

# Cambridge, England, or Cambridge, Tasmania? Some Recent Excavations of the Giblein Multiplier<sup>1</sup>

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**Abstract:** The paper publishes some previously neglected investigations of the multiplier concept by Giblein and Brigden in 1929. It contrasts their 1929 conception of the multiplier with the theoretical machinery of the *General Theory*. It shows that while developing this machinery Keynes twice parried Giblein's attempt to air with him the multiplier concept.

## Introduction

The literature on origins of the multiplier is largely concerned with three questions:

1. Who said what, and when?
2. Whatever was said, by how much did it pre-figure the *General Theory*?
3. And, whatever was said, what connections, if any, are there between whatever was said? Were the Kahnian and pre-Kahnian multipliers independent intellectual formations? Or were there some direct links between them?

This paper directs these questions towards the Giblein multiplier, and advances some answers.<sup>2</sup> We answer the 'what and when' question by pressing the priority of L.F. Giblein. We bring to light some previously neglected work by Giblein and J.B. Brigden on the multiplier dating from 1929. We stress the considerable distance of Giblein's macroeconomic thinking of 1930 from Keynes's in 1936, but also contend that by 1932 Giblein was seemingly closer to the Keynes of 1936 than Keynes was himself. Finally, we demonstrate that the close personal connection between Giblein and Keynes makes a link between the Giblein and Kahn multipliers a fascinating possibility, but we affirm the widespread view that there is no evidence that Keynes or his circle were aware of Giblein's multiplier. We also show that by the time Keynes came to write about the multiplier, he was not interested in discussing it with Giblein.

## Giblein and the Multiplier

Giblein's priority with respect to the multiplier has been allowed by authoritative accounts of the multiplier's genesis for many years (Wright 1956, Moggridge 1993, Dimand 1988).<sup>3</sup> This priority is based on (i) *Australia, 1930*, Giblein's inaugural lecture at the University of Melbourne, and (ii) 'Repercussions of Changes in Income', an unpublished memorandum by Giblein reported in 1960 by Downing and Karmel (1960, p. 43).

The present paper reinforces these by reports of three previously unpublished memoranda that expound the Giblein multiplier. They are entitled: 'New Farms and Population', L.F. Giblein, 9 August 1929; 'The Correlative Increases in Production and Population', L.F. Giblein 1929 (?); and 'Population Supported by 1,000 Pounds by New Export Production', J.B. Brigden, 5 September 1929. These are concerned with the total impact on national income of the new income deriving from a new industry. The occasion of these three memoranda was

the wish of the Victorian government to build a railway to open up some wheat lands. An anonymous *mémoire* of 1952 recalls:

It was clear that the traffic on the railway would not be sufficient to meet debt charges, but it was not clear that the building of the railway would be an uneconomic proposition for the economy as a whole. The addition of, say, £1m in exports of wheat to the national income would result in other and indirect additions to the national income. The new wheat farmers would spend their incomes in a certain proportion on local and imported goods and on such tertiary services as education, health services and transport so that the total national income would be greater than the original addition of the income from wheat. ... Copland was aware of these considerations, but was unable to state the problem precisely in terms of the effect on national income as a whole. *He took this problem to Giblin who produced the first formula of the multiplier.* (Copland 1952, p.194. The italics are ours.)

In 1960 Torlieve Hytten, a fellow academic of Giblin in the 1920s, recalled:

I well remember when he first brought the general idea in a page or so of typescript to Brigden and myself for criticism. Giblin was rarely excited, but there was something akin to excitement in him as we discussed and finally agreed on its validity. (Hytten 1960, p.156)<sup>4</sup>

Regrettably, this ‘page or so’ appears to have been lost, but the three other memoranda this paper deals with are in the National Archives of Australia.

‘New Farms and Population’ was written by Giblin, and sent on 13 November 1929 to the Minister responsible for the Development and Migration Commission, which had asked Giblin to analyse what would be the gain to Australia’s population of the establishment of new wheat farms. Giblin approached this problem by arguing that there would be both a direct gain and an indirect gain. To analyse the direct gain, he estimated the value of production of each new farm at £700 (after making deductions for transport, interest, raw materials used, repairs, etc.). He then noted that as ‘Australian population works out at 1 per £100 of income’, the £700 of income accruing to the operator of each new farm would support an additional seven population members. Thus the *direct* population gain would be of seven people for each new farm.

