

Learning to Think Like an Economist: On Meeting Steven N. S. Cheung in 1968

For the celebration of Cheung's 80 Birthday

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I met Steve in August 1968 when he and I were assigned as office mates in the old Social Science Building of the University of Chicago. Steve was visiting Chicago, finishing up his book on sharecropping – we had many talks about it – and I was just starting as an assistant professor. Of course I learned in the first half hour of our friendship that Steve was a star in photography, in kite flying, in ping pong, and in Chinese checkers. . . and economics! Well, he was – I can testify to the economics and the photography (he once told me that he thought in English as an economist but in Chinese as a photographer); and I did once catch sight of him playing a mean game of ping pong.

I was dazzled by the Famous Chicago Department, but Steve got me going in a slightly different – and very UCLA – direction, leading me to work on enclosures and open fields in England. He had been a student of Armen Alchian at UCLA, and when he realized that I was educated in economics *at Harvard* and therefore did not actually know how to think like an economist he strongly recommended that I read Armen's "elementary" book with Allen, *Exchange and Production Theory in Use*. A couple of years later I took over from Steve the teaching of Economics 300, the course in price theory at Chicago which was meant to give the less mathematically prepared students a start in thinking verbally and diagrammatically like economists. Because I had read Alchian, and had had daily tutorials from Steve in *asking the right questions* ("Don, *why* landlords accept less profit from sharecropping?"), I could teach it. It was my most successful course in a long career, and became even a little famous. (Naturally, the Nouvelle Chicago School of Bob Lucas has dropped it, and so Chicago PhDs nowadays are no better even than *Harvard* PhDs in thinking like economists. It makes me weep.)

Steve taught me – by doing it in front of my eyes – that thinking like an economist is not the same as possessing this or that technique of math or econometrics. I have nothing against math or econometrics (well, maybe a *little* against the more silly uses of them). But I do think an economist should be one, as Steve is an economist right down to his fingertips. To see what I mean, look at the bottom of p. 6 of the English translation of Thomas Piketty's *Capital in the Twenty-First Century*, and note that Piketty, trained in France and MIT, does not understand supply response to increasing scarcity.

Or, more pleasantly, look at any page whatever, from 1968 to the present, of S. N. S. Cheung.