

Sidney Weintraub, the English Dons, and an Unpublished Obituary of Harrod*

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Sidney Weintraub (1914-1983) was the leading American exponent of the Post Keynesian approach to macroeconomics. In 1938-39 he spent a graduate year at the London School of Economics, was a student of Dennis Robertson and Lionel Robbins, and attended the LSE-Cambridge-Oxford seminar. His experiences in England significantly influenced his later work. He became a hard-hitting critic of the neoclassical synthesis and an ardent opponent of 45-degree Keynesianism. Assisted by a sizeable financial donation from J.K. Galbraith, Weintraub was able to establish the *Journal of Post Keynesian Economics*, which he co-edited with Paul Davidson.¹

Weintraub's correspondence, now held at Duke University, reveals some interesting aspects of the relationships between American Post Keynesians and their English counterparts (centred on Cambridge University), and between American Post Keynesianism and English Post Keynesianism. Both groups dissented from the "American" neoclassical synthesis and from neoclassical growth theory.

However, when Weintraub developed his critique of the mainstream interpretation of Keynes, it was only D.H. Robertson and Sir Roy Harrod who came to his support. Others whom he regarded as natural allies, such as Richard Kahn and Joan Robinson, were critical of his contribution. Weintraub's *Economic Journal* article on "The Microfoundations of Aggregate Demand and Supply" (September 1957) developed the alternative geometry of aggregate supply. After the article appeared D.H. Robertson wrote saying that there was nothing more for him to add on the subject, and that Weintraub had cleared up many aspects of his earlier discussion with De Jong. (See the exchanges in the *Economic Journal*, September 1956). He did the same after the publication of Weintraub's *American Economic Review* article on "A Macroeconomic Approach to the Theory of Wages" (December 1956).

On the other hand, Weintraub was surprised at being reviewed adversely by Kahn and (implicitly) by Robinson.² This was well expressed in a letter to Harcourt which contains a strident critique of Hicks:³

Almost more than anyone else (Hicks) is responsible for the modern policy disaster, the complete nonsense of (American, and much world) Keynesianism. Now, in his *Crisis (in Keynesian Economics)* he disingenuously intimates that maybe Keynes was at fault in not being clear, rather than his own lack of understanding. There were some of us that did understand. On this, by the way, I think I saw the problem earliest, with Joan seeing where it was going only after she got into capital theory. If we ever meet again I'll tell you of a battle with her way back, when she and Richard Kahn thought I was 'attacking' her, rather than the Hicks-Samuelson Bastards.

In his response to Robinson and Kahn, Weintraub clearly differentiated the brand of Keynesianism that he took issue with:

Here (in America) a Keynesian is one who lives with the 45 degree diagram, who writes of the consumption function in real terms in an age of inflation without once mentioning the price level, who argues a liquidity preference theory, also in real terms despite the relation of the price level to transactions balances, whose investment function is independent of price level phenomena, and who teaches ... that inflation is due to "excess demand" ... Also, and so sadly and so alien to Keynes, that inflation and deflation are "symmetrical" phenomena ... This bunk in textbooks would be had enough, if harmless, but both practitioners and students have influenced public policy and supported restraining measures during this post-war period, with the results that unemployment has constantly been too high ... and in eleven short years we have had four down-turns ... and over the full period prices have still been rising.⁴

Weintraub also engaged in a voluminous correspondence with Harrod, and arranged several visits by Harrod to the University of Pennsylvania when he was Chairman of the Department. (He also made a similar arrangement with Joan Robinson when he was at the University of Waterloo.) There was clearly much affection and admiration between the two men, as the following obituary letter shows. In their correspondence each was highly complimentary of the other's work, with really only one incident of tension. This involved Harrod's displeasure

at Weintraub's misrepresentation of his growth theory (in letters exchanged during May 1966).