It was in the *indirect* effect that Giblin introduced multiplier analysis. He argued that about two-thirds of the income accruing to the operator of a new farm would be spent on domestically-produced consumption goods, thus generating additional income for the profit-earners and wage-earners engaged in the production of such goods equal to two-thirds of the income accruing to the operator of the new farm. In turn these people would spend two-thirds of their additional income on domestically-produced consumption goods, thus generating a further income increase of  $(2/3)^2$  times the income accruing to the operator of a new farm. And so on indefinitely. Thus for each new farm established there would be an indirect income gain equal to the direct gain (£700) multiplied by  $2/3 + (2/3)^2 + (2/3)^3 + \dots$ . This infinite series converges on two. The indirect income gain for each new farm established would therefore be £1400, so that the total gain would be £2100.<sup>5</sup> The logic of geometric progression, that is absent from *Australia, 1930*, is explicit here.<sup>6</sup>

Brigden responded to ‘New Farms’ with a two-page comment ‘Population Supported by 1,000 Pounds by New Export Production’, dated 5 September 1929. This is a bolder, starker analysis than Giblin’s. It drew the protectionist implications of Giblin’s multiplier analysis without hesitation. It pointed out that

the reduction in (what we would call) the propensity to import would increase national income, and consequently suggested that it was through import substitution that any new industries would create employment.<sup>7</sup> It also used the language ‘multiplying’ and ‘multiplied’, terminology Giblin never used.

It is worth noting that Brigden has also been credited by some of his colleagues with turning Giblin’s mind from the positive impact on national income of an expansion of exports, to the *negative* impact on national income of a *contraction* of exports. ‘It was Brigden who first realized the significance of the multiplier working in reverse gear when wool prices fell. ... When wool prices fell at the opening of wool sales late in August, 1929, he was the first to sound the warning of the impending depression that was to follow ...’ (Copland quoted in Wilson 1951, p. 4). Copland states that Brigden’s composition of *Escape to Prosperity* (1930) was the occasion of this realisation. The book’s opening chapter, ‘Australia in 1930’, does very briefly present an informal multiplier analysis of the impact of a contraction in exports (Brigden 1930, p. 5). It is uncertain when this was written, but as it was published just a few weeks after Giblin’s *Australia, 1930*, it suggests that Brigden was at the very least *au fait* with Giblin’s thinking. Considered overall, Brigden seems to have had a greater role in the development of Giblin’s multiplier thinking than has generally been recognised.

### Giblin’s Multiplier and its Alternatives

**Table 1: Multiplier Concepts from circa 1930**

	Giblin	Brigden	Warming	Kahn	Keynes	Kalecki
Date	‘1928-9’	Sept 5, 1929	1929-30	June 1931	March 1933	1933
Explanandum	Employment, income	Employment	Employment	Employment	Income	Income
Assumptions	Open economy Marginal propensity to absorb of $2/3 - 0.7$ $Mps = 0?$	Open economy Marginal propensity to absorb of at least 0.5	Open economy Marginal propensity to absorb of 0.4	Open economy Marginal propensity to absorb of $0.36 - 0.48$  $Mps$ of workers = 0 and $mps$ of businessmen = $2/3 - 1/4$	Open economy Marginal propensity to absorb of 0.49 $Mps > 0$	Open economy Marginal propensity to absorb of 0.3  $Mps$ of workers = 0 and $mps$ of capitalists $> 0$
Technique	Geometric series	None	Geometric series	Geometric series	Geometric series	Calculus
Terminology		‘multiplied’ ‘multiplying’	‘roll on’	‘ratios’	‘multiplier’	
Symbolism	None	None	None	$k =$ ‘marginal propensity to absorb’	None	
Multiplier	3	$\geq 2$	$1\ 2/3$	1.56-1.94, 1.75	2	$1\ 3/7$
Policy	Deflation	Protection	Public works	Public works	Public works	

