I first met Paul Samuelson after he came to Harvard in September 1935. He had just completed his undergraduate studies in Chicago. Having been awarded a Social Science Research Council Fellowship to do graduate work in economics, he had considered going to Columbia. Lest Harvard pride be unduly inflated by his decision in its favor, I must add that his decision cannot really be taken to attest to Harvard’s superior academic merit. As Paul (I have called him that for over four decades and must do so here) has explained, the impelling considerations were nonscholarly: essentially, the desire to be at a New England institution with “green ivy” (Samuelson 1977, pp. 887–88).

It is intriguing to speculate on what might have become of Paul, Columbia, Harvard, and contemporary economics if his decision had been otherwise. Certainly the Harvard of the latter thirties would not have been as exciting a place to do graduate work in economics as it turned out to be.

I myself had become a graduate student in economics at Harvard in September 1933. It already says something about the pace of Paul’s development in economics that I first got to know him in an advanced
seminar that we attended together in the academic year 1935–36, that being his first and my third year of graduate work.

The seminar was Economics 18: “Price Theory and Price Analysis.” Under that heading, the then Assistant Professor Wassily W. Leontief offered a rigorous and amazingly lucid mathematical exposition of core aspects of microeconomics: consumer demand theory, theory of the firm, and so forth.

Paul, I seem to recall, came into the course somewhat after it had begun, but before meeting him there I had already heard about the brilliant new arrival from Chicago. Paul was an auditor rather than a credit student in the course, but, apart from an auditor’s being relieved of formal requirements such as a paper, the distinction is not apt to be meaningful in a Harvard economics seminar. It hardly was so for Paul in Economics 18.

The seminar was a small one (besides me, only three students were enrolled for credit), and Leontief conducted it informally, so that we could readily participate in discussion when that seemed in order. Paul certainly participated. Should anyone else falter in his analysis, Paul was almost always able to repair the deficiency promptly.

But that is only to say that Paul already manifested then what has since become proverbial: his capacity to perceive almost instantaneously the interrelated essentials of a complex analytic matter. I have particular reason to recall his early aptitude in that regard, for in the second term of 1935–36, I decided to do a paper for the seminar on the subject of Frisch’s “new methods” of measuring marginal utility of real income. A cardinal question that I should have to explore, it soon emerged, concerned the implications of Frisch’s underlying assumption of “expenditure proportionality” for the household utility function. I still recall discussing the matter with Paul and his conjecturing that expenditure proportionality must imply a household indifference map of a sort that has since come to be called “homothetic.” As it turned out, that was the case, though I had to exert some effort to demonstrate the fact.

I recall subsequently presenting some interim results of my work on Frisch, at an ad hoc session of the seminar, to an encouragingly appreciative audience of two: Leontief and Samuelson. My seminar paper, incidentally, was subsequently published in the Review of Economic Studies (October 1936).

Whatever claim to fame I may have as an economist seems to derive to a marked degree from another paper that I wrote when I was a graduate student at Harvard: the essay on the foundations of welfare economics that was published in the Quarterly Journal of Economics in