit industries are not really industries, they're big aggregates of stuff. So I spent a lot of time trying to persuade the Census Bureau to release on a, "I will sign a damn blood oath that the raw data will never see the light of day basis, three digit data." Which of course they had. And after working up the theory and after months and months, it blew up. They just flat refused and I was wandering around the department and I saw a post on a bulletin board said, "We'd really be interested in a student who could work on the economics of advertising." Signed Fisher, Domar and Adelman. And I thought, "I don't know a damn thing about advertising, I don't care about advertising, but I really need a thesis topic." So off I went.

They actually had a required semester of macro economics, which is hard to imagine these days. I'd say it was a much more academic place in a way. Peter Temin, with whom I co-taught, spent an awful lot of the semester on the economics of the Great Depression. Was that relevant? I don't know. Was it good? Yeah, it was good and he wrote a book. He was in the process of writing his book on the Depression. It was very interesting stuff, and the students just took it. You could no more do that now than you could walk to the moon! "Why are you doing this? This is old stuff. Why are we talking about this? I don't get it." So it was very different.

B: And a very close relationship between economics and the Sloan School. You mentioned teaching in the Sloan School when you were working on your PhD in the Economics Department. A lot of the economics course probably that Sloan students were taking were being offered by the Economics Department?

D: They were Sloan courses, but Peter Temin taught them. Peter Temin didn't have a Sloan appointment, he was in economics.

B: He had to have a Sloan appointment to begin with. He initially came to Sloan and then went over to Economics.

D: He was replacing what's his name, who did business history, Bill Letwin? Is that the name? Something like that. I think some of the finance was taught by him...

B: There wasn't much of applied economics within Sloan.

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D: It was Ed Kuh, there was Paul MacAvoy for a time. I had a Sloan connection based on the personal connection with MacAvoy. I'd taken an undergraduate course from Kuh and from MacAvoy. The connection was very close. Sloan PhD students in some fields did, and still do, take the basic economics theory sequence in the department. I think cross-teaching happened but at that point I don't know if I knew much about it. Kuh was mainly a Sloan appointment, right? And he was one of the two main guys teaching econometrics in the Economics Department, so that precedent was there. I think Paul MacAvoy might have taught there occasionally.

B: You moved to San Diego. Was that your first teaching after you got your PhD?

D: My first teaching after I got my PhD was here. I got this deal. I think Paul managed to get Abe Siegel to say, "If you finish in January, we'll make you an assistant professor for the spring." So spring 1970 I was an assistant professor in the Sloan School. I had one semester appointment. Couldn't be visiting because I wasn't from any place else, so I had a one semester contract as an assistant professor. They contended it would look good on my resume. I don't think anybody ever noticed or cared!

B: Probably didn't get you into the MIT retirement system though.

D: No, it didn't. Not long enough.

B: You have to be here for a year I think. Anything else about MIT as an undergraduate, MIT as a PhD student? This is the 60s. It was a tumultuous time. Howard Johnson becomes President, all kinds of things are going on.

D: So I was banging away trying to finish my thesis, although you couldn't be conscious and not be involved in at least the anti-war stuff. I do remember standing in a mall with others trying to get signatures on an anti-war petition. And I got sued. MIT cancelled classes one day for some march and I was at that point teaching the undergraduate economics class by myself. It could have been spring, 1970. And when MIT cancelled classes, this student sued all of his instructors. Had some lawyer file something. So I'm a graduate student and I'm served. I went into Abe's office shaking. He said, "Don't worry about it. It will go away." And of course it did. It was tumultuous. I'm a graduate student trying to get my stuff done. I didn't go to Woodstock but the politics were everywhere, the war was everywhere. Kent State I remember vividly. I had this ferocious argument with my wife's father who is from near there, he said, "They shouldn't have been out."

"They were going to the goddamn library."

"Well, I was there." Anyway. What else happened that I should have a memory of?

B: No, that's all right. I think we should move along. You're getting to leave MIT because MIT proudly has the tradition that they don't hire their own PhDs right away anyway.

D: No, that's right. I've been here a long time and I really felt like I wanted a change anyway. It was a strange time. I did less well on the job market than I expected frankly, than my

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advisors expected. I thought, “Well, if my choices are sort of B level. Let’s go to some place very different. Let’s go to San Diego.” Which was a good choice.

B: Great part of the world!

G: And, about as far away as you can get and still be in the continental US.

D: Exactly. Culturally, as well. I didn’t have colleagues who taught in shorts initially, but after a couple years, people were teaching in shorts and flip-flops. It was a good department, we made friends, I got work done, enjoyed the area.

B: Did you start your family yet?

D: No. We had long debates about whether we were going to start a family. We got convinced while we were there to start a family, but we didn’t do it there. And I kept in touch. Ed and I had this book project. I got back a couple of times. There was an AT&T thing that Paul MacAvoy was involved in at Dartmouth. I got back to that. But I don’t think I was on this campus but once or twice in those seven years.

B: Did your research start to move into regulation during this period?

D: It did a bit. The notion when I was hired by Sloan in 1977 was that I was going to be MacAvoy’s replacement and since I didn’t want to offend anybody, I didn’t say, “You know I’m not doing what Paul does.” It moved in that direction. I was doing a lot of theoretical industrial organization during most of the 70s. I had this advertising shtick and I could write a number of papers on that. I did a book on regulation in the middle 70s. I’m trying to remember why. It was not a particularly good book, but I did it. I was always interested in public policy, that was the attraction of economics. It’s not true any more. Lots of people go into economics because they like the math, which has always been true for some people, but I think it’s true for more people now. I did more regulatory stuff I guess in that period. Spring 76 I interviewed here and interviewed at Princeton because Princeton was hiring. And given my usual brilliance at interviews, (chuckling) the fact that people here knew me overcame my performance. It did not at Princeton. When I first went out there, it was small, it was provincial, a couple of years were good. I started looking to move. And then after a while, people got added to the department, the character of the town began to change. We began to make more friends and we were in the process of buying a particularly attractive condominium on the hills looking down over the water when the offer came in. And all my East coast friends said, “Great! You’re coming.” It took me a while to decide to leave.

