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# Anna J. Schwartz: An Appreciation

Karl Brunner  
Milton Friedman

## *A Life of Scholarship*      Karl Brunner

The scholarly enterprise shares in full measure all human foibles, flaws, and frailties. The disinterested and objective pursuit of knowledge offers an ideal against which we may assess reality. Anna Schwartz should be viewed in the context of this reality in order to appreciate her scholarly life and her work.

The divisions in monetary and macro analysis deepened over the postwar period, occasionally producing some acrimony, signs of intolerance, and an unwillingness to seriously explore opposite views. Anna Schwartz has maintained throughout her life a remarkable scholarly attitude. She suffers, however, no fuzzy ambivalences. Ideas and beliefs are clearly presented and firmly argued. In this way, over the decades she has contributed her share to a continued civil and meaningful discussion in the profession. Her scholarship is also marked by deliberate care and attention to language and detail. The empirical work characterizing her scholarly pursuits over fifty years reflects a strong sense of thoroughness and concern for accuracy. We also note her attention to substantive issues. All her work reveals a pronounced attention to the actual problems of our world.

She was only twenty years old in 1936 when for five years she joined a project in collaboration with A. D. Gayer and W. W. Rostow. This project explored "The Growth and Fluctuation of the British Economy, 1790–1850." This project set an important pattern for the life work of

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Anna Schwartz. Immense care was invested in the assembly of important statistical data which would provide us with useful information. She developed a major skill in this line of research which enriched the basis for any relevant monetary analysis. This line is visible in her long-time collaboration with Milton Friedman on the classic volume *A Monetary History of the United States* (1963) and the subsequent volume exploiting United States and British data, *Monetary Trends in the United States and the United Kingdom* (1982). In recent years her attention returned to British monetary history when she was a consultant for a project at the City University of London. There have been other contributions to the statistical basis of monetary analysis. All these efforts leave an intellectual heritage in monetary theory which benefits the profession. The collection of data, moreover, is integrated with an analysis interpreting the events. That work and the ensuing discussions widened both our historical knowledge and our grasp of major aspects of monetary analysis.

The role of international monetary regimes has off and on attracted her attention. *A Monetary History* contains an excellent history of the international gold standard. This theme recurred on several occasions in recent years. The disarray in our financial arrangements challenges us to explore the nature of regimes which lower ominous threats of permanent and unstable inflation, avoid persistent and erratic deflation, lower long-term price uncertainty and short-run monetary uncertainty. Anna Schwartz has examined on repeated occasions experiences under the historical gold standard in order to determine the lessons we can learn for the future. Her brief appearance in public service in 1981–82 as staff director of the United States Gold Commission also channeled her attention for some time to these questions. Her skills developed over many years of demanding empirical research, and her willingness and ability to cooperate and interact with other people made her a successful staff director of the Gold Commission. And the Commission's report she wrote remains a useful document for all students of the gold standard and for the broader issue bearing on the choice of an international regime.

The detailed examination of important historical episodes in the United States and the United Kingdom unavoidably directed attention to the role of monetary institutions and monetary policy. Anna Schwartz increasingly recognized the flaws of a monetary regime operating without an anchor in a floating, discretionary manner. The unnecessary debacle of the 1930s and the drift into long-term inflation beyond 1966 reveal the fundamental failure of our policymaking institutions. This does not preclude phases or episodes of adequate performance under a discretionary policy, exemplified by the postwar period until 1966. The flaw

built into the discretionary policy pursued over the decades by our authorities involves its basic unreliability and uncertainty. We have no reason to expect that major inflations or deflations will be avoided. Nor can we expect that pervasive short- and long-run uncertainties about monetary evolution will vanish. Recognition of this problem shaped Anna Schwartz's approach to monetary policy. Her concern also motivated her to join the Shadow Open Market Committee at its beginning in September 1973. She is one of four founding members who still actively participate in "the Shadow's" activities. Her contributions to the semiannual meetings are most valuable. As a member of the subcommittee drafting the final statement, she plays a particularly sensitive and important role.

Anna Schwartz may look back over a lifetime of scholarship with few regrets and much satisfaction. This volume honoring her scholarly dedication attests to the profession's recognition of her work and achievement. Fate may be generous and offer, beyond the past fifty-two years, more opportunities to a fine scholar to pursue a lifelong, deep commitment.

### *Collaboration in Economics*      Milton Friedman

I have thought a great deal about what, if anything, I could say on the occasion of this conference that I have not already said, and there isn't much. So I thought I would talk a bit about the problems of collaboration. That is a subject on which Anna and I both have a great deal of experience. We have collaborated with one another for over thirty years. It has been a remarkable experience, certainly on my part. During those thirty years, I do not recall any kind of personal acrimony or altercation, even though we had many differences of opinion about individual items. From my point of view, it was an almost perfect example of collaboration. Anna did all the work and I got a lot of the credit. How much more can you ask than that? That led me to think about the more general topic of collaboration, which I think is interesting, in part, because I have been very much impressed that the extent of collaboration, the number of papers in professional journals which are signed by two or three or four persons, is very sharply on the increase. I do not know why that is happening. I wish that one of you would construct a theory of the determinants of collaboration.