It is now realised that Harrod's views were more subtle and sophisticated than those of his popularisers. He frequently expressed irritation with the misrepresenters of his ideas, including Joan Robinson and Morishima, as well as Weintraub.⁵ His comments on Robinson are most valuable:

What I do object to is people attributing views to me that I have never held or expressed. ... when I pointed out to Joan that she had erroneously attributed to me various things that I had never written ... she paid not the slightest attention, and went on to publish her note (in the *Economic Journal*) with the various misrepresentations of me thick upon it ... Oddly enough, at her suggestion, I re-read her little appendix about me in the *Accumulation of Capital*. I found that more or less (not quite) O.K. In the years that have passed since, she has built up in her mind ideas about me that are quite wrong ... What makes matters worse is that I suspect that people ... take their ideas about "Harrod" at second hand from Joan instead of studying the original author ... What matters ... is that it misrepresents me and ... totally fails to understand me ... [She is] I think addressing her mind to different problems.⁶

In another letter Harrod complained that Joan "hasn't the faintest idea what my growth theory is about".⁷ A source of misunderstanding was that Harrod focused on issues of instability at a point in time whereas Robinson focused on the mechanics of instability over time. Joan Robinson, displaying her infamous caustic wit, responded by saying that: "I think I understand Harrod's theory much better than he does".⁸

In a related context, Weintraub complained to Harrod that he had been done a disservice by having his name linked with that of Domar. The "Harrod-Domar" myth persists, said Weintraub, but the products are very different. This view of the essential difference between these two growth theorists is a popular one among Post Keynesians. Imagine Weintraub's surprise then when Harrod replied that "I don't accept your expression 'Harrod-Domar myth'. There is great similarity between our formulations".⁹ Another letter is even more illuminating on this, and is sure to fire the indignation of Post-Kaleckians who might point to the earlier influence of Marx on Kalecki:

I have just finished reviewing Kalecki on *Growth in a Socialist Economy* for *Kyklos*. It is an excellent book. It is a curious thing

that I feel I have learnt more from this socialist than I have learnt in these recent years from all our capitalist growth theorists ... But perhaps I am prejudiced in favour of K because he is pure Harrod ... Now I have always believed that Domar had never read my piece, when he published his 7 years later, so I have never grudged him joint authorship. But I find it hard to believe that Kalecki had not read it. He was at Oxford for a long time during the war, viz. shortly after my article had appeared, and I had a number of talks with him. It seems unthinkable that we should not have discussed my article ... Not that I blame K for not expressing indebtedness. It is hard for a communist economist to express indebtedness to a capitalist.¹⁰

Weintraub was to be again surprised by Harrod. Weintraub had built a reputation on attacking monetarist beliefs, at one stage declaring that "I still remain the only alternative to Friedman".¹¹ One can then imagine that he must have been a little taken aback when Harrod wrote to say that Friedman's *Monetary History* was "a great work", even if written as if "Keynes had never existed". Harrod said that "this book is certainly a most remarkable work of scholarship and high intellectuality. [Friedman's] extremist positions don't show up very much".¹² Weintraub also noted that "I have quarrelled with Harrod when he would insist, in lofty moments, on the intellectual superiority of the *Treatise* (over the *General Theory*)."¹³ In another letter Weintraub appropriately commented that "my friendship with Roy Harrod and Joan Robinson comes more from differing with them than from agreeing. I could hardly help but build up an affection in the process."¹⁴

Abba Lerner was another whom Weintraub held in high regard and corresponded with frequently. This is somewhat surprising as Lerner's very unfavourable review of Weintraub's early work caused the latter considerable consternation. He expected Lerner, like the Cambridge economists, to be a kindred soul. Weintraub put the response down to Lerner's having succumbed to the 45-degree version of Keynesian economics. Lerner was later to admit that his reviews were "wrong". It is useful to quote some of Lerner's views on the Cambridge, U.K., Post Keynesians:

More generally, my feeling is that you and I have been taken for a ride by Kaldor, Joan Robinson and Company, that Kalecki went as far as it is sensible to go with the assumption that workers consume everything and capitalists consume nothing, and that Pasinetti's most ingenious rectification of this by daring re-definition, constitutes a waste of valuable resources.