B: Had you gotten promoted at San Diego?

D: Yeah. I got tenure in 74. State schools go early, so I had tenure. They matched the Sloan salary offer, but given the UC system and the formality of steps and ranks and hierarchies and accelerations and this and that, they said, “We’re matching it, but we have to tell you the next promotion is going to be tough. So you may be at this level for a while.” These were good

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friends and honest colleagues. But it wasn't the money. I wanted to come back and see if I could play in the big leagues.

B: And you got appointments both in economics and Sloan?

D: No. Initially it was just Sloan. I got an offer from Wharton in marketing in 1986 and I told them I'd be interested if it was joint with economics. And I told people here it would make a difference to me if my appointment here was joint in economics. And so it became joint in economics. I had taught in the department a couple of times before that happened. The department was then and is now, though a little bit less so, pretty open to people in applied economics. So I was friends with Paul Joskow, Stan Fischer and Rudi Dornbusch and Hasman and that whole crowd. We socialized together and did stuff together. So I didn't feel like I was second class completely. But I thought it would be nice to be in the club. So once I had a bargaining chip, which took a while to get, I played it. And they voted me a joint appointment, which made no difference to my life except there were other meetings I could go to.

B: We were all in the same building then.

D: That's true. That's a big change. When I came back, I taught basic micro. Pindyck and I and Stoker and then Garth Saloner developed what is now 15.013, industrial economics course that's very successful. I taught the pricing course eventually.

B: There have been teaching awards giving to that course.

D: To Bob's course, that's Bob! Let's be fair. Bob could get awards teaching the phone book! It's a good course. I take credit for being there at the creation, but it has grown up a lot since those days. But it was fun. This was after Mike Porter had brought industrial organization into strategy and we said, "We could do that a little more rigorously instead of just waving our hands." And that was the genesis of that course. "Let's do the real stuff."

B: One of the things we always like to ask, as you came back to MIT, who were your colleagues? Even where your office was and who you hung out with after seminars? You started to name some of those folks.

D: My first office I had a choice. It was on the second floor of E52. As I recall, I had a choice between a large office in the back of the building, or a really small office in the front of the building overlooking the river. Finance guys were in the back and the applied economics types, Sidney Alexander was there and Pindyck was there. I guess Ed had died by that time. He and I wrote this book, and I did come back at one point to do some finishing up while he was still alive. I took the tiny office on the grounds of location, location, location. And then gradually moved up in the pecking order.

We didn't have that many seminars in those days. The whole workshop culture...

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B: Didn't MacAvoy bring that from Chicago? I knew MacAvoy as a colleague at Chicago and we had seminars every day of the week.

D: No, and by the time I came back in 77, of course, he was gone. I don't know when we set up a workshop for each field and extra workshops on Thursdays. I don't have a good recollection. I would say sometimes in the late 80s, maybe even in the 90s. Could be the 80s, I don't know. When I first came back, I don't recall there being a lot of seminars.

Wait a minute! No, they weren't regular seminars. One seminar I do remember. We hired Paul Krugman and I have to think when that was. It was some point in the 80s. He was at Yale. We needed somebody in international. We made an offer to a guy at NYU, and he was a difficult bargainer and Abe said, "Screw him." And I was just livid. Come on! I mean, he's just bargaining. We can do it. "Nope! I don't want anybody like that on our faculty."

We went back to the drawing board and I remember I called Krugman. You mentioned seminars and I'm remembering a seminar that Krugman gave, but I don't think it was regularly scheduled. I don't know whether it was an interview or if it was after he came. In any case, I called him and he seemed a little discombobulated and he finally said, "Well, you know I'm sorry, I'm not quite myself because all of my bookshelves just fell down before you called. So all of my books and shelves are on the floor." I immediately said, "Paul, we've got better shelves here." (laughing)

Anyway, he gave a seminar on the stuff that won him a Nobel prize and I remember not thinking it was so great, which shows a lot about my taste. That's the Dixit-Stiglitz model and you're just putting two of them together, what the hell is that? That's a Nobel prize.

B: But people used to also talk about going up to lunch at the faculty club and sitting at the economist table or the Sloan table.

D: Well, for a former student, that was a heck of a thing. It was the economics roundtable, and even though I didn't have an appointment in economics, I was eligible to sit at the roundtable. It's not like stories I've heard about Chicago where people are throwing darts across the table. Everybody was very polite, but it's pretty high powered. You're sitting there and there's Paul and Bob and I remember we were going to hire an international guy from Princeton. I think I remember his name but I won't give it. He'd given a seminar and it seemed OK and he was coming to lunch. Sidney Alexander started asking questions. Sidney basically destroyed him with a set of four or five very polite questions, and the answers were, "Oh gee, I hadn't thought of that." Everybody else is saying, "He's dead. He's so dead. That's really too bad." But after Sidney destroyed him, you couldn't hire him... And Sidney was just being Sidney. He wasn't attacking the guy! He was curious. He was interested. He hadn't got a mean bone in his body as far as I know, but just destroyed him. I don't have any particular memories of conversations at that table, but first of all, we always wore a coat and tie as long as that table existed. Franco and Paul Samuelson and Bob Solow and Bob Bishop and Charlie Kindleberger, that is a heck of a set of guns. Even though they're all very nice people, you don't want to say stupid things!

I think there were occasional seminars, at least in the department. You just drove one out of my memory with that insightful comment... This is rambling and not very Sloan-like, but let me tell

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you one of my first memories from when I was back. First of all, I come back from California and it rained all the fall of 1977. And in the spring of 78 we had the blizzard of 78 while we were having a kitchen re-done, so we had no kitchen during the blizzard. And there was a certain amount of, "What the hell were we thinking?"