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Historically, collaboration is a very rare thing in economics, especially in economic theory.

In the great period of British development of economics in the nineteenth century, I can think of only one example of a truly collaborative enterprise, and that has a peculiar story attached to it. I suspect that few of you know the story about the *Economics of Industry* by Alfred Marshall and Mary Paley Marshall. Mary Paley Marshall was the daughter, or granddaughter, or niece, or some other relative of the Archbishop Paley. She was one of the first students at one of the first women's colleges opened at Cambridge. Newnham, I believe. At that time they did not permit classes with both men and women. They had to have separate classes for men, and separate classes for women. The various professors would go to the women's colleges and tutor or give classes for the women. Alfred Marshall was dragooned into giving lectures in economic theory at Newnham College. Mary Paley, who attended Marshall's lectures, found what he was saying interesting. She was an ambitious young lady who had good connections, so she contracted with Macmillan to write a textbook in economics based on what Marshall had been teaching.

My wife, Rose, and I decided long ago that that is the main reason he ever married her—to keep her from publishing the book under her own name. But he did succeed in marrying her and the book was published as *Economics of Industry* under the joint authorship of Marshall and Marshall. It is a very well written, very good book. I have always thought that some of Alfred Marshall's later work would have been much improved if Mary Paley had played a larger role in it. The book went through two editions. After the *Principles of Economics* came out under his own name, he suppressed the Marshall and Marshall, bringing out a condensation of the *Principles* under his own name which he entitled *Economics of Industry*, in order to kill the earlier volume. As Austin Robinson said in his review of Mary Paley's autobiography, "the happiest days of her life were before she met Marshall and after he died."

I do not like to recommend that as a good example of collaboration. However, I have had a lot of personal experience with collaboration. I counted some ten different people with whom I have collaborated at one time or another, and Anna would have a much longer list if she counted up the number of people with whom she has written joint articles. I was going to say that one way to have good collaboration is to collaborate at a distance. Anna and I were seldom in the same place, and that has great virtues. It forces you to write down what you are doing, or what the differences of opinion are, or to communicate in words, and you are much less likely to have disagreements. But after I thought about that, I had second thoughts. Because I could not have

been in closer contact with the other woman in my life, who is also a major collaborator of mine. So I must conclude that my experience yields no general rule except that you collaborate with the right women. And I have to pat myself on the back for having done very, very well in that department in both cases. In connection with the more popular works Rose and I have written, people are always coming up and asking how we collaborate, and I always say: Well, I write one sentence and then I give the pen to her and she writes the next sentence. I assure you, neither Rose and I nor Anna and I ever did it that way.

It has been a real joy and pleasure to collaborate with Anna over these years, because I always knew that everything she did was going to be done right. It was going to be precise, it was going to be accurate, it was going to be thoughtful. Moreover, both of us were prepared to change our views or to change what we had done or written if the other provided evidence that we were wrong or that there was a better way. In general, collaboration is a very intimate kind of thing. It only works if people have real confidence in one another, and respect one another's integrity and one another's competence. I certainly can say that I have been very fortunate indeed in that respect.

There are a few other people in this room with whom I have collaborated at one time or another. In fact, I am reminded of that famous story they used to tell about Seymour Harris. He was being introduced by somebody who said, "Now I don't have to introduce him. Those of you who have not read his books have written them." I do believe, however, that the general subject of why collaboration in economics has multiplied so much is a serious subject that deserves some thought. In the natural sciences, as opposed to our discipline, the collaboration is often spurious. The person who gets the money, as the head of an institute or a research group, may attach his name to every paper that comes out of that research group.

One person who had a great influence on Anna and me in our work on monetary history, and indeed, was responsible in the first place for our embarking on *A Monetary History*, was Walter W. Stewart. He had been director of research at the Federal Reserve Board in the twenties, and at the time Anna and I started on our monetary project at the National Bureau, he was at the Institute for Advanced Study in Princeton. He was also a director of the Bureau, and Arthur Burns suggested that I talk with him about our monetary studies. He persuaded me, and Anna, with her economic history background, reinforced his suggestion, that it was important to have a historical background before we got started on a primarily statistical study.

I have found the process of collaboration a very useful way to combine different gifts. Anna is an historian and I am not. And our talents have complemented one another. We each have been able to make

independent contributions. There is very little else one can ask of those with whom one works.

I want to close by saying only that I am very grateful to Anna for having had the privilege of working with her for so long; I am grateful to all of you people for joining me in celebrating her achievements. I have here the first published copy of a book that I want to give to Anna. It contains a collection of her articles. It is not a festschrift. It is a collection of things she herself has written, so she cannot blame anybody else for it. Michael Bordo and I do take the responsibility for having put it together. Michael has been another one of the many people with whom Anna has so fruitfully collaborated. And beyond that, my wife thought that she ought to have some roses to celebrate this occasion.