During my stay in Cambridge what disturbed me most, and I never could get to the bottom of it, was the continuous fulmination against "marginalism". I understand you to say that we have to turn to marginalism to make any coherent and complete statement, including the explanation of what makes k (the mark-up) what it is, and with this I am in *vehement* agreement. I would like to see a diatribe against the fulmination rather than the gentle way in which you put it.¹⁵

Weintraub replied that he was happier with "aggregate" marginal propensities to consume than with "marginal productivity" concepts in our less than competitive economy, and in so many non-profit service sectors.¹⁶ But there was considerable sympathy with Lerner's general position. Elsewhere he wrote that "marginal productivity *can* be built in, at least for labour, contrary to Pasinetti".¹⁷ A similar break occurs regarding the role of government intervention in the economy. Weintraub established the *JPKE* because "for a long time I have felt that there is need for something more topical, on problems, and for theory connected with policy", and the "*JPKE* was formed to offer reasonable, moderate, largely non-interventionist notions to improve on economic performance".¹⁸ One doubts whether this aim would be viewed sympathetically by the English Post Keynesians.

An Obituary of Roy Harrod

The following letter¹⁹ from Sidney Weintraub to Leonard Silk was apparently intended as an obituary notice in the *New York Times*.

University of Pennsylvania
Philadelphia 19104
Faculty of Arts and Sciences
Department of Economics
3718 Locust Walk CR
March 15, 1978

Mr. Leonard Silk
New York Times

Dear Len:

While I understand the Times did carry a small obit on Roy Harrod, who died about 10 days ago (appearing in a later edition than we get) I think his passing

deserves more attention. Roy, in my view, was one of our great men, easily the most profound man in my experience and with a range well beyond the usual economist.

He was most original, with about five major firsts as against 'great' ones who rarely can number more than one. Roy, between 1930 and 1932 was one of the 'discoverers' of marginal revenue and the drawing of the function which has meant so much for the theory of pricing and microeconomics.²⁰ He was one of the first, if not the first, to restore the problem of duopoly and oligopoly from the obscurity into which it had lapsed from the days of Augustin Cournot in 1838. He then did an outstanding article on the theory of imperfect competition, invoking the envelope curve that Viner had drawn, and free of the obscurities attending it.

He was close to the first to develop ideas of monetary policy for a growth economy (1934) even as the discussion surrounding Keynes' *Treatise*, and Hayek's work, concentrated more on a stationary and less dynamic model. He was responsible, in reading Keynes' proofs, for inserting the one diagram in the *General Theory*, that relating saving to *changing* levels of income, and contributing to clarity on Keynes' argument with conventional theory.

In his *Trade Cycle* Roy was responsible for wedding together the 'multiplier' and 'acceleration' principles, calling the two the 'relation'. Samuelson later gave this a more precise foundation and Hicks built the ideas into the essence of the modern theory of the business cycle.

On growth theory, Roy's article of March 1939 gave birth to the modern theory of growth, spawning the massive literature and modern concerns with *rates of change* in economic variables. He was about 5 years ahead of Evsey Domar on this.

In the early 1950s Roy argued for an appreciation in the price of gold when most of the profession spurned the idea (agreement with him led to our initial friendship). Needless to say, he was about 20 years ahead of the crowd on this: early adoption could have spared subsequent international money disorders.

For most of the subsequent years Roy was concerned with international monetary reform, again far ahead of the field. Failures on this front still trouble us.

Roy, during his war service on Churchill's Secretariat, was the closest of friends with Edward Lindeman, Churchill's scientific adviser (later Lord Cherwell)

and the target of C.P. Snow's antagonism of humanist versus scientist. Roy wrote a personal biography of Cherwell based on their years at Oxford, contending that Snow was badly mistaken. From my talks with Roy he was most proud of this work.

Of course Roy was the biographer of Keynes, and Keynes' successor as editor of the *Economic Journal*, a chore he accomplished by reading practically all the manuscripts himself rather than acting as some sort of chief clerk farming out manuscripts to referees. I still think the biography a major accomplishment, more remarkable in that it was written in a period of about one year. I well knew, and admired, his remarkable speed in composition - as one able to write with reasonable dispatch.