B: The weather is unreliably beautiful in San Diego.

D: So now my great professional triumph. In those days I occasionally went to the economic theory seminars. And I was in one and the speaker had made a point and it wasn't entirely clear. And I started to think about it and then I got it. And then Ken Arrow spoke up and said, "What about X?" And I said, "No, Ken, I think it's this." Without even thinking because I'd just gotten it. And he said, "Oh yeah." And every head in the room turned. Who was it? Who was this masked man? I thought. "OK, maybe I can play in the big leagues now. Maybe I can do this stuff." But that was one of those, "Damn moments." It's not like I'm smarter than Ken Arrow, it's just that I happened by chance to get the point. It was a little technical point, but I got it.

B: Great example!

D: Again, it's an MIT seminar so everybody is being nice and polite. The speaker hadn't made a mistake, he'd just been a little unclear about something as I recall. And it was easy enough to clarify.

B: If you run forward with your career at MIT, I know you were at the Council of Economic Advisors. I remember visiting you there when I was Deputy Dean. You must have taken some sabbaticals and you got hooked up with the energy side. What stands out before you became Dean?

D: I got pulled into energy by two sources. One was Jake Jacoby, who took me to lunch one day and said he had summer money if I was interested in writing a paper on commercialization of new energy technologies. And I didn't know a damn thing about it. I had written a paper on photovoltaics for a conference and was co-author on a paper doing some comparison of energy technologies, a co-author of a paper I didn't write. A couple of guys at San Diego asked me about discounting analysis and a problem they had, so I wrote them a memo. That memo because section two. The techniques were applied in section three, and I was a co-author. I saw it when it was in print. Made me a little nervous, to say the least.

I got pulled in that way and then Paul Joskow, we had these common interests in industrial organization and he was doing energy. Got to know Dave Wood at the Energy Lab. Paul and I did a number of things together that were electric utility related. The thing we did that actually had the most impact, we wanted some money to study utility regulation and do some econometrics. I remember this conversation with these people in the then-Reagan White House, 82-83, say 82. Again, we were somehow prospecting for money. They said, "We've deregulated trucking and it worked out brilliantly. We've deregulated airlines and it worked out brilliantly. Why don't we just deregulate electricity?" And Paul and both said, "Wait! There's only one set

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of wires.” They said, “Well, yeah, but surely we could deregulate something.” That led us to write a book sort of exploring what you could deregulate called, “Markets for Power.” The electric utility industry gives it a lot of credit for starting the whole restructuring thing globally. So in certain small circles, that is a big book.

B: Were you supplying distribution and...

D: We said you could deregulate generation. You would need to keep the wires the natural monopoly.

B: The distribution side.

D: You might deregulate retail sales as apart from delivery of power at retail. We weren't that excited about that and I'm mostly still not, but we spent a lot of time thinking about, “Could you separate generation from transmission and have a regular market?” And we said, “If you're careful about it, you probably can.” And it turns out we were right. That was a big deal. I was doing a mixture of energy and other stuff when I got the call to go to the Council. I had done a summer there in '67, and always had a great affection for that institution. Even though I had voted for Michael Dukakis, I was still happy to get the call to go back, so I had two good years.

B: Who was President when you were there?

D: The last moderate Republican, George HW Bush. We passed the Americans with Disabilities Act, we passed the Clean Air act amendments of 1990. We hosted the first negotiating session on the framework Convention on Climate Change. We had an international conference on climate change. We did stuff.

B: I can remember George Schultz saying any economist who is going to really make a mark has to spent a couple years in Washington, just to be there, just to understand what the issues are.

D: We were talking at one point about policies and Rudi Dornbusch turned to me at one point and said, “Of course you've fired real bullets.” And when you've sent a memorandum to the President and the President buys it, you've fired real bullets. Not quite the same thing as making the decision yourself, but still, it has a real bullets feel. The Berlin wall came down. I was on a delegation to Eastern Europe to talk about privatization and stuff. I was in charge of the delegation for one day when other people's planes didn't take off on time, so I was the head US guy in Bulgaria for a day.

Here's my diplomatic triumph that has nothing to do with Sloan. There are protesters outside the Prime Minister's office and we're being driven around in these old Russian Zil limos.

B: This is East Germany or Bulgaria?

D: This is Sophia, Bulgaria. Imagine a crowd of protesters. We need to get to the other side and there's CNN. And our hosts say, “Let's just get in these limos and drive through that crowd.”

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And I said, "We're going to walk and meet you on the other side." I did not wish to have Americans driving through a crowd of protesters on CNN. That didn't seem like a good idea. That did not require depth of thought! Our hosts were stunned. Later, in Prague, we rented limos from the Communist party, which was at that point not in government. And they were dangerous because people pointed out that the Communist limo drivers were not used to having to stop for traffic lights. So we would just tear through the town! Sorry. I had two very good years in Washington.

B: As I remember the sequence, you first became Deputy Dean and then went right to being Dean.

D: Yeah, I became Deputy Dean in 96.

B: Under Glen?

D: Yeah. I came back 91 and got back into teaching, research. I ended up taking over the CEEPR, the energy policy center. It was then the Center for Energy Policy Research and since I had been involved in some environmental things in Washington, I added a second E for Energy and Environmental policy research. This was actually good politics. I went to the Provost and said, "Do you think there's any problem with my doing that?" And "No, I don't think so." Well, a lot of people were really upset and I kept saying, "Well, the Provost says it's OK. Who else should I have asked?" So that worked. That took a fair amount of time. Dave Wood had died while I was in Washington and he had been running it and died suddenly. I ended up taking that and hiring an executive director. A few years later Glen asked me if I'd be a Deputy and I figured, as you must have, that it's one of those things that you look around and you say, "Well, not everybody can do this. I think I can do it, and if I can do it, I probably ought to do it." So I did it. And I watched Glen trying to get stuff done in an arrangement with the rest of MIT that was just awful. Everything was a special deal. You had a Provost who said, "I don't negotiate well, so I will only deal with you over email." Glen took to ambushing him in the hall to actually have a conversation. And we had this amazingly convoluted budget deal.

