

A Conversation with Craufurd Goodwin

John King*

In November 1992 I spoke with Craufurd Goodwin, founder and long-time editor of *History of Political Economy*, as part of a continuing research project on the history of Post Keynesian economics. Although in no sense a Post Keynesian, Goodwin enjoys uniquely privileged access to the historiography of macroeconomics since Keynes and also has strong views of his own on this area of economics. His predictions concerning the future of the discipline are equally forthright, and not a little alarming.

John King

King: *Can I begin with the 'when did you stop beating your wife?' question, and ask why HOPE has published so little on Post Keynesian economics or individual Post Keynesians?*

Goodwin: I think it's because in the main we respond to the material that comes to us. We occasionally solicit material, but we don't often do it that way because we've run into difficulties. We find we solicit material that we can't publish. We haven't received very much on the Post Keynesians. I don't think in retrospect we've rejected too many pieces that we should have published. I'm not absolutely certain who would qualify as a Post Keynesian, but we've had a fair amount on Joan Robinson. Would she fit?

King: *Oh, undoubtedly.*

Goodwin: I think she's probably the one who's received the most attention.

King: *Not a great deal has been publishable, then, of the material you've received on her? Not a lot has appeared.*

Goodwin: No. Two or three papers, I guess.

King: *And a little bit on Kalecki?*

Goodwin: I think we've had only about ten articles on Post Keynesian topics.

King: *In 25 years, when you must have published, what, a thousand articles?*

Goodwin: Oh, probably less than 1,000. Nearer 700 or 800. Submitted? We would have received 3,000, probably.

King: *Of which ten on Post Keynesians?*

Goodwin: I honestly can't remember how many we might have rejected, but I don't recall having received very many. In sharp contrast to Marxian economics, where we seem to receive a vast number of articles.

King: *Or even other dissident schools, like Institutionalism or Austrian economics, I suppose. You've published substantial amounts, and must have received a lot.*

Goodwin: The institutionalists, of course, have had another medium in the *Journal of Economic Issues*, and maybe the answer is that the Post Keynesians send their material to the *Journal of Post Keynesian Economics*. I don't know.

King: *I expect that's part of the explanation. Have you any other speculations as to what may have led historians of modern economic thought to neglect this particular tendency?*

Goodwin: Well, I think that probably they feel that it's a rather minor blip on the landscape, and that it hasn't had any major policy impact, in contrast to the institutionalists or the Marxists. I can speculate that perhaps there haven't been many natural historians among the Post Keynesians who want to spend their time working on the history of the field, in contrast again to both the Marxists and the institutionalists.

King: *And the Austrians.*

Goodwin: The Austrians too.

King: *You used the words 'minor blip'. Would that be your judgement as to where the Post Keynesians will fit into the history of the second half of the twentieth century?*

Goodwin: Well, I don't know. I find it rather hard to distinguish Post Keynesians from the various other forms of radical and heretical tradition that have emerged. I think it's often difficult to pigeonhole people, for example between Post Keynesian and radical, but I don't think they've had a major impact on the discipline. I don't think they've had a major impact on policy. Perhaps 'minor blip' is too extreme a dismissal, but I wouldn't say that they've been extremely significant.

King: *That's collectively. If we turn to one or two of the more prominent individuals, it's sometimes been suggested that Joan Robinson, for example, was unfairly denied a Nobel Prize. Any thoughts on that?*

Goodwin: Well, I think that's probably right. I could certainly speculate as to why. She was first of all a woman, and there haven't been any women Nobel prize winners, and there's still an element of sex discrimination in the discipline. In addition, probably during the years when she would have been most likely to receive the prize the world was deeply divided over the Vietnam and China issues, and she was so closely identified with political positions that I think she antagonised people more than she would have done at other times in history. I was in Cambridge in 1967-8, and she was taking such a strong position on the Vietnam War that I think giving her a Nobel Prize would in a way have amounted to endorsing her political position.

King: *You think the Swedish academy took a similar view?*

Goodwin: I don't think it's the Swedish academy. It's a small committee of Swedish economists, some of whom I know, who make the selection and recommend to the Swedish academy. I think on the whole they were not sympathetic to her ideas, and they were also unhappy with her political posture. During that period she was difficult, to put it mildly. I certainly avoided her whenever I could when I was in Cambridge.