Roy, too, wrote a book on Inductive Logic in which he also took enormous pride, arguing that observation and empirical understanding was basic despite his own more deductive methods and the then growing tradition (through Robbins) of economics based on *a priori* methods. Roy, in his presidential address to the Royal Economic Society, had in the 1930s challenged Robbins' view of economics and the attempt to eliminate value judgments for a value-free 'science'. It was this paper of Roy's that led Keynes to agree, and write that economics partakes more of a 'moral' science rather than a 'natural' science. The latter view still seems, without success in my view, to dominate the mathematical cognoscenti in our subject.

Roy was interested in everything that required human thought, the most cerebral person of all, a literal thinking machine during the whole waking day. He had nonetheless the gift of sizing up audiences and individuals, making each feel at ease; I would watch in fascination as he would rouse himself from a seeming withdrawn position to strike exactly the right note and tone before a group which he was asked to address. In a way there was some of the Forbes Robertson, the actor, in him at these moments, raising speech and voice to the highest art forms. Roy was named for Forbes, an uncle I think. (Roy's mother had been a book reviewer, kind to the young Galsworthy who reminded Roy of the occasion many years later).

I am one of those who think Roy should have been honoured with a Nobel prize; alas, like Kalecki, perhaps Lange too, he was overlooked and now it is too late. Also, you know Roy retired from Oxford's Christ Church not as Professor but as Reader - equivalent of all things to an American rank of Associate Professor. This absurdity arose from Roy's refusal to allow his name to go forward, to present it himself, for a professorship. Roy had once been rejected and he had vowed that he would never again allow himself to be unfairly judged by an administrative committee.

If you can use this, my dear Len, and in any way you wish, please feel free. Otherwise please overlook my 'compulsion' to write and say something of my beloved friend.

Ever,
Sidney Weintraub

P.S. For many years, 20 or more, Roy also wrote a commentary on economic conditions, with international emphases, for a London brokerage firm. He was not an ivory-tower economist, tho he did not speculate himself.

His younger son Dominic, you know, is the economist for the BBC.

Endnotes

- * This article is based on an examination, during Fall 1989, of the Sidney Weintraub Papers which are located in the Manuscript Department, William R. Perkins Library, Duke University, Durham, North Carolina. All references are to these papers. I am grateful to the curator, Mr Robert Byrd, for allowing me access to these papers. The Weintraub papers are part of a Duke University Library Program set up in 1985 to preserve the correspondence, writings and collected papers of a select number of distinguished economists, including Carl Menger, Oskar Morgenstern, Earl Hamilton, Lloyd Metzler, Martin Bronfenbrenner, Lawrence Klein, Ken Arrow and Robert Lucas, among others.
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- 1 For an excellent introduction to Weintraub's contributions see L.S. Seidman, "Sidney Weintraub: The Man and his Ideas", *Challenge*, November-December 1983, pp.22-28.
- 2 The interchange can be found in Box 1 Folders 11 and 12. It begins with a "wrist-slap" from Kahn to Weintraub (November 29, 1960). Then there are letters from Weintraub to Kahn (December 5, 1960) and Robinson (January 11, 1961) where Weintraub defended his views and expressed his astonishment at being subjected to criticism from those he regarded as his natural supporters. There is a final letter from Robinson to Weintraub (January 11,

1961) where she conceded that the "semantic" misunderstanding had now been settled.