B: So-called treaty, which was never logical.

D: Never logical, nobody understood it! It took a year to unpack that.

B: I was Deputy under Lester and Lester was trying to develop a better treaty. This had been going on for a long time.

D: I had no interest in being Dean because I'd watched how frustrated Glen was and how much crap he had to go through to do anything. What persuaded me was Larry Bacow took me to lunch when he'd been named Chancellor and said, "Are you interested in the job?" I said, "No! You can't get anything done, you can't move. No freedom of motion. Things would have to change." And he said, "What do you mean? A revenue tax?" "Oh! Like every other business school on the planet?"

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“Yeah.”

“Oh! That would make a big difference.”

That really persuaded me that if I could get that done, I could resign and I'd have helped the school a lot. I figured I'd take the job for five years. How hard could it be to raise money for a new building? There were three things I thought we needed. We needed to put more emphasis on the MBA program because that's the flagship and we were treating it as a stepchild. If you were a really good teacher, you got to teach the Sloan Fellows. And if not, you could teach the MBAs. And if you're terrible, you teach the undergraduates. OK. But it seemed to me the MBA program needed a little more attention and we had had students lobbying for years to be able to take finance in the first semester and we were so stuck we couldn't give them that option. So I thought, “We've got to spend some design time here and surely that's an option we can offer. And surely we teach continuous improvement, we ought to think about continuously improving the program design rather than freezing it for 20 years after a big fight. Let's change the philosophy, put some emphasis on it.” If I could actually get this revenue tax thing to go, then we can begin to do executive education. I have to come back to that. And if we could raise money for a new building, how hard can this be? The basic outlines for the revenue tax were my negotiation about taking the job. I sat down with Bob Brown and at the end of the meeting I said, “Well you know we have to get compensation for teaching undergraduates.”

“We can't do that.”

“Then I can't take the job.”

And I walked back and Donna said, “How did it go?”

I said, “We're stuck on this point.”

I don't remember the details but she said, “Wait a minute. What about this as a compromise?”

I said, “I think that would work for us.”

She got on the phone to Doreen, it would work for them and I took the job. So that was step one. Step two was to start pushing on the MBA program. And step three was to figure out how to raise money for the building. That turned out to be a lot harder than I ever imagined.

B: We should mention that we're sitting in the building that resulted from your heroic, successful efforts.

D: There were a number of things that had to happen. First of all, we had to have access to our alumni for fundraising purposes. The way MIT was set up, central MIT had first dibs on everybody. You had to clear any meeting with central MIT. And the head of development, whose name now escapes me, was a particularly good friend of Alan White's. She went in with me to Chuck Vest to make the argument that Sloan should have first rights of contact, priority on alumni that were only Sloan MBA alumni. I don't know why he wouldn't give me PhDs. OK. Undergraduates who had Sloan degrees, of course we didn't get to talk to. But Chuck was reluctant but was convinced. I cannot remember her name which is sad. I can picture her face, she's terrific. She told me at one point that she was working to convince her staff that a dollar that went to Sloan was better than a dollar that went to Harvard. We had issues with central development. They got better.

That had to happen so we could actually do some fundraising. And then we had to get through the right to do executive education. This was a serious argument in Academic Council. I

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said, "My faculty can go teach for Wharton a day a week. They can't teach for Sloan. Why does that make any sense?"

"Well, it's just going to corrupt the whole culture."

"Is it better that they teach at Wharton than that they teach at Sloan?"

I got it. It wasn't unanimous but I got it.

"Well, it counts as a consulting day."

"Of course it counts as a consulting day."

We got that done. That let us start to do executive education and the revenue tax let us profit from it. Somewhere along the line, I got freedom to hire staff without having to clear every single staff slot, which poor Dave now has to do. He lost that in the crisis.

B: So they had a cap on staff on as well as on faculty? I remember the cap on faculty.

D: There was a cap on staff. It wasn't a cap, it was more complicated than that. Any kind of staff expansion had to get cleared and I managed without too much trouble to get that relief. I said, "Look, we're paying for it. If we could afford to hire them and we think we need them, why can't we hire them?" I take the point about faculty. You care about the balance of the Institute, I'm not going to argue that in principle, but staff? As I say, Dave lost it in the crisis. It's not his fault. He may get it back. Sorry, I'm going to bullet points!

B: The documents you sent us...

D: ...had all those bullet points.

B: Yeah, and what was written up here in the 50th anniversary volume and it really begins to summarize the amazing things that you were able to accomplish as Dean.

D: The 50th anniversary was a piece of work. We had a little problem with one of the people who was in charge that we thought was managing the development of the hotel, banquet arrangements etc. She took a vacation in June and we looked frantically trying to figure out where we were while she was gone and out of touch. And Cindy Hill basically discovered that she hadn't done a damn thing and it's June. And this thing is happening in September. So, it took amazing work to pull it off. I remember two things happened during that celebration. It went like clockwork. My wife saw me after the main event and said, "Oh, your blood pressure is down about 30 points." I was so wired! You remember Kofi Annan was on stage?

B: Sure. It was down at Kresge.

D: It was in Kresge and this was at the run-up to the Iraq war. We had dinner with him and his wife the night before. Quite delightful. He's on stage and people are passing me questions and I got about 14 questions about Iraq. And I finally said, "Mr. Secretary General, I have one more question. Iraq?" (laughing) And he gave a speech and it was covered on network television, standing there with the Sloan logo and it was reported on NBC as the MIT School of Medicine. (laughing) And I remember one alum came up to me and said, "I never thought this school could do something like this event!"

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I said, "Well, we just never did it before."

And I'm thinking, "My god! You don't know how hard this was." But you had to be (matter of fact tone of voice) "Well, we just did it."