King: *When was that?*

Goodwin: 1967-8, which was really the height of the Vietnam War. That was dominating her thinking in that period. Typically at tea in Cambridge she would pull from the audience an American - she thought of me as a Canadian, so I was exempt - but she would take some poor American and lash him publicly, and it wasn't very much involved with science. It was so heavily political that it was a little distasteful.

King: *And even after passions had cooled? After all, she lived until 1983. Had she put so many backs up by the mid-1970s that her chance had gone forever?*

Goodwin: I think so. And then I think also that economists have relatively short memories, and her most promising period was the late 1960s and people had begun to forget her contributions later on. I could be wrong, because some other octogenarians have received it.

King: *Similar claims have been advanced for Nicholas Kaldor, I suspect by a rather smaller minority of his backers. Where do you think Kaldor stands in the pantheon of twentieth-century economists?*

Goodwin: He also became highly politicised by his role in the British government. He became identified with certain policies of the Labour government which, I think, both made him lots of enemies and meant that any recognition of him entailed endorsement of those policies.

King: *You could say the same about Milton Friedman, to name one obvious example.*

Goodwin: Sure, except that it's important to note that all those Chicago people vigorously resisted any formal appointments in government. Milton Friedman never went to Washington. In fact he positively eschewed anything to do with politics. I don't know if you remember that when George Stigler was brought into the White House for a press conference when he received his Nobel Prize he excoriated Republican policies in front of the President and never was invited back. So I think there's quite a difference between Kaldor and the Chicago economists from that point of view.

King: *It's not just that the Chicagoans were on the right, and Kaldor was on the left?*

Goodwin: Well, I think that was part of it, but also they were clearly ideologues but not political. They didn't become identified with the Republican party in the way that Kaldor was with the Labour party. They felt perfectly free to criticise and to remain outside. I think Kaldor was much closer to the political fray.

King: *Very much so. He was a government adviser, and was elevated to the House of Lords by Harold Wilson, and was much closer to the hurly-burly of politics.*

Goodwin: It was a point of principle for the Chicago economists, going back to the 1930s really, to Knight and Viner, that they would declaim on policy questions if asked, from Chicago, but they would not either go to Washington or be closely enmeshed with any single party. So I think that somehow they connoted science much more than someone who became a political figure or advocate.

King: *Can I ask you about Sidney Weintraub? What do you think about his stature and long-term reputation, as the most prominent and, indeed, the original American Post Keynesian?*

Goodwin: I haven't really paid very close attention to Weintraub's career. When I was in graduate school we used to read a number of his articles. They were classics that appeared on reading lists. Then I think of him as being associated with some of the more imaginative tools of macroeconomics that appeared - attempts to deal with inflation through tax-based incomes policies, and so on - but I don't think he loomed very large, somehow. He was known to the older generation through personal contacts, but he never really developed any school that followed him, or a very large group of disciples. Maybe it was his personality, maybe it was his material, I don't know. I don't think he is a name that would conjure up a clear image for many people in the profession.

King: *Can we turn to interpretations of Keynes. I imagine you've read a great many manuscripts on Keynes over 25 years in your capacity as editor of HOPE. How have interpretations of Keynes changed over that period?*

Goodwin: Interpretations by historians of thought, or by economists generally?

King: *First by historians of thought and then, if there is a significant difference, by economists generally.*

Goodwin: One of the most striking things, I think, is that when I first went into economics, which was in the 1950s, Keynes was really a dominant figure. In fact in the first course I took in economics the professor had a lottery. He gave away a copy of the *General Theory*, and I won it and I still use that copy. This was the book that any economist would want to have, and we learned it at almost every stage of our education. Now, and I think the change was in place a decade ago, Keynes is only found at two stages. The first is the introductory principles course; he is often absent even at the intermediate level, and completely gone at the graduate level. So he's present at the introductory level in the discipline in general, and then he is a subject of interest for historians of economics. So you've got these two categories of attention. The first really presents all sorts of problems, because graduate students who come through PhD programmes have barely heard of Keynes as more than an icon, and yet if they teach the first course in macro, for example using the Baumol and Blinder book, they're suddenly faced with consumption functions and IS-LM curves and don't know what they are, and think they're some sort of bizarre artefact from the past. I think this is one of the reasons why recent PhD graduates don't want to teach introductory macro. And they can't use the macro tools that they've learned in modern graduate school because introductory students can't do anything with them. You just can't take a student and teach him rational expectations as his introduction to macroeconomics. It's interesting that the place which Keynes now has is as an entry point to a macroeconomics that will almost immediately abandon Keynes.