The previous section has established that by September 1929, when Richard Kahn was still completing his dissertation, there existed at least three memoranda

outlining the multiplier. But in a short space of time Giblin's multiplier was to have rivals. It was in mid-1930 that Richard Kahn developed a multiplier concept, that was later published in the *Economic Journal* in 1931.<sup>8</sup> The concept was also advanced (apparently independently) by Jens Warming in 1929-30, and Michal Kalecki in 1933 (see King 1998). In 1933 Keynes advanced his own version of the multiplier. Table 1 compares the various multipliers.

### **Giblin's Multiplier and the *General Theory***

Giblin's priority over the multiplier obtains considerable interest on account of the multiplier's association with the *General Theory*. But how cognate is Giblin's multiplier to the *General Theory*? The logical kinship of even the Kahnian multiplier to the *General Theory* has been questioned – Patinkin has contended that there is only a weak relationship (Patinkin 1993). Is there any close logical kinship of Giblin's multiplier to the theoretical structure of the *General Theory*?

Distilling 'the message' of the *General Theory* is not a task for the faint-hearted, but I will venture that there are eight doctrines that the *General Theory* was especially concerned to defend, and advance:

Effective demand (i.e. no Say's Law).

A monetary theory of interest.

A non-monetary theory of prices (i.e. no Quantity Theory).

Underconsumptionism; the dysfunctionality of thrift.

The dysfunctionality of capital and interest income.

'Disequilibriumism'. A market economy does not automatically tend to full employment.

'Stimulationism': public works and monetary expansion are the remedy for unemployment.

We may ask how much did Giblin's *Australia, 1930* share this 'larger doctrinal structure'? Obviously, the multiplier comprehends Effective Demand. But what of the remaining seven doctrines?

#### *A Monetary Theory of Interest*

There is no hint of this in Giblin.

#### *Underconsumptionism*

Giblin was not an underconsumptionist. In fact, he was an anti-underconsumptionist. And he makes this very plain in *Australia, 1930*:

Three years ago I had the honour of addressing the A[ustralasian] A[ssociation] [for the] A[dvancement] of S[cience] at Perth on the subject of 'The Road to Ruin'. I conceived it as paved with the extravagant post-war consumption. The case is even stronger today.

Demand seems no longer bridled by the capacity to pay for the desired commodity. Very striking is the new consumption – in motor-cars, movies and talkies, gramophones, tobacco for women, and the increased expenditure in confectionery, and dress, dancing and traveling. (Giblin 1930, p. 13)

It will be recalled that Giblin as a student lived on 'ships biscuits of which he kept a barrel in his rooms', and in maturity 'wore red ties of his own manufacture'.

### *Dysfunctionality of Capital Income*

There is nothing of this in Giblin.

### *Disequilibriumism*

Giblin is not a ‘disequilibriumist’. He explicitly states in *Australia, 1930* that the system would correct itself through wage adjustments. He explicitly stated his belief that the multiplier would be zero if wages (and other incomes) declined.

### *Stimulationism*

Giblin in 1930 was not a ‘stimulationist’. In *Australia, 1930* he was a *deflationist*. In 1930 he drew no expansionary policy lesson from his multiplier.<sup>9</sup>

Still, for all the distance of his general frame of thought from the General Theory, Giblin still developed the multiplier. But, even here, we can ask if he was convinced of its real world significance? After sketching what this concept implied would be the consequence of the slump in Australian exports, he writes with perplexity: ‘Is, then, this appalling result likely to happen, or is the whole argument affected by a fundamental error? The matter is obscure’ (Giblin 1930, p. 11).<sup>10</sup>

## **Giblin and Keynes Discuss – and Don’t Discuss – the Multiplier**

To what extent did the multipliers listed in Table 1 run on parallel tracks, and to what extent did they meet?<sup>11</sup>

