

Vernon Ruttan

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Interview with Vernon Ruttan

**Interviewed by Professor Clarke A. Chambers
University of Minnesota**

**Interviewed on April 19, 1995
University of Minnesota Campus**

Vernon Ruttan - VR
Clarke A. Chambers - CAC

CAC: I'm doing an interview this afternoon with Vernon Ruttan who has been at the university since 1965. It is the first decent sunny day we've had in two weeks, I think. It is April 19, 1995. The interview is being conducted in his office in the classroom building on the St. Paul campus at the University of Minnesota. With that introduction, Vern, as I suggested before we turned this blasted machine on, if you could kind of summarize briefly . . . You sent along such a nice autobiography and a very large CV [Curriculum Vitae]. I file those with the tape. Why don't we with the spoken word say a few things about how you got interested in agricultural economics, the chances that brought you to different schools, and then we'll get into your career.

VR: One of the things that led me to agricultural economics is that I grew up on a farm in Michigan, during the Depression of the 1930s. Through a series of accidents that I outlined in that little paper I left with you, I ended up while I was in the army at Yale University for three quarters as a pre-medical student. In the process, I discovered two things . . . that I couldn't remember the muscles of a dogfish . . .

CAC: [laughter]

VR: . . . and secondly, that I did very well in an economics course. [laughter] I began to understand a little bit about what had happened to us in the 1930s.

CAC: Ahhh.

VR: That led me into economics and then, after the war, when I went back to Yale—because Yale would give me more credits than Michigan State would—I took a course on government and

business in which we read T.[Theodore] W. Schultz's book on . . . I can't remember the title now.

CAC: *Government and Economy*, something of that sort.

VR: Right. The course was on government and the economy and his book was for the National Planning Association on post-war agricultural policy.

CAC: Ah.

VR: I discovered that something called Agricultural Economics existed. That led me to want to go Chicago and study with Schultz.

CAC: What kind of a mentor was he? I ask that question because I've interviewed so many faculty and almost invariably it is a chance contact with some person, sometimes even in high school but more often at the graduate level, that really forms a career or point of view. Would that be Schultz's case?

VR: Schultz has been rather unique in the sense that he was a rather forbidding person.

CAC: I know the type.

VR: You didn't approach him casually. What you admired was his intellect. I think I only met with him three times during my thesis.

CAC: Good heavens!

VR: Now, we met every week in a seminar but it never occurred to me that I ought to pester him.

CAC: Like your students probably have pestered you on occasion?

VR: Yes, right. [laughter]

CAC: That's a different kind of mentoring. It's a strength of intellect and analysis, isn't it?

VR: Schultz came from a farm in South Dakota. His father wouldn't let him finish high school.

CAC: [gasp]

VR: So, it wasn't until he was in his mid-twenties that he got to Brookings and in his junior year, his professor at Brookings told him, "We can't do anymore for you here. I'm going to send

you down to Wisconsin." When he got down to Wisconsin, they didn't know what to do with a person who didn't have an undergraduate degree but they figured it out. [laughter]

CAC: There was some virtue in the earlier generation.

VR: You couldn't do that today, could you?

CAC: No. So, it was really what he had written and his control of the seminar that set a kind of model for you?

VR: Right, and his rigorous approach. I remember a comment he made . . . he was known within the profession for a strong theoretical orientation but he always insisted that you have to maintain a dialog between theory and data, that intellectual history apart from institutional history had little grounding . . . that kind of thing.

CAC: Did he ever relate it to his own experiences in rural South Dakota?

VR: No. I didn't know very much about that until after he received the Nobel Award. South Dakota State had a T.W. Schultz Day and his sister gave a talk in which she related a lot of this.

CAC: Maybe, I should interpose here that I studied for awhile at Berkeley after the second world war with Murray R. Benedict.

VR: Murray Benedict was the guy that sent Schultz to Wisconsin.

CAC: I see. He was a Midwest farm boy and when you studied with him in seminars, you knew that he was a Midwest farm boy.

VR: [laughter]

CAC: Would that have been true with you? I mean, did the fact that your family were dirt farmers, so to speak, make a difference in the way you came *at* agriculture, applied economics?

VR: Yes, I think so. A friend of mine said, "You always seem to approach things with a moral perspective." I think I became interested in economics because I thought it would be useful from a reform perspective, using it to make a difference in people's lives.

CAC: Now would your father and extended family in Michigan have been reform minded in their agriculture at all?

VR: My father was a township clerk. I do remember when he and the person who was running for township treasurer decided in the early 1930s that the township government wasn't being run honestly and they would run and straighten it out. When he ran for county road commissioner

later, I remember us kids at the county picnic putting these little cards on the windshields of cars that said, "I will not be able to do what my opponent has promised but I will do the best I can."

CAC: [laughter] Some politician should pick that one up.

VR: What would happen if you said that today? [laughter]

CAC: That's a basis of morality, I suppose. Did you have rural electrification before the 1930s?

VR: Not until I left the farm.

CAC: REA came in . . . that's part of the story.

VR: About 1942.

CAC: When I taught history I found that so many of my students couldn't imagine the impact of rural electrification, particularly in the area I know here.

VR: Yes. Oh, what it meant for the women.

CAC: Oh, you bet! The first full time job you had—I know you did other things along the line—was to get a position in the Tennessee Valley Authority [TVA]. I gather from your brief account that you were the only ag-economist in your office at that time?

VR: Yes.

CAC: And the others would have been in soils, and chemistry, and so forth?

VR: No, it was an office attached to the general manager's office.

CAC: Okay.

VR: There was a separate agricultural unit and that did have a couple agricultural economists but the unit that I was in was sort of a staff economics group for the general manager. At first it was called Regional Economics and then, maybe just Staff Economics—that's not quite right either—and basically, it did studies. For example—this tells you that I'm a bad guy from today's perspective— . . . [laughter]

CAC: Good.

VR: . . . TVA, at the time I was there, was just beginning to make a transition from getting most of its power from the river, from water power, to development in large steam plants.

CAC: Coal burning?

VR: Right. That was a period when the technology of coal burning in steam power plants was increasing dramatically. They were building a large steam power plant at the confluence of the Tennessee and some other river. As they got about half along the way, somebody discovered that you could have something called a temperature inversion in that valley, which meant that the smoke would come down instead of going up.

CAC: Would stay there?

VR: Yes. If that happened with the high sulphur, you could have some elderly people have a heart attack going up their stair steps. What to do? The engineers figured out that you could do something called scrub the sulphur out of the stacks with what's called a nitrogen scrubber and you could get either sulphur or you could get ammonium sulphate. Another alternative was to build the stacks higher so it went high enough up so you spread the . . .

CAC: Get above the inversion, right.

VR: As a result of this little study, I discovered that if they would produce so much sulphur as a by-product, the price of sulphur would fall and TVA didn't want to take the political consequences of causing the price of sulphur to fall; so, they built the stacks higher.

CAC: Ohhh.

VR: [laughter] But that's the kind of thing you'd work . . . I worked with the people in agriculture, and the key people in chemical engineering, other staff members, worked with people in power.

CAC: Now, your reflection, after the fact, suggested that the basic premises for agriculture in the Tennessee Valley, the whole southern state region there, had shifted from the beginnings in 1935 to the late 1950s when you were there and that it was that shift that you became aware of? In reflection, that is true. Were you acutely aware of it at the time?

VR: I was aware of it first . . . I had seen the change happen in the part of Michigan I was from when automobile factories started in Detroit, and Pontiac, and Flint, etcetera. It just drew people out of those sandy lands.

CAC: Out of the country, sure.

VR: That had not happened in the South because there hadn't been industrialization; in the post war period it was beginning to happen, The presumption in the 1930s had been that there would not be a decline, great unemployment. There was the idea that the U.S. economy was mature.

There was a movement toward creation of subsistence homesteads and the presumption that you designed the technology for small scale farms.

CAC: Farms in the Tennessee Valley were, for the most part, small except black soil farther south?

VR: Small and on upland soils. Before World War II was over, the presumptions on which the design really of the Valley had been based had been made obsolete by the same kinds of things that were happening there as things that happened in the Upper Midwest in the 1920s.

CAC: Were others of your colleagues aware of this so that research questions would be shared or was this an insight that you brought to this as an economist?

VR: In this unit that I was in, this view emerged. I contributed to it but I wasn't the only one.