And then somebody else said, "This is what you're going to be remembered for."

I said, "It's a two day party."

But I thought it was very good in terms of being visible to alumni who weren't there as basically, "You graduated from a major school. This is a big league place, look what we've just done. We've had the Secretary General of the United Nations. We've had 1,000 people or however many we had. We filled the ballroom at the Park Plaza and yeah, this is a class place with big-time players." And the CEO of General Motors gave remarks before they went bankrupt. Big-time place.

And that was about when we started doing Sloan reunions, which we hadn't done. They work now. It was a little bit of a reach. Sloan Fellows have always done them, but they hadn't raised money at them. And the MBAs had no events. And getting into the habit of reunion giving and a reunion gift committee and all of the usual paraphernalia took a while, but it's now pretty firmly established.

B: What else is there to say about the major accomplishment of raising over \$200 million?

D: The building was tough. I had no experience with this, so I figured if you tell people you need a building, they'll give it to you. Well, no they won't.

G: In 98 it looked good. And by 2000 it was impossible.

D: In 98 it looked good, even with the long-term capital crunch. One of my memories on taking the job, Eric Rosenfeld, one of the Long-Term Capital Management partners called me. He was on the search committee and he called me, it must have been September. They had melted down completely, long-term capital in 98. He called me to tell me he really wanted me to take the job. I said, "Eric, I can't believe with what's just happened, you're making this call." He said, "Well, it is a little surreal. We not only put all of our money in it, we borrowed more money to put in it. I still have my wine collection I think...But you should take the job! It's really important."

My first approach was to tell people we needed a building, and that actually worked with Bill Porter. That was how they got me. I asked Bill for \$25 million to start this. It's what it he ended up giving, and it may have been the initial ask. And his hands were shaking. I didn't realize then that he was one of these guys who had that problem but I thought, "Oh my god, what have I done wrong here?" I was really emotionally involved. I made the ask and we chatted and then I went up to Vermont, which we often do, and were spending some time, when I get this phone call from Alan. "We're going to fax you something. You won't believe this!" It's this complicated letter from Bill Porter that says, "I want to give you \$40 million in stock of XYZ company. If you just hold the stock, it's going to be worth more." And I'm thinking, "Oh man, I can't do that. We're not going to take a position in a company I've never heard of." So I marshal my arguments and ended up sitting on the floor in Vermont and I'm talking to Bill who is in Hawaii. I'm trying to explain to him that we really can't do this and he says, "What? You don't have any confidence in me?" And I said, "Bill, it's not that. It's an MIT position. I hate to say

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this but I'd really rather have \$25 firm than \$40 in stock because they won't let me hold the stock and we really need firm commitment." And it went on for the longest time and it was a warm day and I'm sitting on the floor and I'm sweating for both reasons. And it worked. So I thought, "OK, there's \$25, the rest will be easy!"

B: Before you leave Bill Porter, have you seen his autobiography? Someone showed it to me this morning. Incredible!

D: The reports I got was that he's frail. And I sent him an email last fall and didn't get a reply. I'm thinking, "Well, he's in poor health." And then this comes. He got a lot of help if you read the introduction, but still, he's amazing. You look at it and you realize he's done a lot. He's an amazing guy. So after that, it's a slog. People started persuading me, "You can't tell people that you need it. They don't give you something because you need it. They give you something because it will enable you to do great things."

I said, "It will enable us to function."

"No, no, it has to be great new initiatives."

So we had to start to think about great new initiatives. I spent so much time with different slide decks. Porter hosted an event. Porter critiqued my slide deck a couple of times. We staffed up. It was just a slog and at the end we got help from Larry Fish and a bunch of other folks, and closed it out. But that was my story in a way. Once we had really good people doing executive education, once the master's stuff was in train and we had the new financial arrangement, the last nut to crack was the building. I was getting pretty tired toward the end, but you work to build these relationships and until they've harvested, you can't leave or the whole thing goes into stasis until somebody else builds relationships with the same people. So I figured I was more or less stuck, but it happened.

B: So you were Dean for how many years?

D: Nine years.

G: I just want to say it was very interesting to read, thank you for sharing the materials. Your note to Bob Brown, the 99 strategic plan, and the clarity of your focus and goals. And then the 2003 strategic plan, and also your note about challenges in 2005.

D: It was all I could find.

G: It was very clear, consistent focus. Having been in the community and watched that, I never knew that then the messages were that clear. The new building was such an important need, and then accomplishment.

D: This isn't just me. I had good people. Don Lessard and Gabe Bitran were terrific at the start. Alan and Donna were very good throughout. Steve Eppinger was great. We had very good support and eventually, after having to fire the head of development, after having to fire the head of alumni relations, after having to manage a crisis at Sloan Management Review, we did manage to get it done.

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B: When you're approaching the supporters, you're talking about other things that are happening within the school, whether it was entrepreneurship, or innovation period. I mean you had so many other things you could talk about.

D: Yeah, I had to talk about them and relate it to the building. As I said in my early solicitations, every decision we make is space constrained. Every decision we make. "Can you have a visitor? No. Can you hire anybody else? No." We had an alumnus and I used this for years. We had a great guy from Indianapolis whose name now escapes me, as so many names do. He ended up giving us a million or so, but what he said he really wanted to do was to take a year off from work and come back and be a student again. Sure. Come back and be a student again. It will add a lot to classes. You're an experienced executive. He's running a large family firm. He occasionally, when he's on a team and they're studying some company, you fly them out in the company plane to go do a field visit. So he was great asset. But I remember him talking about how much time it took to find a place in the hall for the team to sit down on the floor to meet. I dined out on that one for a long time. I'd say, "You can't run a school like that where you don't have study rooms. People are looking for a vacant spot to sit on the floor in the hall?" But that's not why they give you money. They give you money because you're going to do great things and transform the world. The pitch gradually evolved toward that but it was hard for me because in my own mind I kept saying, "I don't know what the hell they're going to do with this building." You don't build this thing so that we can do any particular thing. You build this building so you can do lots of stuff that people will think up. So the notion that I knew what would happen in here five years from move-in day, of course not, who would know? You try to have it be flexible. The tiered rooms can go flat if we decide to go flat. They're not permanent structures. With as much flexibility as we could build into the place, lots of meeting rooms, lots of seminar rooms.