Although Giblin’s multiplier is recognised as prior to Kahn’s, it is largely ignored in the historiography of the *General Theory*. Patinkin never mentions Giblin. Giblin’s multiplier is referred to only once in Skidelsky’s biography of Keynes – and only by implication, and only in a footnote.<sup>12</sup> And there is a good reason for this silence: neither Keynes, nor Kahn nor any ‘Circus’ members ever mention Giblin’s multiplier. There is no positive evidence that any of these persons read it.<sup>13</sup> In fact, there is good positive evidence that they did not read it. First, not long after Keynes began using multiplier analysis in 1933, Giblin wrote that in doing so Keynes was following Kahn, rather than himself.<sup>14</sup> Secondly, Keynes baldly states in the *General Theory* that:

The conception of the multiplier was first introduced into economic theory by Mr R.F. Kahn in his article on ‘The Relation of Home Investment to Unemployment’ (*Economic Journal*, June 1931). (Keynes 1936, p. 113)

Nevertheless, some curiosity about a possible connection between Giblin’s multiplier and the Cambridge multiplier is warranted, on account of the cordial relationship enjoyed by Giblin and Keynes, based upon shared friends, education and cultural interests. The two had known each other since meeting in Duncan Grant’s rural domicile, Charleston, at the close of the First World War. In his obituary notice of Keynes, ‘John Maynard Keynes: Some Personal Notes’, Giblin recalls,

I had first met Keynes at a house ... where we were both visitors in 1918; and I remember that we talked about his ‘Gold’ article in the *Economic Journal* in 1914 though at the time I was not even on the outer fringes of economic learning. (Giblin 1946, p. 2)

This meeting requires some explanation. Duncan Grant was a conscientious objector, and Keynes was of the same frame of mind. Giblin was then a twice-

decorated (and thrice-wounded) officer, on leave from the Western Front. How comes it that these two Cambridge lilies of the field encounter our Anzac warrior? The answer is that Giblin, like Keynes, was a Kingsman, and had studied in King's in the 1890s, and had befriended Edward Garnett, the father of the well-known Bloomsbury figure, David ('Bunny') Garnett. Indeed, he had also befriended the then infant David.<sup>15</sup> Garnett who – as a one-time lover of Duncan Grant – was in 1917 sharing the 'Charleston' farmhouse with Grant and Vanessa Bell, in a version of *ménage à trois*. Giblin 'had come down, full of warmth and friendliness, to reassure himself that I was not having too bad a time as a conscientious objector!' (Garnett 1955, p. 159). Once there, Giblin 'wanted to know all that we could tell' about Keynes, whom he 'had heard about'.

After their eventual meeting, and Giblin's return to Tasmania, Giblin and Keynes maintained a correspondence. In 1929 Giblin sent Keynes the 'Brigden Report', which Giblin had co-authored, and Keynes replied with thanks and praise. When Keynes vacated King's College in 1938 to convalesce, he lent Giblin his own fully furnished rooms there for the duration of Giblin's sabbatical at King's.<sup>16</sup> They continued to correspond in the 1940s, sharing King's College news, swapping views on the wisdom of Bunny Garnett's choice of wife, and discussing Giblin's project to establish a National Theatre in Australia. Giblin may be described as an Australian twig of Bloomsbury, and, by sharing their rationalism, 'paganism', footloose leftism and intuitive modernism, Giblin arrived at the same sort of sharp revaluations of classical economic wisdom that Keynes did.

It is, therefore, intellectually legitimate to be alive to the possible reception of the Giblin multiplier by Keynes and his circle. And it is intellectually legitimate to be tantalised by the fact that King's College library does contain a copy of *Australia, 1930*. Giblin sent it to them. It arrived in June 1930.<sup>17</sup> Nevertheless, there is no positive evidence that Keynes or any of his circle read, or were aware of, Giblin's multiplier.