CAC: Okay.

VR: On the other hand, in the office of the Agriculture Relations Department, the old view still held; so, there were rather intense arguments around policy between this group in the general manager's office and the Agriculture Relations Department.

CAC: The older line would have bureaucratized by then . . . I mean the persons who had been around for a long time, and had official titles, and status, right?

VR: Right. Some of the original leaders had retired. There was a man named J.C. McAmos who had been one of the original philosophers of the agrarian . . .

CAC: Along with [David] Lilienthal?

VR: Right. He wasn't in the three-man board but he had been head of the Department of Agrarian Relations. I got to know him and he took me around to some of the hill farms. In the 1930s, he bought two Model-A Fords because he was sure that someday there wouldn't be Model-A Ford and there was nothing like having a Model-A Ford to get around in the hills with. [laughter]

CAC: Right. High wheel base.

VR: Right.

CAC: That was a great car on other grounds.

VR: Right. At that time, we visited small farms in which farmers borrowed fifty dollars from the Farmer's Home Administration to buy a pressure cooker and fruit canning set.

CAC: The whole demonstration . . . agents, I'm sure were encouraging that.

VR: Yes. It was that close to a subsistence economy then.

CAC: Yes. That engaged you for three years, approximately?

VR: Yes.

CAC: Then, you came into the academic part, a place at Purdue.

VR: I had looked for an academic job when I was getting out of graduate school but that was one of those early . . .

CAC: The mid 1950s were slow for lots of things.

VR: Yes. It was just a year that the job market was weak. Luckily . . . the TVA was a good experience for me.

CAC: You were longing to come to the academy because of your experience at Chicago, and at Yale, and elsewhere or was that not a major career objective?

VR: That was my first choice.

CAC: It was first choice because . . . ?

VR: I liked doing research. That's what I wanted to do.

CAC: I'm guessing that at Purdue the structure of the department would be—they were a Land-Grant Colleges— . . .

VR: Yes.

CAC: . . . had links for Experiment Stations and to Extension; so, that this would anticipate what you found when you got to Minnesota?

VR: Yes.

CAC: Minnesota being a lot later part of the story but, maybe, we could ask here, given the fact that the structures were quite similar, and the bureaucratic, and the financial, and budgetary matters, was there any major difference between what was being done at Purdue and at Minnesota? Are they different systems or are do they just reproduce themselves?

VR: No, they are somewhat different. Purdue was much more, in a sense, bureaucratized than Minnesota was when I arrived here in 1965.

CAC: Okay.

VR: What do I mean? I mean, it said on my appointment sheet that I—I think it was—was 50 percent College of Agriculture and 50 percent Experiment Station. In Minnesota, when I came here, you didn't know.

CAC: You mean the funds were mixed or the individual instructor didn't care or it didn't matter?

VR: It didn't matter and this was throughout the university. For example, in the College of Liberal Arts at Purdue, if you were teaching less than full time . . . I assume when you came here, a full time teaching load was three courses.

CAC: Sure. A good guess, 1951, a good guess.

VR: That was a full time teaching load. If you were teaching less than a full time teaching load, it said, "One-third research, two-thirds teaching." You were expected to, even in Liberal Arts, to account for that. My sense is that Minnesota had just gradually cut back on what was full time teaching but never officially said to the legislature that we'd changed the nature of appointments.

CAC: You weren't here when we changed from a three-credit unit as a basic one to a four-credit unit?

VR: I can't remember.

CAC: That was part of the way it was done because then you could multiply four fewer times to get into a respectable . . .

VR: Right. [laughter]

CAC: It freed up time and meant less time in the classroom. The assumption was that major teaching went on outside of the classroom anyhow. You and I would know that's the case.

VR: Yes. It seems to me a lot of the kinds of things that we've seen emerge in the last decade here as a result of lack of accountability was because, basically, Minnesota said, "We have a group of honest people. We trust them." Whereas, Purdue had already institutionalized many of the things that we are gradually being forced to institutionalize because some people have not . . .

CAC: So, you really think there is a *Minnesota nice*? That's not a challenging question.

VR: I don't know whether they call it *Minnesota nice* but . . .

CAC: That's what it's called . . . pop . . .

VR: Yes, I know it is but it's a little different than that. It's just the assumption that people are responsible.

CAC: Okay. So, the accountability was more bureaucratic and rigid at Purdue than you found it to be at Minnesota later?

VR: Yes. I talked about this with my wife quite a bit when I first came here. I said, "As a department head, I can be a pirate here."

CAC: And some are.

VR: Yes . . . not now you can't be.

CAC: [laughter]

VR: Dean's take your positions away from you. [laughter] There was a larger entrepreneurial role.

CAC: Did you have a research agenda when went to Purdue? Did you know that there were things that you wanted to do first, and second, and third, and have your graduate students do, etcetera?

VR: It kind of emerged gradually. At TVA, I began doing work on regional economic development and I had done this work on technical change in my Ph.D. thesis. At Purdue, they needed somebody to do work in agricultural marketing. That was what they hired me for; so, I started doing agricultural marketing. Then, an opportunity came, because of federal funding, to do more work on regional development. I managed to get a National Science Foundation grant to do work on technical change in U.S. agriculture. The regional development and the technical change issues within a couple years kind of took over my . . .

CAC: In the late 1950s, the federal funding was coming for projects of that sort from what particular source, what agencies?

VR: The regional development was coming from the Department of Agriculture through the Experiment Station.

CAC: So, they would change their agenda because of the developmental problem world-wide?

VR: It was basically rural development in Indiana.

CAC: I see. All right.

VR: Southern Indiana was part of the U.S. South, in a sense. Both on the research and extension side, there was a community and rural development focus, not the whole focus but substantial focus. For the work on technical change, I got a National Science Foundation grant.

CAC: I'm asking this question awkwardly. I find in many areas of this university—and other universities, I'm sure—that the availability of funds for certain kinds of projects make it possible for persons who had that in mind in the first place to do it? For others, it meant a skewing or a change in their own research agenda?

VR: Yes. I think in my case, the marketing issue thing . . . I did a couple useful studies but it wasn't something that grabbed me. The interest in development, I think, emerged during my graduate work at Chicago with Schultz and Gale Johnson. At that time, doing development work . . . If you remember [Franklin D.] Roosevelt's statement, "The South is the U.S. problem number one," . . . doing development meant working in the U.S. South.

Then, I did explore the possibility of international work at the time I was getting out of graduate school. The U.S. Point Four Program hadn't really gotten started but I explored FA [Foreign Aid]. At that time, they wanted advisers. They wanted people with gray beards.

CAC: And people that knew the hands-on business?

VR: Yes. I didn't know that when I took the TVA job but, as it turned out, the TVA job furthered my interest and work in development.

CAC: When the opportunity came to go to Washington with the new administration, that was very tempting and you took it?

VR: Yes, it didn't take me a minute. [laughter]

CAC: Say a bit about that. You were at the Council of Economic Advisors at Minnesota with Walter Heller, chair. How did they spot you to bring you there?

VR: I assume Ted Schultz told Jim Tobin.

CAC: So, you were a favored student, among others. You were . . .

VR: I never felt I was one of his most favored students but . . . [laughter]

CAC: Well, networks help.

VR: Yes. I still had this international interest and I had been invited to come to a meeting in New York run by the Agricultural Development Council [ADC] in which they had a number of their Asian cooperators. I had talked to the president of the Agricultural Development Council about taking a job in the Philippines.

CAC: A job that you would pick up later?

VR: Well, a different job . . . this would be located at the University of the Philippines. I had agreed to come in, and attend this conference, and discuss the matter with him. A couple days before the conference, I got a call from Jim Tobin saying, "Would you be interested in coming in and talking to us about the council?" I said, "Sure. I'm going to New York anyway; so, why don't I stop on the way back?" He said, "Fine." I stopped on the way back, and we talked, and he offered me the job, and I said, "Yes!"

CAC: This was before the change of administrations?

VR: No, Tobin was on the Kennedy . . .

CAC: Transition change?

VR: No, no. It was after . . . this is a funny story.

CAC: Okay.

VR: The Kennedy Administration had Walter Heller at the council and Willard Cochrane as chief economist at USDA [United States Department of Agriculture]. Willard and Heller had a discussion and they decided they didn't need an ag-economist on the council because they could just talk to each other.

