

Sidney Weintraub: A Profile

ARTHUR I. BLOOMFIELD*



1914–1983

Sidney Weintraub is warmly remembered as an exceptional human being and outstanding scholar.

Sidney Weintraub is one of the leading American exponents of that large and growing body of thought that has come to be known as post Keynesian economics. His extensive writings over the last forty years, his many guest lectures and lecture tours at home and abroad, and his coeditorship of the *Journal of Post Keynesian Economics* have earned for him an international reputation as a keen and imaginative economic theorist, a hard-hitting critic of the so-called neoclassical synthesis and of monetarism, and the coauthor and leading exponent of the plan for a tax-based incomes policy (TIP).

I first met Sidney sometime in mid-1942 when we were both working at the Federal Reserve Bank of New York. I had joined the bank's research department the preceding December, a week before Pearl Harbor, and Sidney had joined several months later. He had already served briefly with the U.S. Treasury Department and with the Office of Price Administration after getting his Ph.D. at New York University in 1941. He was brought to the bank to be editor of the bank's *Monthly Review* under the broad direction of the late John H. Williams who, in addition to his duties as a professor at Harvard, was the vice-president of the bank in charge of research. As it happens, Sidney did not find the job sufficiently challenging and, in any case, was drafted into the U.S. Army in the spring of 1943.

I do not recall exactly the substance of our

conversation when we first met, but I do remember vividly Sidney's warmth, friendliness, and sense of humor—characteristics which have remained unchanged to this day. We soon became close friends and have remained so for forty years. Apart from our association in New York—he joined the faculty of St. John's University in Brooklyn after he left the army in late 1945—and my frequent visits to Philadelphia after he joined the University of Pennsylvania in 1950, we became colleagues again in 1958. In 1957 and again in 1963 we spent some time together in London (in 1957 he was in Europe on a Ford Foundation faculty research fellowship), and we have had briefer reunions in other places abroad, such as New Delhi in early 1965.

Weintraub's undergraduate and graduate work was done almost entirely at New York University, except for a year spent at the London School of Economics in 1938/39. His choice of economics as a field of specialization seems to have been influenced in substantial part by his association with Professor Herbert B. Dorau and Dr. Thomas F. B. McManus, to both of whom he makes acknowledgment in his first book. McManus in particular encouraged him to go on to graduate work and to spend a year of study abroad. During his period of graduate work at New York University, Weintraub did some part-time teaching at St. John's University and also wrote a number of articles, anonymously, in the *Bulletin of the Institute of International Finance*.

Weintraub has had an extremely diverse and productive career. Apart from the University of Pennsylvania and St. John's University,

*Professor, University of Pennsylvania. This profile is reprinted as a Memorial Tribute, courtesy of the *Journal of Post Keynesian Economics*/Winter 1981–82, Vol. IV, No. 2.

he has taught, for varying periods of time, at the New School for Social Research, the University of Minnesota, the University of Hawaii, the University of Colorado, the University of Waterloo, and the University of Western Australia. He has been a consultant to the Federal Power Commission, the Federal Communications Commission, the U.S. State Department, the U.S. Treasury Department, and the U.S. Forest Service. Outside the United States he has served as a consultant to the Council of Applied Economic Research of India, the Prices and Incomes Commission of Canada, and the Economic Council of Canada. He has also testified before, or prepared briefs for, a substantial number of U.S. Congressional committees.

During the course of his career, Weintraub has given many lectures in a large number of countries outside the United States. Many of these were given during a series of lecture tours in the early 1970s under the auspices of the U.S. Information Service. Lectures were given not only in Western Europe and the Middle and Near East, but also in India, Korea, Taiwan, Malaysia, Australia, Japan, Hong Kong, and Hawaii. During the two years that he taught at the University of Waterloo in 1969 and 1970, he also lectured widely throughout Canada. He once estimated that during the course of his career, he had given some 500 guest lectures in foreign countries and the United States.

In addition to his academic duties, Weintraub tried his hand for a while as a newspaper columnist. In 1972-73 he wrote a weekly column for the *Philadelphia Bulletin* in which he analyzed a wide variety of current economic topics. These columns seem on the whole to have been well received and elicited a considerable reader response. This experience, with its requirement of discussing for a newspaper audience complex economic issues in a limited number of words, helped to sharpen his prose style and to increase his ability to express his thoughts in

the terse, pithy, and colorful style that has been characteristic of his later professional writings.

Weintraub was also the driving force in the founding of *JPKE*. Since its inception in 1978, he has served as joint editor with Professor Paul Davidson. He was also the cofounder in 1979 of the more modest *Puerto Rico Economic Quarterly* and has served as the editor since its inception.

Writings

Most important in the range of Weintraub's activities, and the basis on which his reputation as an economist rests, is of course his writing. As of the latest date, he has written some eighteen books (a few of which he edited), about eighty articles in professional economic journals and symposia, and another fifty articles of more popular interest in outlets such as *Challenge*, the *Bankers Magazine*, the *New York Times*, and the *New Leader*. Even after allowance for a certain amount of repetition in these writings, the fact remains that this is an extraordinarily large output and a measure of the man's amazing energy and productivity.