This is not to say that Giblin did not raise multiplier issues with Keynes in the years of writing the *General Theory*. He did so, twice. In April 1932 Giblin was acting as Commonwealth Statistician and informal economic advisor to the Federal Government. In that month Giblin sent to Keynes a copy of a confidential letter he had sent to his patron, and fellow Tasmanian, the Prime Minister Joseph Lyons. We put in italics elements of particular interest:

13 April 1932

CONFIDENTIAL

Dear Mr Lyons

I have signed the Report of the Committee on unemployment with some hesitation. I am in full accord with it on the course that must be taken to bring economic recovery and the necessity of pursuing it unflinchingly, but I am in some disagreement on the extent to which immediate action could wisely be taken to relieve the system, until the long term policy bears fruit. It is not a matter of principle but of weighing the seriousness of two admitted dangers – the break-down caused by over-strain on the unemployed and one caused by an unbridled loss of confidence on the side of business finance. My fellow members think the latter is the greatest danger ... I find each danger equally likely to threaten the social

structure and would accordingly without deviation from the principles laid down, put a good deal more emphasis not only on the possibility but on the necessity of active means to reduce the strain of unemployment.

The conclusions of the Report are that money can be reasonably and safely be raised by Treasury-bills for public works ... provided that the money so expanded shall earn interest.

The criterion of earning interest must be interpreted with some latitude ... I suggest, therefore, that expenditure of Loan money might be held open for consideration if it earned ultimately something less than full interest, say four percent, or perhaps as little as three percent.

Our direct loss of income from the lower price of exports, relative to the cost of imports and interest payments, probably about £30m p.a; from cessation of oversea loans it is not more than £30m, making a total of £60m. But the total loss of income is well over £200m. Much the greater part of the total loss of income and employment is due to the indirect effects of the direct loss of purchasing power spread through the community. *The total loss is three to four times the direct loss.*

Conversely any increase of purchasing power directly by government expenditure or otherwise would result in a total purchasing power of three to four times the original amount. If any number of unemployed were put into employment of any kind at average rates of pay, the added number reabsorbed as consequence in ordinary industry would be two or three times that number, so long as the original expansion continued.

*An extreme case may be stated. If an additional £20m was raised by Treasury Bills without seriously disturbing general confidence, and used during one year to employ men at shifting sand at Federal award rates, the result would be the direct employment of more than 100,000 men and the rapid reabsorption into ordinary industry of the whole of the unemployed ... obviously such a policy could not be continued without a ... currency collapse. But if we were sure of a great increase in export prices a year hence, it would be a reasonable policy.* (Keynes Papers, King's College)

This articulates a very drastic Keynesianism. Was any government in 1932 receiving from such a high-placed and 'official' source recommendations to adopt so strenuous a fiscal expansion? Was anyone conjuring with multiplier of three or four?

And mark the massive change since *Australia, 1930* in Giblin's confidence in multiplier analysis. Was the 'appalling' prospect that the multiplier analysis *Australia, 1930* conjured up – and which so alarmed and perplexed him – now vindicated in 1932 as a stunning premonition of the Depression? Did this give him intellectual confidence? Or was he – to put a different twist on it – given such confidence by the forthright advocacy of public works on multiplier grounds by Richard Kahn in the 1931 *Economic Journal*?

Whatever the case, Giblin was boldly pressing multiplier logic at a very significant time in the development of the *General Theory*. During that summer of 1932 Keynes was still thinking in terms of correcting and completing the *Treatise*, although he was in fact poised to leave it behind and set out on the road to the *General Theory*. On 5 April 1932 Keynes had written: 'I propose ... to publish a short book, extending and correcting' the *Treatise*. On 8 May 1932 he rebuffed Joan Robinson's more radical proposals with the words: 'I lack at present sufficient evidence to the contrary to induce me to scrap all my present half-forged weapons'.

On 1 June, the day before he replied to Giblin, he wrote that he planned his new book to 'fill in the gap' in the *Treatise*. (See Kahn 1984, pp. 112-3).

So Keynes is dissatisfied with the *Treatise*, but not completely dissatisfied. He learns that Giblin has been urging the Australian Prime Minister that paying men to 'shift sand' would lead to 'the rapid reabsorption into ordinary industry of the whole of the unemployed'. How does Keynes respond?