CAC: [laughter]

VR: At about the end of the first year, Kennedy, or his Office of Management Budget, discovered that Orville Freeman had spent about \$1 billion more than they anticipated in farm price supports—the budget was less than \$100 billion—and Kennedy told Heller, "You better get an ag-economist!" [laughter]

CAC: [laughter]

VR: I didn't know that then . . . but that offer was exciting. I called up my wife and I said, "I want to do it!" When I got to Washington, they thought it would be useful to give me some orientation; so, they had Dale Hathaway, who had been on the staff of the council and had a comparable job earlier during the [Dwight D.] Eisenhower Administration, come in and spend

a week with me. The first this we did was call up Willard Cochrane and say, "We want to come over a visit with you." Willard Cochrane was not at all happy to see me! [laughter]

CAC: There would be an ag-economist outside of his own domain, right?

VR: Because basically my job at the council, my job description, was to watch Willard Cochrane and Orville Freeman. [laughter]

CAC: Did you know Willard and Walter Heller by reputation and no other way?

VR: I knew Willard. I had met him at a meeting. In fact, he made quite an impression on me because he said, "I read your article in the *Review of Economics and Statistics* and I liked it."

CAC: Ahhh.

VR: Now, Willard Cochrane was seven or eight years older than I was or, maybe, ten years older.

CAC: He was a hard grader, too?

VR: [laughter] I also knew him because he and Schultz had differed on quite a few things and had engaged in some dialog at the annual meetings that always turned out to be exciting.

CAC: What did you learn? You were there two and one-half years?

VR: In Washington?

CAC: Yes.

VR: No, not quite one and one-half years.

CAC: What did you learn? That's a pretty brief apprenticeship?

VR: I learned that working in the office of the general manager of TVA was good preparation. I kind of knew how to work in a bureaucracy, how to work a bureaucracy. I learned something that has held up until this year and that is that Congress could not write legislation, that it's [unclear]. The legislation had to be written in the executive offices or the outlines transmitted to Congress and then Congress could fine tune.

CAC: Now, the lobbyists do it and the Congress [unclear]?

VR: Newt Gingrich has changed that. We have a parliamentary system now.

CAC: In which he calls upon outside help to write the bills [unclear]. Congress is still inept at that and initial [unclear].

VR: Now, it's doing it.

CAC: Yes.

VR: I also learned a little bit about resource economics because, in addition to the Department of Agriculture, the Department of Interior was part of my beat also. Another thing I think I learned is that a president cannot get more than one or two major pieces of legislation through any one Congress.

CAC: And agriculture is usually pretty far down the line?

VR: Right. Right.

CAC: I've just been reading a biography of Wilbur Cohen who shaped everything in Social Security for forty years. The same story is there . . . always bills were written in his office. Then, they have to be carried, and manipulated, and the politicians decide but the initiative came from the executive branch. Then, an opportunity came, after only a year and one-half, to go to the Philippines to a Rice Institute?

VR: Right.

CAC: That would seem kind of exotic after the work you had been doing up to that point.

VR: [laughter] Remember, I'd been interested in overseas.

CAC: But you hadn't lived overseas?

VR: No. About the time I was going to go back to Purdue, a former professor of mine in Chicago from political science, named Charles Hardin, was then on the staff of the Rockefeller Foundation. He called me about possibly going to the Philippines. I was quite skeptical about the idea. He had me come down to New York and meet the director of the International Rice Research Institute. The institute was just being started. It has been started a couple years ago, and the facilities had been built, and new staff were arriving at the time I was being interviewed. The director had been formerly the president of the University of New Hampshire, and before that on the faculty at Cornell, and he was a very enthusiastic person. Hardin twisted my arm some more and I thought, it's time to do something like this. It was a very fortunate thing that I did it because that institute and, in another couple years, the Mexican program of the Rockefeller Foundation, which became the International Wheat and Maze Center, became the first two institutes in what is now the International Agricultural Research System. So, again, I was . . .

CAC: Who was underwriting the Philippine, if Rockefeller was the Mexican?

VR: Rockefeller and Ford. Rockefeller's attitude was, with Ford's money and our brains, we could really do something. [laughter] Rockefeller traditionally had a field staff of people who were doing scientific work abroad, both in health and in agriculture.

CAC: What was your assignment when you went to the Philippines?

VR: I was the agricultural economist at the International Rice Research Institute. The senior staff of the institute was about eighteen people and there was no more than two people in any one discipline. There was just one in economics. It had resources to do what you needed to do. In fact, because it was new and because it had resources, you felt, if I don't perform here, there's nobody to blame but me. I learned a lot about research management from this man [] Chandler. Let me illustrate. We worked five and one-half days . . . We had an institute-wide seminar on Saturday mornings in which every discipline, senior staff and their research assistants, etcetera, participated. Sometimes, like the soil chemist would give three seminars in a row to bring everybody up to date on soil chemistry. I remember at one of these seminars—I don't know just what prompted it—Chandler got up and said, "Look! the purpose of this institute is not to do good science." Everybody, you know . . . not do good science?

CAC: Grow more rice!

VR: "The purpose of this institute is to increase rice production in Asia and you may have to do good science." He managed to create a kind of culture by focusing us away from our discipline and toward the problem. He managed to create a culture in which interdisciplinary work became natural. I didn't have to be asked to get interested in something the agronomist or the ag-engineer was doing or they in my work. It just became a natural kind of thing to do. We worked hard. We got work done . . . and they did change rice production in Asia! [laughter] I thought that's the most arrogant statement I've ever heard. Look around here . . . these eighteen guys? . . . we're going to change rice production in Asia?

CAC: Eighteen . . . you were the only economist?

VR: Right.

CAC: What was the role of the economist relative to the soils, and the chemistry, and the genetics, and the seed people?

VR: What I was trying to work on before the new technology was available was what kind of an economic environment the new technology would have to fit into.

CAC: You concluded what? You had to learn the Philippines very fast?

VR: One of the first things I did is I did a lot of traveling. I traveled from the northern to the southern end of the Philippines and then I traveled from Korea to Pakistan. At that time, that was very unusual, in the early 1960s. I went and I met with agricultural economists at universities and government ministries in these countries and talked about how they saw the situation. I visited farms.

CAC: You would bring that back to . . . ?

VR: Then, I started a research program on, What were the technical and economic factors that were affecting differences in rice productivity around Asia? You could bring graduate students from other countries. They could do their master's degree at the University of the Philippines and do their research at the International Rice Institute; so, I had Korean, and Thai, and Filipino graduate students who I put to doing, to sorting out, data.

CAC: You were all studying, learning, in English?

VR: Yes. The language of the institute was English. Most of the senior scientists had been trained in the U.S., or Australia, or the UK [United Kingdom].

CAC: As it turned out, what was the contribution of the economist to this team of eighteen?

VR: Well, I think it was in understanding the fact that they were designing a rice production technology, not for the U.S., but for small scale, labor intensive, Asian farms.

CAC: This would be true in Korea, and Pakistan, and elsewhere, where rice is grown?

VR: Right. Again, let me illustrate.

CAC: Oh, please, that's the best way.

VR: Every six months, we had a research review. We spent a week each of us talking about our research. You did that twice a year in the tropics because you had two crops a year.

CAC: Sure.

VR: One of the puzzles that came up early at one of those sessions was why the Japanese plant physiologist had gotten one of these classic S-shaped response curves, a response of rice production to fertilizer. An American agronomist doing basically the same experiment, under the same conditions had gotten a much flatter one. How could that happen? Both of them were good scientists. The ag-engineer and I were sitting in the back talking to each other and I don't know which one it was but we thought the reason is the Japanese growing his rice like a Japanese in an environment in which labor was cheap and everything else was expensive and the American was growing his rice as if he were growing it in the United States where labor was

very expensive and things were cheap. So, the Japanese had his laborers out there and whenever a weed stuck its head up above the mud, it got stuck back in. The American waited for the weeds to get a little high, and then he'd put some herbicide on, and kill the weed, and he killed a few rice plants.

CAC: [laughter]

VR: This turned out to be a major insight into my work that what the Japanese guy carried with him in his head, a vision of the resource endowments, the relative cost of labor and land, of fertilizer and of power to him, and he carried that into the Philippines. The American carried in his head, the American factor endowments . . .