King: *That's at Duke, or more generally?*

Goodwin: I think that's true generally. Some places teach introductory macro with no Keynes at all, but I think it's less successful. The most popular text among first-quality universities and colleges in the U.S. is Baumol and Blinder. That's the text I use, and it has a predominantly Keynesian macro section, with discussions of the Keynesian-monetarist debate and a chapter or two on rational expectations, but it's predominantly set in a Keynesian mould. The students like the text enormously. They really find they're able to master all that stuff, and then they get to their intermediate course and their teacher, who's a recent graduate, will say, 'That's all balderdash! All that stuff you learned about Keynes is meaningless. I don't know what it all means myself, and no-one else does. Forget it, and now we'll do something else'. That's the nature of macro in this country. In the history of thought, I think there was relatively little interest in historical questions related to Keynes except in the last ten years. I'd have to look at HOPE, but I don't think we had many papers on Keynes in the early years. Whether that was because

the *Collected Writings* hadn't been published, I don't know, or whether the subject simply hadn't attracted the interest of people like Don Patinkin, Brad Bateman and Don Moggridge and so on. But I think if you look through the journal there's been quite a marked increase in interest in the last decade or so.

King: *Is that just a question of particular individuals developing an interest, or is there something more to it?*

Goodwin: I can speculate. There's this large political overlay of interest in Keynes and is all tangled up with the theoretical questions. Politically there was the discovery in the 1970s that inflation seemed to be the major problem and Keynes didn't deal very well with inflation, and therefore we had to use other devices and pay more attention to money and all that, and so there was a turning away from Keynes. Then, I think, part of this new interest that emerged in the 1980s was an attempt to re-examine Keynes and see whether he didn't in fact get a bum rap and whether there isn't a great deal more in Keynes than we first realised. That began with the Leijonhufvud book. I think that was the incentive for people to see whether there was a Keynes who would be enlightening, beyond the interpretation that we'd had from Hansen and the textbook interpreters. Then there's a little industry that pays attention to Keynes and philosophy, Keynes and probability. I think the availability of the *Writings* must have been a considerable incentive - the fact that you had it all accessible on the shelf. One of the reasons why we had so much interest in Ricardo was that the Sraffa edition made it so much easier for people to work on Ricardo. And Moggridge has done that for Keynes.

King: *And Patinkin returned to Keynes from the viewpoint of a historian of economics.*

Goodwin: You're thinking of the special issue of *HOPE* on Keynes's monetary thought?

King: *Yes.*

Goodwin: That's a funny incident that you might be amused by, actually. The way that came about was that Patinkin was invited by Harry Johnson to do a book review of the *Treatise* when that was reissued in the series. He was given the usual limit of about 600 words, and it came into the *JPE*, of which Harry Johnson was then the editor, at something like fifteen pages. So Johnson wrote to Patinkin and said, 'You can't do a book review of this length, you've got to do an article'. So Patinkin did the article, and by then it had risen to about 50 pages, and Johnson phoned me and said 'We can't publish this in the *JPE*. It's got out of hand. Would you be interested in doing it for *HOPE*?' So I said, 'Sure', and contacted Patinkin, who said, 'I'll have to go back and revise it again'. And it kept on growing, and the next thing I knew it was book length, and so we decided to publish it as a special issue. That was a separate volume. It's been extremely successful. I think it's gone through three printings with us. It's been our biggest money-maker, I think, as a special issue.

King: *And it's provoked something of a literature around it?*

Goodwin: That's right. Which, of course, he's very good at doing. He takes very strong positions on things, and he likes to elicit controversy. Every time I publish something by Patinkin I know I'm going to get a whole stream of criticisms of it.

King: *You mentioned that IS-LM has almost stopped being taught in undergraduate and even graduate classes in the US. (I suspect that may not be true in other parts of the English-speaking world). How exactly did this come about? What's replaced it, and how effective has the replacement been?*

Goodwin: Well, I think it's essentially been replaced by the ubiquitous microeconomics. There's a strong sense among many economists in this country that aggregation leads to misrepresentation, and that the only thing that you can do is to go to the microfoundations, which lie in individual markets, and if you pay attention to money and to market structures you'll be able to explain as much as you can explain about macroeconomics, and that IS-LM is misleading. I think it's a combination of political ideology and theoretical conviction that you see, because clearly IS-LM seems to point towards a role for government that many economists in the US don't support, and so they feel that it's a political tool that has to be rejected. It's replaced simply by a focus on micro issues, with some discussion of the inconsistencies in a market system that will create unemployment, but not using the tools of Keynesian macroeconomics.