- 3 S. Weintraub to G. Harcourt, February 21, 1976, Box 3 Folder 5. Sentiments like these can be found in much of Weintraub's writings, e.g. in "Hicksian Keynesianism: Dominance and Decline" in S. Weintraub (ed.), *Modern Economic Thought*, University of Pennsylvania Press, 1977, pp.41-66. On the other hand, Hicks had written in a letter to Paul Davidson (April 19, 1981, Box 5 Folder 5) that in an important respect his position was close to Weintraub's:

I should like to ask you to point out to Weintraub that in the *Crisis in Keynesian Economics* fixprice theory is quite clearly defined (on p.23) as *not* meaning 'that prices do not vary, but that the causes of their variation are outside the model'. I have consistently used the term in this sense, since the much fuller discussion in *Capital and Growth* (1965) to which reference is there given. (The reference should perhaps have been made to chapter 8 of that book as well as to chapter 7). So what I mean is exactly what he means by 'exogenous'.

- 4 S. Weintraub to J. Robinson, January 11, 1961, Box 1 Folder 12.
- 5 See Harrod, R.F. "Harrod after Twenty-one Years: A Comment", *Economic Journal*, 1970, pp.737-41. Or see his earlier essay in the *Economic Journal* (September 1959) which deals with quite a number of misrepresentations or misinterpretations of his views.
- 6 R. Harrod to S. Weintraub, [?] December, 1970, Box 2 Folder 2. Harrod also noted that he first met Joan Robinson in 1924.
- 7 R. Harrod to S. Weintraub, December 10, 1970, Box 2 Folder 2.
- 8 J. Robinson to S. Weintraub, December 18, 1970, Box 2 Folder 2. Elsewhere Harrod wrote that: "I have just been reading an article in the *Lloyds Bank Review* by someone called John Knapp. He refers to Kaldor and Joan Robinson as Keynes's closest collaborators. I couldn't persuade Maynard to take Joan seriously, although I tried hard to do so. I doubt if he had ever heard of Kaldor." (R. Harrod to S. Weintraub, January 25, 1973, Box 3 Folder 1). Kaldor was later to write to Weintraub saying that "I think Allyn Young was the greatest American Economist - much greater than Paul Samuelson and Milton Friedman combined. Perhaps in a hundred years this will be recognized" (N.Kaldor to S. Weintraub, March 2, 1973, Box 3 Folder 1).

- 9 See S. Weintraub to R. Harrod, May 16, 1966, and R. Harrod to S. Weintraub, May 28, 1966, Box 1 Folder 17.
- 10 R. Harrod to S. Weintraub, November 4, 1970, Box 2 Folder 2. Conversely, Weintraub acknowledged his debt to Kalecki - "Kalecki was *never* in my mind in my price level equation; he did come to my mind when ... I found the constancy in Gross Business Product" (S. Weintraub to G. Harcourt, February 21, 1976, Box 3 Folder 5).
- 11 S. Weintraub to Yakir, October 25, 1977, Box 4 Folder 2.
- 12 R. Harrod to S. Weintraub, July 27, 1964 and August 12, 1964, Box 1 Folder 15.
- 13 S. Weintraub to M. Bronfenbrenner, January 23, 1978, Box 4 Folder 3. In a further letter to E. R. Weintraub, dated October 15, 1971, Weintraub noted that : "Formal economics interests [Joan Robinson] less and less but she is so courageous at taking on all comers, and wants to beat them at the logic rather than plausibility".
- 14 S. Weintraub to H. Minsky, November 29, 1974, Box 3 Folder 3.
- 15 A. Lerner to S. Weintraub, November 20, 1968, Box 1 Folder 19.
- 16 S. Weintraub to A. Lerner, December 2, 1968, Box 1 Folder 19.
- 17 S. Weintraub to G. Harcourt, February 21, 1976, Box 3 Folder 5.
- 18 S. Weintraub to M. Bronfenbrenner, January 23, 1978, Box 4 Folder 3, and S. Weintraub to M. Wallace, Feb. 27, Box 6 Folder 3.
- 19 Box 4 Folder 3. The letter is published here with the permission of the Manuscript Department, William R. Perkins Library.
- 20 It was in fact in 1928 that Harrod submitted his article on the "marginal revenue curve" to the *Economic Journal*. Keynes, the editor, delayed publication of the article for a couple of years on the advice of F.P. Ramsey. By the time the article was published, Harrod's claim to his discovery could be challenged by others.