[End of Tape 1, Side 1]

[Tape 1, Side 2]

VR: . . . but when Professor Hiyami and I began working together, that insight that there are alternate paths of technical change in agriculture—there's not just a Western path—the fact that you could design productive technology to fit the economic environment of different societies was an important factor. It was important in explaining historical development . . . why Japan had been getting yield increases long before the United States was . . . why our technology was mainly designed to save labor, not to increase yields. I'd had some ideas on that. As I look back, I remember a seminar at Purdue by a British economic historian. His talk was on British and American technology in the nineteenth century. Why did the British make their gun stocks by hand and in America at the Springfield Armory, they did it by machines? Why did American sawmills produce big piles of sawdust and British sawmills produce little piles of sawdust? [laughter]

CAC: [laughter]

VR: The idea had been [unclear].

CAC: Sure.

VR: Then, this experience . . . and then when Professor Hiyami and I began working together, we formalized this whole thing and began testing it around the world.

CAC: At more than the Philippines?

VR: Yes.

CAC: The Rice Institute happened to be there but it was for the . . . ?

VR: Asian region.

CAC: You began to get publications out of this?

VR: Yes.

CAC: Just a biographical question . . . your family was there with you?

VR: My wife and children, yes.

CAC: How old were your kids?

VR: My oldest daughter was ready to become a sophomore in high school.

CAC: So, they went to school there?

VR: Yes.

CAC: That must have been a very good experience for the kids?

VR: Yes. It was kind of a mixed experience. She went to an Episcopal boarding school located in the central mountain highlands because we felt at the high school level she needed more than the local. The local school was on the campus of the University of the Philippines College of Agriculture and our two younger kids went there.

CAC: Did any of them pick up a language?

VR: Only the preschooler. She picked it up from the maids.

CAC: Sure.

VR: But she would not speak to us in Filipino—Tagalog, which is the local Filipino. She would speak to the maids. It was appropriate to speak with the maids in Tagalog but not to us.

CAC: That's a pretty good lesson in itself.

VR: [laughter]

CAC: You were there about three years?

VR: Yes.

CAC: Then, you were attracted right to Minnesota to be head and professor?

VR: Yes.

CAC: How did that come about?

VR: It came about immediately because I got a phone call from Woody [Sherwood] Berg.

CAC: But it was to be in a position in development?

VR: No, it was to be department head.

CAC: Well, but you have to have an area of research and teaching?

VR: Oh, sure. I didn't intend to give up what I was doing. [laughter] The department had been increasing its interest in international work. Berg had served as agricultural attaché in several countries, including Yugoslavia, before he came back to the university as department head himself. Then, he'd been with the U.S. Department of Agriculture. I was ready to come back because my son was having some psychological problems and we felt it was time to come back. In fact, I had contacted Purdue about coming back. I was coming to the U.S. anyway; so, I told Woody that I would be pleased to stop here. I was going to stop at Purdue. I said something that also you can't do now. I said, "If things go well, are you prepared to offer me a job or am I just going to be part of a crowd?" He said, "If things go well, we will be prepared to offer you a job." I discovered later that they had offered somebody else a job. The person, previously, had accepted it and, then, about the time they were supposed to arrive, had decided not to accept it. Berg felt that Search Committee had not done a good job and he took charge of the search. [laughter]

CAC: It wasn't, grow more rice . . . it was, get a head of the department.

VR: Elmer Learn had been department head and he moved into Central Administration.

CAC: Yes. When you got here, was Cochrane back by then?

VR: Yes.

CAC: And Heller was here?

VR: Yes.

CAC: And Oz Brownlee, whom you had known at Chicago, was here?

VR: Yes. Yes. And Jim Simler who had been in the same office with me at the council.

CAC: I see. Okay.

VR: It never occurred to me that I would end up here.

CAC: They weren't the reason you came here? The board was really searching for somebody with your skill and talent?

VR: Yes, and I was ready to come back to the United States. It was easy for me to like the atmosphere here better than in Lafayette. Culturally, Minnesota is closer to Michigan than it is to Indiana. [laughter]

CAC: You come back to a program in Agriculture and Applied Economics? Is that a standard designation?

VR: No.

CAC: What does it mean in the Minnesota context . . . finally, we're to Minnesota?

VR: When I got here, it was not the Department of Agriculture and Applied Economics. It was the Department of Agricultural Economics.

CAC: Okay.

VR: The College of Agriculture was just going through the process of merging its Extension units with its departments. There was a separate Extension Ag-Econ unit; so, the last merger that had to take place—the ones had taken place in all the other departments—was bringing Extension . . .

CAC: That's where you get the title Applied Economics once [unclear]?

VR: No, not yet. I would not have wanted to be at a school in which they were not integrated.

CAC: You knew that when you came that one of your first tasks would be to carry forward that merger?

VR: Yes, and I also knew the Extension people were a little bit suspicious of me. [laughter]

CAC: And Woody Berg knew that that's what you had to do, also?

VR: Yes, that's right.

CAC: Elmer Learn knew it?

VR: It was clear that that was one of the first things that I had to do. I also had, by this time, come to the conclusion that . . .

[break in interview as there is a knock at the door]

VR: I already had the view that agricultural economics was too narrow, that the kinds of things that agricultural economists do and the kind of applied skills and their clientele orientation was something that would be relevant all across the professional schools at the university. It seemed to me that the university had the choice of having an Applied Economics Department or a half dozen Applied Economics Departments; so, once we got the merger taken care of and a sense that we were a department . . .

CAC: What were the relative sizes of the two groups?

VR: The group in Extension was probably 40 percent and the group in the teaching/research unit was 60 percent.

CAC: Can you say something about the politics of bringing about this merger? I have a sense that there remains a cultural difference between the two divisions.

VR: The director of Extension believes that the entire Land-Grant tradition is held only in the Extension Service. The dean of the College of Agriculture believes that it's held in the College of Agriculture and not in the rest of the university. Since it had already occurred in other units, Animal Science, Agronomy . . . there was a readiness.

CAC: But there is an academic culture that the provinces have and I've been around long enough—you'll forgive me—for forty-five years, to know that there is still a real cultural separation, not of intellect and not only thinking that one group has the mission . . . no, we have the mission. It's more profound than that . . . the kinds of questions they address, the kind of research techniques they use, and so forth. Did that play itself out in the merger and how? Or maybe my perceptions are flawed?

VR: Let me go back to Purdue. Most of the other Midwest colleges had taken care of this issue a long time ago, or maybe never had it.

CAC: Why was Minnesota slow?

VR: I don't know. But the southern pattern was separate. When I worked at TVA, I saw that separateness and, then, I worked at Purdue and I saw how much better it worked if they were united. I developed a very strong feeling that if you're going to have quality people in your Extension unit, you've got to have the units merged, and you've got to have Extension people doing some research and/or some teaching, and you ought to have teaching people and your research people doing some Extension.

CAC: Was the latter as difficult as the former?

VR: It was possible to do it. What we did is we did some trading. We put 10 percent of an Extension worker's salary on teaching and he taught the same courses he did in Extension.

CAC: But to a different clientele?

VR: Yes. The Extension person that was doing Agricultural Policy taught the undergraduate Agricultural Policy course after we did that.

CAC: But whom did he teach before that?

VR: He didn't teach in the university.

CAC: Oh, I see, not at all?

VR: He only taught out in the state.

CAC: Who would his students or his constituents have been there?

VR: The Extension specialists back up the county. It's a little bit overstating it but, in some sense, the county agents are the registrars for the short courses, the seminars.

CAC: Ah. I see, the short courses, workshops.

VR: The work shops that the Extension specialists put on. Sometimes, these are at county levels; more often, they're regional level things. One of the ones that became rather famous was the Farm Policy Seminars that were held with farm leaders every year.

CAC: Would this be located at Waseca and Crookston, for example?

VR: They would be located there or at other locations. We had a two-week rural bankers' program every summer.

CAC: And carried that to different places around the state?

VR: No, that was held at Morris every year.

CAC: Okay. Then, you got people who were on the Ag-Econ side to do some of those workshops?

VR: To participate, yes. For the people in Extension, having the opportunity to teach was viewed as a plus by them because you aren't really part . . . The currency of the university is teaching hours.

CAC: Yes.

VR: An opportunity to have some Experiment Station money to do some research in the area in which they were doing extension, that was . . .