In his earlier publications Weintraub focused predominantly on microeconomics. His first book, *Price Theory* (1949), a revision of his doctoral dissertation written a decade earlier, was the most detailed and rigorous analysis of its kind up to that time. It not only revealed Weintraub's extensive command of the literature, but especially in the last hundred pages dealing with dynamic analysis, it broke new ground. Unfortunately for the development of the theory of the firm, others have not cultivated the insights developed in an economy where, in Weintraub's words, "production and consumption take time, decisions and actions in these spheres are guided by an estimate of the future." The failure of others sufficiently to carry forward his path-breaking analysis, involving the subjectivity

of cost curves, the incompatibility between plans and events, the importance of intertemporal demands and cost relations and user costs, the differences between operational and clock time, and the welfare implications of pricing under these dynamic conditions, has hobbled the development of price theory.

Although his early articles and first book were mainly concerned with developing a realistic and operational price theory, after 1950 Weintraub's interests shifted more to macroeconomics (and its microeconomic foundations) and have remained primarily in this area ever since. In 1951, for example, he wrote a text, *Income and Employment Analysis*, and during the 1950s he wrote a series of articles on monetary policy (following its "rediscovery") as well as a number of more theoretical papers that anticipated many of the issues that were to engage much of his attention thereafter. Many of the seminal ideas that he worked out in this period were subsequently incorporated in his *Approach to the Theory of Income Distribution* (1958). In my judgment the *Approach* is the best of Weintraub's many fine books.

It is not the place here to attempt an intensive evaluation of Weintraub's published work and his many contributions to economics. That task will undoubtedly be performed by others who are better equipped to do so than I. But some central features or themes of his writings may be briefly noted.

Some of his work—for example, his book *Classical Keynesianism, Monetary Theory, and the Price Level* (1961)—is given over to a sharp critique of what he calls Classical or Hicksian Keynesianism, exemplified by the familiar "45° cross" and the *IS-LM* curves. This appeared years before Leijonhufvud made such criticism fashionable. In this early work Weintraub demonstrated that this neoclassical brand of Keynesianism is a caricature of what Keynes really meant. He argued, among other things, that it involves a false analysis of the cause of inflation and has led to illicit

policy prescriptions; that it has obstructed the development of an adequate theory of money wages and distribution; and that it has impeded a meaningful synthesis of microeconomics and macroeconomics. He took an even dimmer view of the merits of monetarism, as evidenced, for example, in his collection of articles in *Keynes and the Monetarists* (1973; new edition 1978).

As opposed to these approaches, Weintraub offers the alternative of an analysis couched in terms of aggregate supply and aggregate demand. He took these concepts over from Keynes but (especially in the case of the aggregate supply function) has extended them and probed their microeconomic foundations. Thus, years before the economics profession realized the neglect of supplyside aspects in macroeconomics, Weintraub was developing a macromodel using both the aggregate supply and aggregate demand blades of a Marshallian-Keynes "scissor" and applying the resulting system fruitfully in his analyses of employment, income distribution, growth, and inflation. Indeed, aggregate supply and demand run through nearly all of this theoretical work and provide it with a unifying link. Weintraub was, in fact, one of the first American economists to have made use of the aggregate supply function.

In recent years Weintraub has devoted most of his time and writings to the problem of inflation and its modern-day companion, high unemployment. Almost at the very beginning of his career, he had taken the view, which he has consistently maintained ever since, that inflation is the result mainly of money wage rates rising faster than labor productivity, and that its control depends on control of the money wage level (*Harvard Business Review*, Summer 1941, especially pp. 430-31). He was among the earliest supporters of an incomes policy and has been a consistent critic of a tight money policy as a means of containing inflation. In his *A General Theory of the Price Level* (1959) he formalized his view

of inflation and its control in the form of his wage-cost markup equation $P = kw/A$, where P is the price level, and k is the average markup of prices over unit wage costs w/A , with w being the average money wage rate and A being average product per worker. He found k empirically to be remarkably stable, the price level thus being essentially a matter of the relation between the wage rate and labor productivity.

On the subject of how to implement an incomes policy effectively, Weintraub had less to say in the 1960s. Of course, in those days it was difficult enough to get the profession to discuss the *need* for an incomes policy even in principle; hence at that stage implementation was beyond the pale of legitimate discussion. Although Weintraub did deal to some degree with implementation in a long essay on a national wage policy in his book *Some Aspects of Wage Theory and Policy* (1963), it was not until 1970 that he produced a concrete proposal in the form of a tax-based incomes policy (TIP) devised in collaboration with Henry C. Wallich. Although TIP has undergone some slight changes since then and has a number of variants, the basic idea consists of attempting to curb excessive wage increases by the imposition of an added tax on corporate profits if a corporation grants annual average pay increases in excess of a norm of, say, 5 percent. Firms would thus have, so it is argued, an incentive to resist extreme pay demands. The plan has attracted considerable attention since its formulation, but it still does not seem any closer to possible political acceptance.