King: *So there's a methodological question here more than a purely theoretical one, as to whether microfoundations really are foundations, and whether macroeconomics is really derivative and in some sense less legitimate or less important?*

Goodwin: I think it's theoretical, it's methodological, and I think it's political. I think there's a sense that to go beyond the microfoundations to something like IS-LM will mislead you, and lead you to false policy conclusions. And I think there's a fear that students are misled if devices like that are presented to them, because they get a mistaken belief that a group of bureaucrats can control the system to good effect by manipulating those aggregates.

King: *Which helps to explain why Keynes has fallen out of favour, at both the political and the methodological levels?*

Goodwin: Sure. Although, to repeat, I think that he survives because his is a very effective teaching tool. I think that those who teach introductory macro find that the students love the material as it's presented in a text like Baumol and Blinder. For the last couple of years I've taught introductory micro and macro. The students just love the macro and often get turned off by the micro, and so the faculty member who's worried about his own market may find it necessary to use this hated device of macro to fill up the classes. In the Baumol and Blinder text there are a couple of chapters that attempt to explain New Classical economics to these undergraduates, and I find it hopelessly confusing. You give them eight chapters building up the Keynesian model, which they find quite interesting and stimulating - the multipliers and all that stuff - and then the authors say, 'Let us tell you that a good proportion of the profession don't believe in all this. What they believe in is something called New Classical economics with rational expectations. Let us show you some of the models that they employ', and we get a Lucas-Sargent creation as presented to the students. I think it's just bizarre, because they're so committed to this earlier structure. So there really is a kind of paradox, an inconsistency, in the teaching of economics in this country as a result of this. And where it'll end I don't know. Whether the discipline will finally squeeze the last bit of Keynesian ideas out of its system is unclear. It may or it may not. If the New Classics can find a way of presenting their stuff in a persuasive way to beginning undergraduates, who pay the bills, then I think Keynesian ideas will probably be dead, except among historians of economics.

King: *You'd go that far?*

Goodwin: Yes. There'll always be exceptions. There'll be New Schools, there'll be Tennessees, and a few other places, but among the mainline institutions ...

King: *That's 'dead for ever', or 'dead until the wheel turns again'?*

Goodwin: Who knows? Maybe the wheel will turn again. There are all sorts of ways to predict the future. One of the darker pictures that I occasionally conjure up is that, with New Classical economics leading the way, the discipline will go the way of philosophy and become smaller and more precious and will become a sort of esoteric mob of people talking to themselves, and the old questions which they used to deal with will be taken up by anthropology and political science and public policy and sociology, which they now are doing. It's very much a response to a vacuum that's occurring in economics in this country.

King: *There's a reverse 'imperialism of economics' in progress, then? Instead of economics spreading its tentacles and encompassing the world, the world is closing in on economics?*

Goodwin: Economists don't realise this. As far as I can see, economists are completely oblivious to it. But on this campus I see it happening all over the place. In the political science department there's quite a large and active political economy program which deals with all sorts of issues that used to be dealt with by institutionalists and Keynesians. They're concerned with issues like GATT and the EEC and the creation of structures within government to deal with macroeconomic problems. Then you've got sociology, that gives a business economics curriculum, and you've got anthropology and history. And so one of the scenarios might be that economics will simply disappear, and will reappear elsewhere in little pieces. That's one possibility. Another possibility is that new formulations will come along that will enrich it - a new Lakatosian scientific research programme.

King: *And Marxian economics?*

Goodwin: That's alive and well in anthropology, where there's a sub-specialism of political economy now, in the last ten or fifteen years, and I think it's in response to the complete denial of Marx in

conventional economics departments. For students interested in Marx, the only place they'll find any attention paid to him is in the history of thought, but most social anthropology departments now have a young Marxian person who teaches Marxian ideas. I don't know how well, but they're there. They're also in language departments. We have a prominent Marxian in our literature programme, and I have students coming to me all the time with elaborate lecture notes on a lecture given by this professor of literature on Marxian value theory. It's quite striking that this is all happening and the economics department is quite oblivious to it. Nobody cares one way or the other. But that's where it's migrated to.

King: *So in another ten or twenty years, if you want to find out about Keynes you might need to go to an anthropology department?*

Goodwin: Absolutely. That's a very interesting thought. Or a history department, or one of those others.

King: *On that intriguing note....*

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