CAC: In the older system, they didn't have that access?

VR: No, no.

CAC: But there was a resistance, I would imagine, in some places?

VR: Yes. Some people were a little bit suspicious of me. Here's a Chicago guy, you know. Chicago guys have a certain . . . [laughter] I could tell during the interview, I was going to have to convince some of these guys that I really understood something about agriculture.

CAC: You were head how long?

VR: I was chair for five years.

CAC: By the end of the five years, you'd had four and one-half years of merger?

VR: Something like that.

CAC: By then, the basic changes had been made?

VR: Yes. I was the first department head in the College of Agriculture to step down and to step back into a teaching research role.

CAC: I'm kind of concerned about the culture of these two groups. You're pulling this off in five years and—my compliments—but there must have been resistance and then persisting cultural differences between the two groups?

VR: Well, there were individuals who felt that they were never as fully appreciated as they thought they deserved but the attitude that I think I took was that, look, these are resources that are here. It's not going to do any good to say, "I could do better as department head with different resources."

CAC: You perform with what you have, sure.

VR: We find a role and we support that role. When times come to change, to fill new positions, we redefine roles.

CAC: You were able to do that, to redefine roles on both sides?

VR: Yes. I'll tell you something else. I hope I don't sound too arrogant but I'm sure I do.
[laughter]

CAC: A tiny bit is all right, Vern.

VR: At the first faculty meeting after I came here, I said, "I've watched faculties tear themselves apart by fighting about things and voting on things; and when somebody loses votes time after time, they become bitter. I'm going to propose that we don't take any votes in this department."

CAC: Heavens.

VR: "That we talk about things long enough till it becomes apparent what it makes sense to do and then I'll declare that that's what we're going to do."

CAC: Even though, put to a vote, it might be 80-20 or 70-30, or what have you?

VR: Yes. Somebody said, "Shall we vote on that?"

CAC: [laughter]

VR: I said, "No!" I don't know how I was so arrogant.

CAC: You were head rather than a chair. A chair wouldn't get away with that.

VR: And a head wouldn't get away with it today either.

CAC: Yes. It wasn't a bad idea.

VR: It didn't allow tensions to just fester or, at least, it didn't contribute to tensions festering.

CAC: We're told that many in many American Indian tribes that that's a system of governance, that you talk the thing long enough until there's consensus.

VR: I've read that, too.

CAC: Do you believe it?

VR: Yes, I do.

CAC: This put you out of a model of departmental governance, didn't it, in the university, which meant that it, in part, got away because they did come to trust you?

VR: Yes.

CAC: If you'd had to build a trust, it wouldn't have worked?

VR: If they'd felt I was doing things that were not good for the department.

CAC: Yes. Say something about the relationship of agriculture, economics, applied economics but the St. Paul campus generally, to what we used to call the farm campus and the main campus.

VR: Let me come back to this agricultural and applied economics as a way of getting into that.

CAC: All right.

VR: I think it was about in the second or third year, probably about the third year, that I was here that I began talking to people about changing the name of the department to Applied Economics. By that time we had hired some people working in Regional Economics and people working in Consumption Economics. My sense is that we needed to continue to broaden the agenda. I talked to people individually and, then, we began to talk about it in staff meetings and I talked to the dean and had general support. I talked to the people in Economics and, at first, it didn't appear that there was any opposition but, then, as it became apparent that, maybe, we really intended to do it, there were two, or three, or four people that said, "We would be very unhappy." So, Jim Simler and I talked some more and said, "Let's change it to Agricultural and Applied Economics," which is a redundant. I mean, Agricultural Economics is Applied Economics.

CAC: Unlike industrial economics . . . that's applied, too, isn't it?

VR: Yes, right. Health economics. After three or four years people will get used to the idea and then we can just drop the Agricultural and have a letterhead that says, "Applied Economics" and then these various fields. By the time that might have happened, I had left here. We went through with the name change to Agricultural and Applied Economics and further diversified.

CAC: How does that lead to a commentary on the St. Paul campus and the Minneapolis campus?

VR: There is a cultural difference. I think it's not just Minneapolis and St. Paul but it's College of Liberal Arts [CLA] and professional schools. As I see the Economics Department, the basic thing that motivates people is their contribution to the profession. They may do some applied economics but it won't be motivated by a sense of responsibility to a clientele. It will be motivated by a desire to clarify a question that is of significance to the discipline.

CAC: And refereed there, as we use the word?

VR: Right. My sense in the Agricultural Economics Department as compared to Economics, or the biologically based people in the College of Agriculture versus those in the College of Biological Sciences, or the people in Mechanical Engineering versus Physics, or people in Chemical Engineering versus people in Chemistry is that the research is motivated towards solving a problem that has significance to some clientele. If you read the history of Chemical Engineering and the fight at MIT [Massachusetts Institute of Technology] to establish a Chemical Engineering Department in contrast to a Department of Chemistry, they went through exactly the same . . . I think it's that cultural difference. We're involved in this discussion about whether we should complete the change right now to Applied Economics. Actually, there's stronger opposition in Economics now than there was. I obviously made a mistake in not pushing it through when it would have been much easier to do.

CAC: [laughter]

VR: From my point of view, I made a mistake. [laughter]

CAC: Sure. Your colleagues who are down the Agricultural Economics side—although you are a merged department, still many people think of a primary commitment one place and another—persons of your disposition have their psychological and career rewards with your subspecialty of the discipline nationally? Right? Still? In that sense, you're of the CLA model?

VR: I play it both ways in my career.

CAC: But that would be unusual . . . or not?

VR: No, I would say one-third of the people in this department play it both ways.

CAC: Okay.

VR: In my work on agricultural development, I have made a couple of theoretical contributions in the same way that chemical engineers sometimes make contributions to chemistry.

CAC: You bet.

VR: At the same time, in my work on research policy, I have not made theoretical contributions but much of that has been oriented to a clientele, research directors, research managers, National Academy of Science types, etcetera.

CAC: And on campus?

VR: And on campus to a more limited extent. Let me . . . [laughter] Nobody at Morrill Hall has ever asked me for any advice on the organization of agricultural research at the University of Minnesota.

CAC: Well, they'd better hurry up!

VR: [laughter] The USDA at times has invited me in for a day or two to talk about things. The government of Colombia invites me in for a week!

CAC: [laughter]

VR: Why is it that Minnesota . . . ? From the dean of Agriculture, I've always had good support for this work. He likes to use it a bit among his colleagues but I often ask him, "Why is it?" The answer I come to is that when I go down and talk to the administrator of the Agriculture Research Service, [unclear] and I go home, he can ignore everything I said. I have no political clout. When the government of Colombia asks me, I have no . . . but here, if they ask me for advice and they don't take it, I'm going to set here and be mad.

CAC: I understand.

VR: Now, there is something funny within the university about this—and it's not true of all universities. The advisory structure within the university is through its political system, through the Faculty Consultative Committee, the Senate, etcetera. The university does not reach out and use the technical capacity or the scientific capacity of its faculty to advise it on, say, the installation of a super computer . . . or anything else, including the running of the golf course. It doesn't ask the turf expert in the Horticulture Department.

CAC: Ah. Okay.

VR: That's not true of all universities. Some university deans have a kind of separate advisory council that they call on on an ad hoc basis . . .

CAC: On a kitchen cabinet.

VR: . . . around an issue, say, of science policy.

CAC: But you get involved in technology transfer here; so, presumably that involved some of that?

VR: Yes. I had some responsibility in the department.

CAC: It doesn't initiate in Morrill Hall for the most part?

VR: Right, right.

CAC: When Bill Hueg was vice-president here, did he press, did he support?

VR: Bill Hueg helped us raise the money for the first national conference that was ever held on agricultural research policy, which we organized here.

CAC: Out of your office?

VR: I and a junior faculty member put it together and Hueg participated. In the mid 1980s, after I came back here, we ran, for four years, a summer institute on research policy and management. We had both domestic and foreign participants, directors of research at universities or national governments, associate directors. The entire group was together for one week and then the second week was just for the international people. That was supported by the administration . . .

CAC: But not in a way to have an influence on university policy?

VR: No, not directly, only as, for example, Dick Sauer, who was dean at that time, participated actively in these workshops to the extent that he learned something in the workshops, or absorbed, acquired, whatever. But he didn't ask my advice.