G: Location, location, location.

D: Yeah, although we didn't get our first choice you know. That was an interesting little bit of inside baseball. Chuck Vest wanted this complex to be located on the other side of E19 in the medical department parking lot. There's what used to be an old garage. And I thought that was terrible. I wanted us to be on the river. I said, "Look, let's just do a study."
"No, why don't you just take that site."

I said, "No, we're going to do urban planning. You say we're going to do urban planning. Surely the first phase in urban planning is to ask the people where should we do it."

Well, for a whole set of reasons, it was absolutely dead clear we should be down here. And then the plan was obviously we were going to tear down Dibner, E56.

What we wanted to tear down as well was the library. For a long time that was the plan. There were going to be two phases. One was going to be tear down Dibner, which luckily there was a fight with Dibner, which caused them to move, which made that building soft. And we were going to go around, back toward the library and then take down the library and move out in that direction. Susan Hockfield basically said, "You can't take down that library." At that point we were stalled for lack of money so nothing was happening, and she said, "You can't take down

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the library.” Which led us then to say, “OK, let’s take down the Arthur D. Little building and go that way.” And then Cambridge said, “You can’t take down the Arthur D. Little building, it is of historical significance.” So we got what we got. It’s not bad actually. I mean it’s too bad that the Arthur D. Little building does block some views, but the building now sort of has two front doors. It works well.

G: I thought it was the historic significance of Arthur D. Little being founded here.

D: Except it wasn’t founded there. It was founded someplace else. They were in there for a few years. The historic significance the Cambridge guy said was buildings like that used to be all over Cambridge and this is one of the last ones. “Come on! They tore down all the others so we can’t tear down this one.” He said it was architecturally significant, not historically significant. We were all told that this is a guy whose word is law.

G: Architecturally significant is hard to swallow.

D: There was no appeal, there was no argument on the merits, there was this very powerful guy who was the historical czar in Cambridge and he came down hard. I was not allowed to be part of the delegation, and I agreed with that. I would have been a little bit loud.

B: One of the areas to have you talk about Dick is how you viewed the Sloan School vis-à-vis the rest of MIT. You’ve already said quite a few things about it, having come here as an undergraduate.

D: I give Lester Thurow enormous credit for changing the school’s attitude toward the rest of the institution. I thought those early strategic discussions when Lester became Dean, in fact the discussions that led up to his becoming Dean were critical. Rather than, “Let us pretend those grubby engineers aren’t here,” let us recognize that MIT is a remarkable institution and a lot of businesses have come out of those grubby engineers. And we ought to figure out a way to use the MIT connection as an asset, not to walk away from it and be independent. We’re too small, we’re too poor, we don’t have the alumni base. Harvard Business School can walk away from Harvard University because it’s big and it’s rich and it’s got this huge alumni base. We’ve got none of that. So if we’re going to compete, we have to find a way to make MIT an asset. Lester, I think turned everybody in that direction, and I was just following that.

B: And Glen was also the one who renamed the school, MIT-Sloan. Glen, being a marketing person, knew how to create the brand.

D: When I redid the logo, MIT was in slightly larger type. It was a little different from Glen’s. The color scheme was a little different. Glen’s colors were a little bright. My view was and is we need to be able to operate like a regular business school and have that kind of flexibility. The whole marketing challenge, and we did a bunch of marketing research. The whole marketing challenge for Sloan, at least as I saw it, Dave probably has a more sophisticated view, was how do you take the excellence and innovation that are part of the MIT image and avoid the nerd and the weird that are part of MIT’s image. And I think entrepreneurship is the

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key to doing that. Ed Roberts' view was that's all we should do. I don't think that's right. That's narrow and weird. Most of our students, in fact, don't become entrepreneurs. Doesn't matter. Emphasizing entrepreneurship, emphasizing innovation and creativity and all of that links up with the rest of MIT, so it's the MIT Entrepreneurship Center, which Glen started, which I supported. Business plan competitions, anything we could do jointly, we did. Leaders for Manufacturing. We support that. Again, I deserve no credit for that but I stood and cheered.

B: That started under Lester.

D: Magnanti was really the driver.

B: Oh absolutely. Magnanti and then Steve Graves. We really had talent. But it happened under Lester's watch.

D: And it's Lester's concept, finding something that links. I agree with all that. MIT is an interesting place because I've now been involved in the energy area, the climate area of interdisciplinary activities. It's really hard in a lot of places. It's really pretty easy here. I've heard it attributed to how very centralized the personnel process is because I'm co-directing this study on the future of solar energy and one of the guys on it is the head of the theoretical physics center, former department head. And he treats me like a regular person. He's a nice guy so that's not a big surprise, but everybody realizes everybody who is tenured went through Academic Council. And yeah, you may think some departments are stronger than others, but there aren't a whole lot of tenure mistakes here. So when you get a call from colleague in engineering, "Would you be interested in working on X?" You know you're dealing with a smart person. Or when you get a call from somebody in the Economics Department, "Gee, I'd really like to talk to you about X." You know you're dealing with a smart person who is part of this collegial culture. Again, I've grown up here, so I don't have a great sense of what the rest of the world is like, but everybody tells me this is very unusual. I've talked to people at Harvard, Bill Hogan at Harvard, who works on electric power who I know pretty well. They have these energy initiatives where they all sit around and talk about doing stuff, but they don't DO stuff. They all sit around and talk about doing stuff and then they go back to their labs. The notion of working together on something because it would be interesting to work across disciplines is alien. Here it's not alien. It's not automatic, it's got to make sense. But people do it. That's one of the things that's always attracted me about Sloan. God knows I think economists are the best people in the world, but they're not the only interesting people in the world! And nice thing about being at a business school is there are all these other viewpoints and different kinds of folks and different training, different backgrounds. I like it.