2 June [1932]

Dear Giblin

I have been extremely interested in your supplementary confidential letter to Mr Lyons... If I understand you rightly, I am very much in agreement with you. I am all in favour of pushing public works programs to the limits of prudence... In my judgement anything that looked like earning three percent should surely be eligible. (Keynes Papers, King's College)

To my mind there is something anti-climactic about this reply. Keynes is keen to give his support for public works that earn 3 per cent. But surely the key item in this 'supplementary confidential letter' was Giblin's recommendation of public works as useless as shifting sand; something with a rate of return of -100%. But Keynes ignores this suggestion.

Nevertheless, most historians of the *General Theory* agree that over the next nine months – the autumn and winter of 1932 – the critical transition to the *General Theory* occurred.

At about the close of this transition, in March 1933, Giblin's multiplier came, after a three-year lag, to Cambridge. It does so in the doctoral thesis of E. Ronald Walker – an Australian student at Cambridge – 'Australia in the World Depression', published as a book under the same title. In Chapter 6, 'The Theory of Repercussions', he draws attention to Giblin's theory of the multiplier, and repeats its algebra.<sup>18</sup> He adds in the foreword: 'these pages owe much to Mr D.H. Robertson, who read and discussed the whole of the ms... On several points I have had the benefit of the criticism of A.C. Pigou, Professor T.E. Gregory and Mr C.W. Guillebaud'. Thus we may conclude that Robertson, and perhaps some other Cambridge names, had become acquainted with Giblin's theory. These are, however, 'the wrong' Cambridge names – Robertson, Pigou – not Keynes and Kahn. And Walker's college was 'the wrong college' – St John's, not King's.<sup>19</sup>

And by March 1933 it was all over, anyway. Keynes had finalised his conception of the multiplier, and published it in the press as *The Means to Prosperity*. This publication was the occasion of a second, more resolute, attempt by Giblin to draw Keynes into discussion of the multiplier. In September 1933 he sent Keynes, with apologetic noises, some criticisms of Keynes's multiplier, in particular its closed economy character. He adds modestly, in brackets:

(I have at times made similar computations here, eg, on the total increase in income following from a given increase in export production).<sup>20</sup>

He appends 4 pages of comment and algebra. The day after he sends it, he sends Keynes another note:

27/10/33

I must apologise for having sent off to you yesterday, – thinking the mail closed then, – a hasty and ill considered scrap[?] on the ‘multiplier’. It was done hurriedly in [?] time and I should not have sent it off without more deliberations. (Keynes Papers, King’s College)

This is, perhaps, not quite the way to market one’s thoughts.<sup>21</sup> Keynes replied:

Pages 32 and 3 of your typewritten letter are very interesting, but go rather beyond what I was attempting in this short pamphlet... When I come to write about the multiplier in my next book, I shall deal very thoroughly with the principles on which one should try to arrive at the best possible estimate. (Keynes Papers, King’s College)

Keynes was not interested in discussing the multiplier with Giblin.

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## Notes

1 The comments of two referees and the financial assistance of the Reserve Bank of Australia are gratefully acknowledged. This paper is heavily indebted to the research of Alf Hagger, and is preparatory to a book-length account of L.F. Giblin, D.B. Copland, J.B. Bristock and Roland Wilson being prepared by the present author, Alf Hagger and Selwyn Cornish.

2 Cambridge, Tasmania, is the nondescript hamlet outside Hobart where Giblin maintained an apple orchard. A box of the orchard’s apples was faithfully dispatched each year to his old college in Cambridge, England.

3 Giblin’s closest contestant for priority is Jens Warming (Boserup 1969). Attention has also been paid to Hawtrey for his multiplier-like comments on Keynes’s *Treatise*. (Davis 1980). For pre-1914 anticipators see Wright (1956) and Goodwin (1962).

4 Hytten dates this encounter to 1925, and is surely wrong. The railway issue only emerged in 1928. Giblin later stated ‘The general thesis [of the multiplier] dates from 1928-29’ (quoted in Karmel 1960, p. 165).

5 ‘The Correlative Increases in Production and Population’ paper was seemingly written by Giblin – the typescript includes annotations in his hand. It adopts a similar multiplier analysis to ‘New Farms’, but uses a propensity to spend of 0.7. It concludes that after ‘allowing for some other deductions, e.g. part of savings not available for employment’ the multiplier would be 3 (rather than the 10/3 implied by 0.7).