CAC: One wonders about the access that people in the St. Paul campus have to Morrill Hall and whether the insistence on a vice-president was one way to force the entry of the St. Paul interests, concerns, culture if you wish, on the university at large.

VR: I think it was. When Bill Hueg was appointed the vice-president, I think it was the result of an effort by the members of the Board of Regents who represented the agricultural community, and the agricultural community more broadly, to get stronger representation from the St. Paul campus and Central Administration. As you know from talking to Bill, it didn't work out too well. If I were at the University of California and you asked me that question, I would see a much stronger set of tensions between the agri-business community, the more traditional agriculture community, and the farm labor community . . .

CAC: Yes.

VR: . . . because California agriculture politically has been dominated by the large-scale farming interests and you have large-scale farming interest.

CAC: And who are connected with the canneries and processors and the distributors?

VR: Right, and sometimes are the same.

CAC: Same voice?

VR: Yes.

CAC: I should tell you my dissertation and first book was that . . . *California Farm Politics: 1929 - 1941* [unclear].

VR: [laughter] Well, I can't tell you anything.

CAC: [laughter] You can tell me a lot.

VR: I spent a year at Berkeley and it was interesting. You probably knew Paul Taylor?

CAC: Oh, yes. He was second reader on my dissertation.

VR: I think sometimes his populist sentiments carried him away. He was a very interesting person. I don't sense that there is the same dichotomy of interest here simply because the distribution of farm sizes, etcetera . . . it's a more homogeneous agriculture and while we have some large farms, they're not really large farms.

CAC: But you do have large processors?

VR: We have large processors.

CAC: And do they have an influence or was that an increasing influence on the St. Paul campus in your experience here?

VR: I don't think so. I've had good personal relations with a few people like Whitney MacMillan at Cargill. When I was with the Agricultural Development Council, I got him on my board. While he's clearly one of the more conservative people I run into, I don't sense a pressure on the university from Cargill.

CAC: But support? Does Cargill offer . . . ?

VR: Yes, Cargill has provided some support for the National Food and Agriculture Center. He didn't give me any support to the Agricultural Development Council. He told me that he thought putting a feed mill in Jakarta did more for development than giving money away. [laughter]

CAC: How does the farmer out there working through the Farm Bureau, for example, or . . .

VR: Farmers' Union.

CAC: . . . Farmers' Union have access to the facilities of the St. Paul campus, the resources?

VR: First, through the county agent and the county agent has access to the specialists.

CAC: The county agent is seen as an agent of the university as well as of the federal government?

VR: A third of the county agent's budget comes from the county, a third from the state, and a third from the federal government. I don't think he sees them as an agent of the federal government.

CAC: Okay.

VR: This was itself a product of a big political discussion in the late 1930s when the federal government began to get into ag programs, the Soil Conservation Service, the farm commodity programs. The Department of Agriculture wanted the county agents to go out and sell the programs. There was something called the Mount Weather Agreement where the deans of agriculture and the USDA got together and the deans of agriculture said, "We're not going to sell federal programs. We need to be in a position to tell a farmer how to push his pencil to decide whether it makes sense. We need to be able to give him honest advice." This written agreement came out that says that the action programs like Soil Conservation Service, the Land Retirement programs, all these things . . . that the university's role will be education.

CAC: Everybody signed off on that and it's persisted since then?

VR: It's persisted since then.

CAC: That's remarkable.

VR: I think if you'd ask a dean of agriculture or a secretary of agriculture, they wouldn't know there was a Mount Weather Agreement. [laughter] The farmers see the county agent as *of* the university, not as *of* the federal government.

CAC: The other question that was part of that was—I guess it's a repeated question—how units in the St. Paul campus relate to the larger university and the access they have, the understanding they may or may not have in matters of that sort.

VR: I think it differs greatly among departments and among individuals. The guy who does climatology in the soils department and the guy who does climatology in the geography department, I see them having lunch together occasionally and assume that they interact. Those of us doing development economics in this department and doing development economics in the Economics Department run a joint seminar. We've done that since Anne Krueger and I started. In some other areas, there's absolutely almost no interaction. Some of the people who do managerial economics in this department interact with people in the Strategic Management Center in the business school and one person in the department is a member of the Strategic Management Center. There's a person in this department that sets in the Economic Department's Prelim Writing Committee because our students take their theory prelims in the Economics

Department. On the other hand, there are people in this department who the only person they would know is Leo Hurwicz or John Chipman, the stars.

CAC: Sure. Well, a person like Phil Raup had access all over the university and through AAUP [American Association of University Professors] and many other ways.

VR: Yes. It kind of depends on whether people want to have that.

CAC: Is the St. Paul campus represented all the time on the Faculty Consultative Committee . . . I mean by constitution?

VR: I don't know whether on constitution but it seems to be that there's usually somebody there. I don't know whether it's by constitution.

CAC: Okay. Let's shift for a moment then. This Agricultural Development Council . . . you were trustee and then president. Did that take you away from campus?

VR: Yes.

CAC: Tell me about that then. Because then you're gone for . . . ?

VR: Five years. I had mentioned to you that I almost took a job in the Philippines with them as a staff member instead of going to the International Rice Research Institute. The Agricultural Development Council was established by John D. Rockefeller when he couldn't get the Rockefeller Foundation interested in the social sciences. The Rockefeller Foundation had the idea that social sciences get you kicked out of countries, trouble makers and stuff like that. [laughter] I had very close relationships with the Agricultural Development Council when I was at the International Rice Research Institute because they had staff members located in faculties in Asian universities. About half of their time was devoted to what any faculty member would do and the other half was devoted to their fellowship activities in that country; so, whenever I went to a country, they were a natural entrée. I had good professional relationships with them and with the person who was president. When he was getting ready to retire, a couple years after I stepped down as department head, he approached me. First, he put me on the board and when I was on the board, he began to approach me about whether I would be interested in succeeding him. I kind of liked Asia. I sort of had the idea that the Agricultural Development Council could expand its presence and, maybe, have a regional center in Asia. I was offered the job and I went to New York with my family . . . with fewer people with me, only our youngest daughter.

CAC: Families grow up.

VR: At the time I came on board, I talked with the trustees about a regional center in Asia and a stronger presence in that regional center. The Agricultural Development Council, on a very

small budget, was very successful in the sense that a very large percentage of the people who receive fellowships . . .

[End of Tape 1, Side 2]

[Tape 2, Side 1]

VR: When a student was selected to come here, if they were married, we would be willing to pay the tuition of the wife so they could pursue a degree. For people in developing countries, both the husband and wife have to work. That's one of the things that makes it possible to go back home. Secondly, we, as much as possible, tried to arrange for them to do their theses back home, maintain their professional relations. We organized an annual summer meeting of all of our fellows in connection with the annual professional meeting of the Ag-Economics Association. We usually brought somebody, a couple people, from Asia to those meetings. Something like 85 percent of the people who received ADC Fellowships returned and ended up working in Asia—not always at the same institution they came from.

CAC: That's a remarkable record when one thinks of other areas where they come here and study and stay.

VR: Yes. When I go back to Asia now, the deans at Colleges of Agriculture, presidents of college, the president of Taiwan, the governor of the Central Reserve Bank of Taiwan, etcetera, etcetera, are former ADC fellows.

CAC: They don't think of Minnesota?

VR: Yes, they do. When we gave the governor of the Central Bank—the governor of the Central Bank in Taiwan got his Ph.D. from Minnesota—an outstanding alumni award, he was very proud.

CAC: And properly so.

VR: They think of themselves as alumni of the university.

CAC: This is a remarkable! Everywhere I've touched, in all these interviews all around the university, almost everyone has a connection . . . the Economics Department in Spain . . . and in really odd places. Here we are landlocked, Siberia, right in the middle of that damned continent.

VR: [laughter] Yes.

CAC: Would Minnesota have a larger experience than comparable universities . . . the Big Ten, for example? Or is this a model everywhere?

VR: In the Big Ten, Michigan State has had a much larger presence.

CAC: Okay.

VR: Nationally, Cornell has probably had the largest, longest. It predated the post-war period. But we're among the leading, if you get down to somewhere between number three and number five.

CAC: That's remarkable. How do you account for that?

VR: Well, the Twin Cities is a remarkable cosmopolitan city. The corporations that have their headquarters here are global corporations. It's very different in Lafayette, Indiana. Even in Indianapolis, there's only about one or two companies that have national headquarters. It's a very different environment and, from that point of view, very much more supportive.