The Economics Department is a good deal more insular than Sloan. They do not relate well to the rest of MIT with a few exceptions. People like Joskow, Nancy Rose, Michael Greenstone, who work on energy and the environment talk to people elsewhere at MIT who work on energy and environment issues. The rest of the Economics Department really is pretty insular. I think it's more so than in the days of Samuelson and Solow. Sloan is not insular. Sloan buys the notion that what makes us special is being part of MIT. I will give Dave a good deal of credit and just looking at our press coverage, I think the marketing corner has been turned, in part because MIT's image has improved. MIT is no longer the place the weird guy in your class

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in high school went. MIT is the place where people are doing amazing things. Because MIT's image has improved, our image has improved.

B: You mentioned the label business school. A question about our official role, management school. Some people think that the next initiative at MIT might embrace, after energy with Susan Hockfield, maybe our current President will embrace some people pushing for healthcare. And that will take us maybe back to some of the things that we did earlier on when we were a management school and not just focused on business. How do you...

D: I don't actually see a huge distinction in the label. That didn't used to be true, but I think if you look at our faculty compared to our leading competitors, they line up pretty well. I mean Wharton is a business school. Wharton does healthcare. Harvard doesn't but they could, they've got people and they talk about it. So I don't attach great significance to the name. We spent endless hours over a computer back and forth with the community to get that mission statement and the notion that we're about making the world better is pretty deeply felt here, and I don't think that's true everywhere. Dave really emphasizes the fact that we're mission-driven and I think it's good marketing, but I think it's also true. People at Harvard are about teaching people how to do wonderful things in business, which usually means make a lot of money. People elsewhere among our leading competitors are really about being academically strong. And we do that too. And I'm caricaturing. But I think there is this notion of public service here, as at the rest of MIT, that is somewhat unusual. A lot of universities talk about being in the nation's service. MIT really walks that talk. I remember one point on Academic Council, this is a snotty economist comment. Somebody was explaining that, "Well, it's valuable to the nation that we keep the nuclear engineering department going, even though of course it has no American students." And I said, "Well, if it's that valuable, why don't they pay us for it?" And I got a lot of dirty looks. They pay us in other ways I suppose, or we don't care if we get paid is valuable.

B: George do you want to weigh in with other things?

G: There are a ton of questions I would like to ask, but I'm going to just focus on a few of them. Going back to your MIT-Sloan opportunities and challenges, the 2005 piece you wrote.

D: I remember it so well.

G: I think what we haven't talked a lot about, and it came up there in your statement that this is education needs a revolution. MIT is positioned to lead it. But in part, that also takes me back to redesigning the core, which happened during your time. There are four or five significant things you presided over and that seems to be one of them. We haven't really talked about that change.

D: My goal was first to loosen it up, and then to make the redesign a continuous process, which didn't really quite happen, but it almost happened. We had last done a core redesign in the early 90s maybe. Didn't Stew Meyers lead one?

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B: Yeah, that's when we went from having all the first year required and went down to just one semester I think didn't we?

G: Was that tracks?

D: Tracks were later.

B: But we collapsed the required courses dramatically.

D: That had been a huge battle and my main goal was to get the rigidity out of the system so we could actually, from year to year, when somebody says, "How about this is 20 sessions instead of 18 and then we'll cut that back? And then maybe we can do this as an option." You could have that conversation without a four hour faculty meeting. And I think that worked for a while. It got us a bunch of incremental changes without huge fights. We just went through a not very interesting core redesign in the last couple of years. We couldn't get off dead center for a big change and so we stayed more or less on dead center with incremental improvements.

The other thing I ended up doing and this was something I hadn't thought I would do, but late in the day we had a set of retreats about new initiatives. And out of that came, "What should we be working on? What's interesting? What's new? If we're going to lead a revolution, we should do it." The Leadership Center came out of one of those conversations. I'm sitting around at some retreat and I said something dumb like, "You can't teach leadership." And four people jumped down my throat. I said, "Look. If it can be taught, why in god's name aren't we teaching it? It is fairly important." And then we never managed to raise a bundle of money for that, but I think it's made a contribution. The other thing that came out of one of those conversations was the entrepreneurship track, concentration, focus.

Back to tracks. I thought eliminating tracks was a good idea because I was part of the initial conversation that led to the consulting track where we sat down and interviewed consultants. And the consultants said, "We don't have any particular requirements that people ought to have to be good consultants. We'd like them to have a good, general business education." Which to my mind said, "There's no such thing as a consulting track." Arnaldo Hax wanted a consulting track so we had it and I wasn't that excited about it. But the entrepreneurship and innovation concentration that Ed Roberts drove, that was a great marketing tool. And as that was gathering initiative at one of these retreats, I took a couple of the finance guys aside and I said, "You know, if the school is only about innovation and entrepreneurship, you guys will be a small service group teaching basic finance. Is there anything you'd like to do?" And now we have the M-FIN program, which came out of the reaction to that statement. I was right. If it's all entrepreneurship and it's all innovation, then finance is some little service function. So you either get your own thing or you reconcile to that. Well, M-FIN was a great idea. You can't blame the people in finance for everything that happened in 2008.

When I became Dean, I did want to redo the MBA and put more emphasis on it and all of that. Have a Deputy Dean head it. But I hadn't thought of launching new initiatives particularly. We launched the G-lab. I deserve no credit for that. Rick Locke shows up and says, "I need \$3 to go do this amazing thing." And I said, "Oh yeah, what the hell." I just said yes. But this other stuff I pushed. I thought, "We really ought to have something unique to sell." First of all, to help fundraising. Second of all, we really shouldn't be like everybody else. Let's churn a little. I can't

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tell you when it started but maybe around 2005 when I began to think we really need to think about doing something new and different. So we had a couple of retreats.