6 ‘So that any given number of people, say 90, directly supported by new farms will entail a secondary population of 2/3 of this number, or 60. And similarly this 60 will employ 2/3 of 60, or 40, and so on.

For every person supported directly by the new farms we then have an additional population of:-

$2/3 + (2/3 \text{ of } 2/3) + (2/3 \text{ of } 2/3 \text{ of } 2/3) + \dots$  to infinity

And this series, by the well known algebraic rule adds up to exactly 2.

We shall therefore have about 2 persons indirectly supported by the farms for every person directly supported.’

7 It is worth noting that the ‘Brigden Report’ of the same year explicitly rejected the notion that protectionism stimulated total employment.

8 See Meade (1993) for an account of his own significant role in the articulation of the Kahn multiplier concept.

9 As Cain notes of Giblin, ‘In 1939-31... his attitude to government spending as a recovery multiplicand contrasted with that of Kahn’ (1979, p. 109).

10 In the same vein, the covering letter for ‘New Farms and Population’ emphasised that ‘this paper was submitted to the Commission as a tentative statement only, and subject to modification and correction’.

11 An entirely different line of enquiry would seek to shed light on the *origin* of Giblin’s conception. We will content ourselves with noting that in 1890 Alfred De Lissa published in the *Australian Economist*, and later presented in Hobart, his ‘Law of Incomes’; a ‘great economic law which appears to underlie the industry of every country’, that turned on the multiplier concept explained in terms of geometric progressions. ‘It is an interesting coincidence that after De Lissa’s one of the first expositions of the multiplier came from L.F. Giblin’. (Goodwin 1962). It is also interesting that in Hobart in Giblin’s youth there lived an underconsumptionist, A.J. Ogilvy, who published ‘Is Capital the Result of Abstinence’ (Ogilvy 1892) and *Saving and Spending* (Ogilvy 1896). But Giblin was not an underconsumptionist.

12 Dimand (1988, pp. 105-8) does give a detailed treatment of Giblin’s multiplier.

13 According to Dimand ‘Giblin’s multiplier analysis was entirely ignored’ outside Australia, and even within Australia ‘thoroughly forgotten’ by 1938. A 1939 Canadian survey of Central Banking in the Dominions does note the Giblin multiplier (Plumtre 1940, p. 351).

14 Giblin: ‘Last year [1933], however, Keynes used substantially the same argument [as *Australia, 1930*] in his “Means to Prosperity” – following work by Kahn in the *Economic Journal* in 1931.’

15 David later wrote of Giblin ‘I had loved him since I was 4 years old’ (Garnett 1955, p. 159).

16 Giblin’s King’s College obituarist (almost certainly Patrick Wilkinson) records that Giblin ‘took the keenest interest in the business of the College, and had many fruitful talks with Keynes. Occasionally he was proud to think that that he had converted Keynes on some points to his own view’ (Anon 1951).

17 The copy records that it was ‘Presented by the Author’. The present author has been unable to discover any other library in Cambridge that holds it.

18 The novelty of the theory of the multiplier is indicated by Walker’s ‘naïve’ exclamation at the inverse relation between the multiplier and the propensity to import: ‘The conclusion is at first odd since [it implies that] the greater [the] part played by international trade, the smaller will be the total loss arising from a reduction in the value of exports. For if imports were one-half expenditure, the initial loss would be doubled; and if they were one tenth, the initial loss would be multiplied ten times as a result of repercussions!’ (Walker 1933, p. 163).

19 Walker was, inevitably, not completely isolated from Keynes. In 1933 his presentation to Keynes’s Political Economy Club ‘demonstrated that wage cuts were no cure for unemployment’ (Cairncross 1998, p. 49). His argument was presumably the argument for the same claim in his thesis: one that rested on the multiplier.

20 Is this not also evidence to the effect that Keynes never read *Australia, 1930*? If Giblin had sent it to Keynes, would he need to make this remark?

21 The letters of Giblin to Keynes are contained in the King’s College archives.

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