CAC: These trans-nationals located in the Twin Cities . . . what do you find their relationship to the university to have been? Do they take apprentices from here, for example, when we have graduate students here? What is the relationship?

VR: They have people on their staff who graduated from this department.

CAC: Okay.

VR: If you're having an international meeting of some kind and it's relevant for somebody from one of these corporations to participate, they're usually quite happy to do it.

CAC: So, it's a coalition but not an intimate relationship?

VR: Yes.

CAC: But it would mean that . . .

VR: It's not as intimate as the Humphrey Institute where they've put a lot of resources into the institute.

CAC: Okay. The generalization is certainly an appealing and plausible one when one looks at other locations in the Big Ten. I'm trying to say in practical terms what that means to be a metropolitan center of global economic influence.

VR: Nobody is raising the question even among the farm organizations of why the University of Minnesota College of Agriculture is working with the College of Agriculture in Morocco, whereas, in some states . . .

CAC: That would seem odd?

VR: . . . they say, "Are you diverting resources that should be devoted to local issues?"

CAC: It must be a very subtle process by which a hospitable environment is created? It's difficult to draw precise lines of influence or support, or whatever, but it's part of the climate that you, as a member of the university here, have appreciated?

VR: Yes. One of the things we started when I was department chairman is we started an agri-business seminar. I think maybe Cargill was the one that suggested this. They said, "We hire people directly out of college. They kind of keep their nose to the grindstone and when they get up to the junior executive . . . to the point where they're going to become executives, they have to begin to deal with public policy issues. They haven't thought about these things."

CAC: For awhile.

VR: Right. Can we do something? So, we got a few other people together to talk, and we ran a monthly dinner down at the Minneapolis Club, and had a speaker involved. At that time that it got started, there had just been a big study commission on competition in the food industry and we had people like the chairman of that commission come in and talk about, Are you guys as competitive as you ought to be? . . . that kind of public policy issues that related to agri-business. That went on for four or five years and then it fell off. Then, it got started again, maybe five or six years ago. It's a noon group now.

CAC: It's a resource available here but not at comparable . . . ?

VR: Right. It means when you call somebody up about something that they know who you are.

CAC: I'm going to shift now and I'm going to make reference to this introduction to your Agricultural Research Policy that I found very engaging and it opened up all kinds of questions to me about models for research beyond Agricultural Economics and Applied Economics. You will remember these words but I'm going to read them for the records. You start saying on page seven:

My hypotheses follow these lines. The establishment of a new research institute creates an opportunity to bring together a unique combination of scientific and professional capacity, characterized by diverse training and experience, and out of that comes intellectual interchange. It requires avoiding excessive interdisciplinary aggression . . .

But then experience seems to suggest a decline in intellectual excitement and a rise in managerial bureaucracy sometime before the end of the second decade. As a result the institute will arrive at a period of maturity in which the research program becomes more routine and less productive.

Now, you've written a whole book following this up but could you say something about how this insight, this hypothesis, relates to your experience at the University of Minnesota—forgetting the others because this is for the University of Minnesota.

VR: Right. The same process is apparent, I think, at department levels within the university but not as extreme or it doesn't have to be as extreme. One of the limitations that a free-standing research institute has is that it typically doesn't have graduate students. Secondly, it doesn't have teaching and for this part of the university, it doesn't have Extension. There are multiple roles in the university for people. It's obvious to me that many people who move into administration are people who have become discouraged with their professional development. That doesn't mean they're useless. They're people who have taken on heavier teaching loads as they get older and they're a lot better at it than graduate students. But it still happens . . . you can think of departments . . . what happened to our Philosophy Department?

CAC: Yes. It takes on the appearance of almost a natural law that's difficult to buck.

VR: I think, it has to be dealt with consciously. It can be dealt with but it . . .

CAC: And if you're going to revive a set kind of program . . . say it's had its excitement and it's gone for six, seven, eight years, whatever, and the same folks are there by and large— maybe some people peeling off and some people coming in—it kind of reaches a dead end, a plateau?

VR: Yes.

CAC: How do you get them off that plateau by your thinking?

VR: On the opposite side, I talked of some of the disadvantages of a research institute. The advantage is that you cannot renew their contract. If you come in with a new aggressive director general, or whatever you call him, you can reorient and revitalize things by not renewing contracts and hiring.

CAC: But that's not an option available in the academy?

VR: That's not an option available here.

CAC: So then, what does one do and has the university done it well in your thinking?

VR: My general impression is that it has not done it well but that some departments have done it well.

CAC: But it has to be the leadership and a cluster of folks at the department level who will take a hold and run?

VR: Right. It may be that deans can provide incentives.

CAC: It's harder when you're downsizing than when you have monies to . . . ?

VR: That's right.

CAC: Let me quote the next paragraph as you go on because this struck me right at my heart.

I recall vividly an early conversation with the director of the Agricultural Experiment Station, particularly his comment to the effect, 'My job is to attempt to see the faculty as able to pursue the research that interests them.'

And then you go on to say:

It struck me even then at that time when I was a young scientist—I was anxious about preserving control over my own research agenda—that this was not a responsible position for a research director to take.

Now, I've interviewed lots of faculty and I, myself, was in this position and boy! was I happy to have someone who would facilitate, encourage, help me find support within the university and outside the university, say, "Trust me! You're going to do a good job. I'll get out of your way." See, that's just what I wanted. I'm putting it in personal terms but I've heard this from thirty faculty . . .

VR: I know.

CAC: . . . that at Minnesota this was what was best!

VR: Now, contrast that with Bob Chandler's statement at Erie, "The job of this institution . . ."

CAC: I understand.

VR: Okay.

CAC: How could you say that at the University of Minnesota? What is the job? I mean, it's not to increase rice production.

VR: No. I do have a view something like it. Why does a state support a university? Why does a public support it? Why do we have a public university? My sense is the state of Minnesota supports the University of Minnesota for a couple of reasons: one it wants to educate its children; secondly, it views the university as contributing to the economic development of the state.

CAC: Very clearly.

VR: And that's true of federal support. Why does the federal government support science? Why does it support technology?

CAC: Medicine?

VR: Medicine. It may be good management to let people think they're doing what they want to do, to let the reins rest lightly, but it seems to me that skillful management can achieve more than that; and that is, it can operate the university in such a way that people feel that it is valuable. Now, we would still do science. If we believed that there were no practical value at all to science, we would still do it for aesthetic reasons, for curiosity, but we wouldn't do very much of it. I think this issue in the Arts right now . . .

CAC: It's the Arts and Humanities.

VR: Right.

CAC: But what do we do that's worth anything?

VR: Yes, why should the federal government support the Humanities or the Arts? That's the same question that would be raised about science, engineering, agriculture, etcetera. I have a sense that the people in the Arts and Humanities have not asked themselves, Why should Minnesota value them? If I look at Wisconsin, I sense a university that has done a much better job. The History Department at Wisconsin has an important state and local history program. Right?

CAC: Yes.

VR: I think that generates a lot of positive support, not just for the History Department but for the University of Wisconsin.

CAC: And for the community of the State of Minnesota.

VR: It's [unclear].

CAC: Yes.

VR: I think poor old—what's his name in the Immigration History Center over here?— . . .

CAC: Rudolph Vecoli.

VR: . . . has never been able to get that kind of . . . I don't think the university has valued Rudolph Vecoli's efforts.

CAC: I share that with some poignancy because I'm on your side on that.

VR: I think it should.

CAC: Yes.

VR: I think at a major public university, we need economics that is directed to the concerns of the profession, and to the advancement of professional knowledge, and I think we need economics that is directed to solving problems that the state faces, that works on issues like state and local finance. We have a young lady in this department who helps towns and cities that are consolidating figure out how to do it without . . . She just pulled off a coup in which one city surrounded by another city has merged. They are going to put her in the Fourth of July Parade! [laughter]

CAC: [laughter]

VR: She's doing research on local community . . .

CAC: I understand. But what you find is this initiative succeeding in local provinces throughout the university—some of the things the Humphrey Institute does, or CURA [Center for Urban and Regional Affairs], or the Immigration Research Center, or the project you're talking about here—but as an institution, we haven't found ways to make that work in a grand way? Is that what you're saying?

