

In Honour of Lorie Tarshis

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Omar F. Hamouda and Betsy B. Price (eds.) *Keynesianism and the Keynesian Revolution in America: A Memorial Volume in Honour of Lorie Tarshis*. Cheltenham, UK; Northampton, MA, USA: Edward Elgar, 1998 (ISBN 1 85898 559 5), pp. xli + 214.

I first met Lorie Tarshis in 1965 when I spent a summer at Stanford. We became close friends from 1977 on when I was a Visiting Professor at Scarborough College of the University of Toronto in the splendid department of mostly young economists over which Lorie presided. We had many talks on economics and other matters, he trounced me at squash and we both like to mock upper-class English accents. We had other values in common, not least enthusiasm for the economics of Keynes which Lorie literally learnt from Keynes's lectures in the early to mid 1930s on what became *The General Theory*. We also admired Richard Kahn, Michal Kalecki, Dennis Robertson, Austin Robinson, Joan Robinson and Piero Sraffa. Lorie's Ph.D dissertation at Cambridge was basically the independent discovery of Kalecki's macro theory of distribution. Lorie used as microeconomic foundations, Joan Robinson's *Economics of Imperfect Competition* and Kahn's lectures on the economics of the short period; he integrated them into the macroeconomic system of *The General Theory* to provide a theory of the labour's share in the national income. He tested his theoretical inferences by thorough empirical investigations. A feature of the dissertation and of his subsequent work was the use of the firm as the basic unit of analysis on which to build an analysis of systemic behaviour.

What happened, or rather did not happen to his dissertation - it was never published due to a thumbs down report by an envious contemporary - is one of two major injustices Lorie suffered during his working life. The other was the scurrilous attack on his 1947 text book, which contained the first systematic presentation of Keynes's new theory in North America, by pre-Joseph-McCarthy right-wingers. Lorie was one of a handful of enthusiastic young scholars who brought Keynes to the North American continent in the prewar years, centred on Harvard and the Cambridge area overall. This is the subject of John Kenneth Galbraith's chapter in this volume. Paul Samuelson received the tail end of the attack when his introductory text was published a year after Lorie's though his sales were unaffected. Samuelson gives a first hand account of this shameful episode in his chapter in the volume. David Colander and Harry Landreth also take the episode as the starting point for their chapter "Political influence on the textbook Keynesian revolution: God, Man and Lorie Tarshis at Yale".

Neither of these appalling happenings ever soured Lorie's sweet disposition. As the many tributes in the volume testify, people admired Tarshis, the economist and loved Tarshis, the man. Lorie was a hands on economist who passionately hated injustice, dishonesty and stupidity in public affairs. He was an instinctive democrat, as is to be expected of any self-respecting Canadian, and he had great independence of mind. So his life-long love affair with the economics of Keynes was an honest, positive but not an uncritical one. In the last decades of his life he was tackling in a thoroughly Tarshian and

Keynesian manner the horrendous problem of the international indebtedness of developing economies. Most of all, Lorie was a teacher *par excellence*, both in the class room and through his textbooks.

All these themes and views are touched on or explored in depth in this collection of essays in his honour. Following a thorough and affectionate introduction by the editors, there are 15 major essays. Some are memoirs of Lorie based on the authors' contacts with him - Franklyn Holzman, Melvin Reder, Paul Samuelson, Walter Salant, James Tobin, for example. Some take up important themes to which Lorie contributed, debt reduction as already mentioned, which is discussed by Sheila Dow and Franque Grimard, or with which he would have been sympathetic: Ian Parker's scholarly explanation of why the link between the *Treatise on Probability* and Keynes's economics has not received the prominence it should have had in North America, as opposed to Europe.

Donald Moggridge contributes a detailed and careful account of the diffusion of Keynes's ideas in leading US graduate schools in the first decade after the publication of *The General Theory*. Robert Dimand examines issues arising from Lorie's famous late 1930s *Econ. J.* article on real and money-wage movements over the cycle. Charles McCann and Mark Perlman discuss the subtle meanings of uncertainty in Keynes's writings. David McQueen writes with insight about another Canadian Keynesian economist, W.A. McIntosh.

There is a marvellous one page vignette by the late Richard Goodwin on the crassness of continued growth of material goods when rising productivity could allow so much more time for leisure: it is a cross between Keynes's economic possibilities for our grandchildren and Oscar Wilde's soul of man under socialism, with typical Goodwinian touches. Charles Kindelberger discusses how we could minimise systemic 'bads' arising from speculation and other actions falling under the rubric of "the unscrupulous in society who ... take advantage of the innocent, the ignorant and perhaps the greedy who lack judgement" (141).

All told, the volume's contents are fitting tributes to a wonderful person.

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