

Economist Richard Musgrave dies at age 96

By **ZOE BLUMENFELD**
SENTINEL CORRESPONDENT

Richard Abel Musgrave who was widely known as father of modern finance and served as a tax adviser to President Jon F. Kennedy, died Monday at Dominican Hospital. He was 96.

Born in Koenigstein, Germany, Musgrave professed an economic philosophy that focused on the constructive economic role that he felt governments could play in people's lives. He was a moderate liberal who thought government could create what he called a good society, his wife said Wednesday. He also wrote several books that became classics in the field of economics and advised governments around the world.

During his career, he was an instructor of economics at Harvard until 1941, when he became an economist at the Federal Reserve Board of Governors. He also was a professor at several prestigious universities such as Johns Hopkins before rejoining Harvard as a professor in 1965.

"Almost every major department in the country, at one time, had a professor of public finance who had been a student of Richard's," said Robert Adams, emeritus professor of economics at UCSC and a former student of Musgrave's. "Economists can quite often be focused on the essential elements of the dismal science, but he was more than that. If you were at dinner table with him, you could find things to discuss with him that didn't have to do with economics. He understood the place of economics in the world of ideas, and was also very well read."

In 1981, Musgrave was named professor emeritus at Harvard and became an adjunct professor at the UCSC. He moved to Santa Cruz with his wife, Peggy Brewer Musgrave, who also is an emeritus professor of economics at UCSC.

"We loved the ocean, enjoyed the natural environment and thought it was a lovely place to spend our last years," she said.

Musgrave believed that government can play a positive and

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DAVID CUTLER, HARVARD ECONOMICS PROFESSOR

constructive role in society, and thought economists can contribute to making government work well.

"I think of him as someone who never lost the intellectual spark that made him a great academic and policymaker," said David Cutler, an economics professor and dean for the social sciences of Harvard's faculty of arts and sciences. "He was always intensely concerned in matters of practice. It was natural for him to actually get involved and was driven by practical issues."

Two of Musgrave's books became classics in their field: "The Theory of Public Finance: A Study in Public Economy" published in 1958 and "Public Finance in Theory and Practice," written

with his wife in 1973.

"He was sort of a giant in the economic understanding of the public sector of government," said economist Robert M. Solow of the Massachusetts Institute of Technology. "Everything that is done in the theory of taxation and the theory of public expenditure traces back in one way or another to his books. He was a kind of intellectual leader of public finance."

Starting in the 1940s, Musgrave advised governments from Columbia and Chile to South Korea and Taiwan on taxation and fiscal policy.

In addition to spending time working abroad, Musgrave was a consultant to the Board of Governors of the Federal Reserve, the

U.S. Treasury, the World Bank and the Social Security Administration among others.

"He was a very interesting person in the sense that he was a very sweet, gentle guy, but there was some steel in there," Solow said. "He had principles about economics that he was not prepared to back down from."

Among his awards and honors, Musgrave was named honorary president of the International Institute of Public Finance in 1978. In 1983 he was awarded an honorary doctorate by the University of Heidelberg.

When he wasn't studying and teaching economics, he enjoyed painting.

"He always told me that it took more intellectual strength to paint than it did to work with economics," said Peggy Musgrave.

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Richard Abel Musgrave

BORN: Dec. 14, 1910, Koenigstein, Germany.

DIED: Monday.

HOME: Santa Cruz.

OCCUPATION: Adjunct professor at the UC Santa Cruz and professor emeritus at Harvard University.

EDUCATION: Undergraduate at University of Heidelberg in Germany. He received his artium magister and doctorate degrees at Harvard.

SURVIVORS: Wife Peggy Boswell Musgrave of Santa Cruz; stepdaughter Pamela Clyne of New Jersey; stepsons Roger Richmond of California and Thomas Richmond of Colorado; and nephew Harry Krause of Illinois.

SERVICES: Will be at a later date.