VR: We haven't figured out how to make it work across the board. Remember, about three or four years ago, there was this discussion about the relationship between the Minneapolis Art Institute and the School of Art here?

CAC: Yes.

VR: That seemed to me a natural area where there ought to be . . . There are such limited resources in this area that there ought to be linkages that reinforce each other rather than competing with each other.

CAC: Continuing from the same introduction and the points we're making here—we shan't beat them to death—a couple of pages later you say that "I failed completely" and your objective for establishing these interdisciplinary linkages . . .

One of the reasons for my failure was, I believe, the centripetal forces that encourage *intra* rather than *inter* department collaboration in large departments consisting in Minnesota of over forty staff members . . .

Again, I'm pressing you to talk a bit more along that line, about the society, the culture which is the University of Minnesota, whether that's a characteristic of this university or, from your experience, which is nation-wide and international. It would be true elsewhere, perhaps, to differing degrees? Is this a quality of the academy that the University of Minnesota takes part in?

VR: I think that it's characteristic and it's partly a function of size. You only have so much energy for these interactions. I have noticed, however, that people who play a very active role in a cross-disciplinary effort gradually become marginalized within their own department. I think it's partly that you don't have energy enough to maintain all those relationships. You make a choice. There are a few universities that I think do a . . . Cornell University has, I sense, much more open kinds of cross department relationships. I'm not sure what it is. In part, it's because people in the same discipline are spread around more. An example is that a new vice-president for Academic Affairs at Cornell called me this past winter and said, "We get all these good economists at Cornell. How come we're not famous? Don't you think we should put them all in the same department?" [laughter]

CAC: And the *U.S. News and World Report* starts adding it up, right?

VR: Yes.

CAC: Reputational. I'm feeling here, because I don't know . . . you helped organize—maybe, you were the chief organizer—sometime in the 1970s I think, a study group, across college lines, and so forth. What was that called? What did it do and what happened to it?

VR: I tried to pull something out of my file . . . This tells some of the people that showed up some of the time.

CAC: It's worded "Technology, Institutions, and Efficiency of the American Economy Study Group?" Was that it's name or was that a . . . ?

VR: It was Knowledge and Institutional Development, or something. The names didn't stay constant.

CAC: You [unclear] have a symposium on Knowledge and Institutional Change?

VR: Yes. That kind of came at the end of that process.

CAC: Okay.

VR: It started by Leo Hurwicz and I having lunch together.

CAC: It's not the 1970s . . . I see it's the 1980s.

VR: It was after I came back here. Leo's work at the very abstract theoretical level is, basically, about—he calls it—mechanism design. It's really about how institutions work in such a way that Another term that goes with it is called incentive compatibility. How do you design institutions so the incentives that operate on the individual, or the family, the firm, the community, the country, are coherent? I had been working around in this international area and concerned with, How do you design institutions like experiment stations and research institutes and make them responsive, to generate things that are useful to the societies in which they're in? I thought you could apply the same kind of framework that I applied to technology to what kind of a land reform you have, whether you have a Russian type land reform or whether you have a Japanese type land reform. We talked. We said, "Let's get a few more people together." We just invited, maybe it was, a half a dozen the first couple times to come to the Campus Club at 4:30 in the afternoon and talk till 6:00 and get somebody to talk about their work. Probably Leo talked about his first, and then I talked about mine, and then we got other people to talk. Then, we invited people who weren't part of It went on for three years. Toward the end of the process, the Graduate School was going to be 100 years old, or something, and Bob Holt tried to promote a few seminars. He suggested that maybe the group could invite out people from the outside in; so, that's what led to this. The American Academy of Arts and Sciences got interested and they co-sponsored the seminar. Then, we decided, let's not run a good thing into the ground; let's decide, okay, we've done it. Some members said, "Why don't you keep it going?" We said, "Well, you can't keep something good going forever." But it was quite exciting.

CAC: It was exciting for those of you who were involved. Did it in any way lead to institutional change in the University of Minnesota?

VR: No, no. This was more a purely, kind of intellectual, academic set of issues, to see if we could get

CAC: Although, it would have been something that Bob Holt might have been interested in as dean of the Graduate School?

VR: Yes.

CAC: And John Wallace out of Morrill Hall?

VR: Yes. There was somebody else from Morrill Hall

CAC: Dick Heydinger?

VR: Heydinger, yes. Maybe, they carried something back with them, I don't know. The interest was to see if we could get these various approaches to institutional change, institutional innovation, design, if we could get close enough to each other to articulate our I scratch around here in the world and say, "Here's something interesting going on in the institutional area.

Can I understand it?" Leo says, "I'm building a little tiny world here, and I'm going to completely control it, and I'm going to understand how it works." We can't quite . . . [laughter]

CAC: Well, you're both Regents professors, so you should . . . I see John Borchert was part of the group, too?

VR: Yes.

CAC: I would assume that it was, in your case, the catholicity of your interests, your commitment to the discipline, but also to the applied side, that were strong recommendations for your own Regents professorship? Was this recognized by Morrill Hall, the really unique kind of combination you represented?

VR: I don't know what entered into . . . I had been elected a member of the American Academy of Arts and Sciences earlier. I know Bill Hueg was very unhappy that there was no Regents Professor on the St. Paul campus for awhile. My sense of how the Regents professor selection process works now, I don't think his concern had anything to do with it. Leo was a Regents professor much earlier than I. I just don't really know.

CAC: Many of you who are, including Leo and John Borchert for example, present the same kind of profile. John Borchert straddles those two matters of pure science and real application for this state of Minnesota.

VR: Yes.

CAC: It's a remarkable combination. At this time, I pause usually in the conversation and inquire two things: Is there something that you think posterity should know from your perspective that we haven't covered and, then, whether you have any final reflections on what Minnesota is and has been to you.

VR: Minnesota is the university that I feel very comfortable in. At the time I was thinking of leaving the Agricultural Development Council, a couple people came down from New Haven and asked me if I would be interested in Yale. I said, "You really ought to hire one of the younger men here in the Agricultural Development Council rather than me." They ended up doing that. At one stage, the University of Chicago was thinking about whether to invite me down for an interview and I understand there was a disagreement on that. My own feeling is that I like being at a complete university. I would not have been the right person for the Yale job. I would not have wanted to carry the Agricultural Economics field at Yale. Minnesota has given me the freedom that I complained about. [laughter]

CAC: [laughter]

VR: I could go talk to John Wallace about a paper I was writing. I can go talk to somebody at the Law School. I can go up on top of the hill here and catch up-to-date on things that I learned at the International Rice Research Institute. I like being in a state that's fairly liberal; so, for me Minnesota has been the right . . . and coming back here rather than someplace else. I'm very happy that Minnesota invited me to come the first time. [laughter] And I'm happy being back here.

CAC: Vern, we were also lucky, were we not—seeing we're at the end of this reflective part with our chronology, with our history—to be in higher education in 1950 to 1990? It was a pretty keen thing, wasn't it?

VR: Yes.

CAC: It's a harder place now.

VR: It's a harder place now and I don't know what my decision would be, if I were a senior thinking about what would come next, today.

CAC: That's a balanced end for a very interesting, very exciting conversation for me.

VR: I just finished a book called *The United States Development Assistance Policy: The Domestic Politics of Foreign Aid*. It's an old-fashioned political science, politics of policy book of the kind that political scientists don't do anymore.

CAC: And probably should.

VR: [laughter] I wanted to do it because I've been so involved in the development assistance business and I wanted to see why we do what we do. I've been more concerned about what good or bad what we do . . . I suspect neither the economists or the political scientists will review it with . . . [laughter]

CAC: What audience are you aiming for? An intelligent lay audience or . . . ?

VR: Let me put it this way. I think it's the equivalent in the aid business for Henry Kissinger's book on diplomacy. [laughter]

CAC: Okay.

VR: Now, it won't have the market but I think it will be used in political science. I think it will be used, maybe, in a supplemental way in some economic development work and I think people in agencies, the development assistance agencies, will be anxious to see what I said about them.

CAC: Perhaps, you can commit some scandal, and then it would get publicity, and sell well.

VR: I didn't do anything as bad as Robert McNamara. [laughter]

CAC: [laughter]

VR: Your point about being able to be free to do . . . here's a book that . . . the economics content is minimal.

[End of Tape 2, Side 1]

[End of the Interview]

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