B: You added innovation week too didn't you?

D: That was part of the redesign.

B: Curriculum redesign or give that flexibility to have those two weeks.

D: The Sloan Innovation Periods. It's one of those great things. It's probably a violation of some MIT rule, but we just did it. It seemed like a good idea. It was a lot of enthusiasm for it. I'm not sure it's worked out brilliantly, but it's worked out pretty well. It's added a lot of flexibility and some interesting things have happened. But I remember thinking, "I wonder if this is legal? Well, let's just do it."

I know you've got other questions but this brings me back to my first act as Deputy Dean. I'm here in August. Glen's off on a boat. Other people are out. I'm in my office and the admissions people tell me, "We have too many people coming. We're going to die." Our space again. You just couldn't put them in the core classes. I said, "Okay, here's what we're going to do. We're going to write everybody and say if you defer, you get the same tuition, we'll freeze your tuition for a year if you defer." And that worked, except that only the MIT Corporation can set tuition and I had just set tuition for a group of students! My reaction was, "Well, if you have to fire me, you have to fire me." (laughing)

G: You weren't Dean then so that was easier. One question we ask everybody. In your role as Dean, it's going to be a much harder question to answer, but maybe something comes up for you.

B: Both before being a Dean and after being a Dean and while you were a Dean.

D: The Dean, I think it's the financial restructuring. Once I'd gotten agreement in principle, it literally took us a year to work out the details. And that has really changed the game.

G: It put us on the same footing with our competitors?

D: Yeah. Not quite. They don't have faculty slot constraints and staff constraints, but pretty close. And just freeing it up. And then of course the building, which, besides the fundraising, I did participate in a whole lot of decision making. So I'm pleased with the outcome, as well as the fact that we have a building.

Before Dean. I was an OK teacher. I think I still am OK teacher but not a great teacher. So I really would point to research I did leading the Energy Center reasonably well. Not brilliantly but reasonably well. Developing a couple of courses. I don't have a particular landmark achievement. I think I was a good faculty member, I think I was a good citizen. I don't have anything, there's no plaque on my wall that says, "This is what I did."

And after being Dean, I came back. I was asked to take an active role in the Energy Initiative. I had to take over the Energy Center again. I had to lead a couple of studies. I did

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them. I think of myself as somebody who does his work. I don't have a Nobel Prize paper. I don't have teaching awards. I'm a pretty good teacher. I'm conscientious, I'm not great. I have good research, it's well recognized, it's not great. Good soldier. Do my administrative stuff.

G: I've heard people who have said that a number of times and it's a little hard to hear when I look at what a difference I've seen you make. Your questioning and going, "Can I play in the big leagues?" And I have seen you contribute in different ways. Maybe not in that one way that a Nobel Economist?

D: When I'm 25 you don't know that!

G: You measure yourself as an economist and say, "To be accomplished I have to have the Nobel Prize." I think maybe this is a challenge of being at MIT?

D: It is a challenge of MIT. I'm a pretty good economist. I think Institutional Investor will name me one of the 30 most important economists in the country. That's not bad. They say they will, it will be out next week. That's not bad.

G: That's good news.

D: Yeah, but it's not. "Oh my god."

B: We'll get a note from the Dean, the good news emails we get.

D: How to put this? By MIT standards, I'm a good foot soldier. By the standards of the rest of the world, I've done remarkably well. How about that? This is a tough place. I view myself as having been very lucky.

B: You may be on the short list for roles Deans at MIT, don't you think?

D: Yeah, I think I did a good job. I'm particularly proud of that. And part of the reason for taking the job is the same kind of thinking that got me to come back here. I said, "Gee, I wonder if I could do that? I sort of know what ought to be done, I wonder if I can do it."

G: You got a lot done, and what you did was important stuff.

D: Yeah, I'm pleased. Frankly, when I retired, there was a really nice party, so I don't feel unappreciated. No, it's been a good run. Why did I come here as a student? Because everybody said I ought to be an engineer. I got here and I said, "I don't want to be an engineer." It was still a good place for me. I came back, I got the offer because somebody thought I was a Paul MacAvoy replacement. I didn't do what Paul did. I did stuff sort of like Paul did, but not the same stuff. Didn't strike me I was a great replacement, though he'd been my mentor. But it worked out. And I certainly was not running for Dean, to say the least. You've heard the story right? When I was asked what it would take for me to be Dean?

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G: No.

D: I said that first the Provost has to resign and second, hell has to freeze because I didn't want to go through what Glen had gone through. It made no sense to me. And then the Provost resigned.

G: That was Joel Moses?

D: Yeah, Joel. When I told Judy Lewent that, as she was chairing the search committee, she said she had to bite her tongue because she knew he was resigning! (laughing)

B: And then fortunately Larry Bacow got to you.

D: The reason I took the job was I thought I could make a difference. And once that opening was there, I thought, "Well, if I can do that, and I can actually get some flex on fundraising, we could do a building and we could get the financials right, that's a big deal." Not that I'm uniquely talented in terms of getting it done, but I know what has to be done. And I think I get along with these people OK, so I should be able to do it.

G: Maybe your humility helped too.

D: I try to hide my arrogance as well as I can. (laughing) No, I'm actually not particularly arrogant. I'm from the Midwest and it was beaten out of me early. One thing about being at MIT is if you think you're always going to be the smartest person in the room, you're going to have a tough road! When I got here as an undergraduate, I had a lot of classmates from small towns whose identity was, "I'm the smartest person around." They had a very hard time. That was not my identity.

B: So I'm curious. Where did you grow up?

D: Belleville, Illinois, a suburb of St. Louis. A town of about 25,000 when I was a kid. Not tiny but the center of a farming area.

B: This has been terrific.

D: This has been fun. Very few people let me talk like this!

END OF INTERVIEW