It is not easy to put together a list of the people whose writings have been most influential in helping to shape Weintraub's intellectual development and positions. There can of course be no doubt that Keynes would be at the top of any such list. He also has been influenced by the work of Joan Robinson and others of the Cambridge group, especially Richard Kahn and Nicholas Kaldor. He has

always had much respect for Roy Harrod, J. K. Galbraith, Michal Kalecki, and A. P. Lerner. But it is not at all clear to what extent these people may be said to have shaped his thinking. On various matters he has disagreed with every one of them. Indeed, to a very large degree Weintraub can be described as his own product.

Through his writings and teaching Weintraub has greatly influenced a large number of economists, even if there is as yet no specifically Weintraubian School. Some of the former students and/or colleagues who have been much influenced by him, and who have gone on to establish reputations of their own, would include such people as Paul Davidson, Eugene Smolensky, Eileen Applebaum, and Laurence Seidman.

Weintraub is regarded by some economists as rather aggressively controversial, argumentative, and often deliberately provocative, as well as a sharp and formidable opponent in debate. At times he is also no doubt a source of some irritation to some of those to whose views he takes strong exception. There can be no question that he often takes strong and controversial positions, feels deeply about what he believes is right, and makes no bones about saying so in vigorous terms. He is a man with a cause (or many causes)—at the moment mainly the control of inflation—and he pursues what he is fighting for with zeal and fervor and in no uncertain terms. Yet he has never descended to *ad hominem* arguments; he is gracious in conceding points to opponents when he realizes he is wrong; and he is generous in his acknowledgments of indebtedness to others.

Some Personal Aspects

Weintraub is a very popular teacher and well liked by his students. For some years he has been at or near the top of the list in student evaluations of economics teachers at the University of Pennsylvania. There is invariably

a big enrollment in his classes, and they are well attended. Students find him a stimulating and provocative lecturer, in part because of his showmanship, his sense of humor, and his often unconventional stand on various issues. He is also known as a teacher who is very supportive of his students, sensitive to their needs, and considerate of their special problems.

In his college days Weintraub had been conservative in his politics and general economic philosophy, despite the fact that he was then living through the Great Depression. He once told me, much to my surprise, that in 1936 he had voted for Alf Landon, the Republican candidate for president. His conservative views, in fact, played a part in his decision to spend a year at the London School of Economics where he could study under people like Friedrich von Hayek. All this of course has since changed; indeed, the process of conversion appears to have started during his year in London. No one would today question the strongly liberal outlook in his political and economic views, but by no stretch of the imagination can he be described as a left-winger.

Weintraub has always had a keen interest in sports. As a young man he had even hoped to be a professional baseball player, and for a while he actually played shortstop on a semiprofessional ball team. Although he eventually abandoned his plans and went into graduate work in economics, he has retained a life-long interest in baseball and other athletics and has in particular a keen knowledge of baseball history which never fails to startle me. He has tried his hand at many sports besides baseball. I remember only too well the repeated beatings he administered to me in tennis, squash, and golf until I decided to seek less able partners elsewhere. In recent years his main athletic passion has been golf, which he plays whenever the opportunity presents itself. He has been going to Florida quite regularly during the winter recess to play his fa-

vorite sport without interruption. I have no doubt that there is a causal link, though its exact nature is not clear to me, between his interest in competitive sports and a certain competitiveness which he exhibits in a wider area of his activities.

In recent years Sidney has had to slow down somewhat (but not too much!) because of two heart attacks he had in April 1975 and December 1977, the first a massive one. He also had to undergo major abdominal surgery in December 1972. For over a decade he has suffered from diabetes. This, plus his heart attacks, has forced him to follow a rather rigid diet to which, however, he has adjusted himself with characteristic adaptability. The cut-back in sugar intake was at first an especially severe blow in view of his passion for sweets. His first heart attack occurred in Bonn, Germany, when he was coming to the end of a public lecture. Despite intense pain, of which the audience was at first only dimly aware, he characteristically continued until he had finished his speech. When his condition had by that time become apparent, he was rushed to the hospital, where he stayed for almost a month.

Of special interest to readers of *JPKE* is the role that Sidney played in its establishment. The idea of founding such a journal had undoubtedly been in his mind for some time, and he had broached it to a few of his intimates, including Paul Davidson and myself, as far back as the early 1970s. He raised the issue more formally in correspondence with John Kenneth Galbraith in 1976 and received an encouraging reply and promise of financial support. With the help of Paul Davidson, Sidney then solicited contributions from a number of economists and others sympathetic to the post Keynesian cause. Next a deal was worked out with M. E. Sharpe, the publisher, and the *Journal* was launched. The rest is well known. One of Sidney's great disappointments was his inability to attend the cocktail party hosted by Galbraith to cele-

brate the founding of the *Journal* at the December 1977 meetings of the American Economic Association. He was at that time in the Bryn Mawr Hospital recuperating from his second heart attack. In his great desire to be at the party, Sidney planned to hire a chauffeur-driven limousine to take him to New York accompanied by a nurse. The trip was vetoed by his doctor. A phone hookup was arranged so that Sidney was at least able to speak to the assembled crowd.

Sidney is a man who seems to have read almost everything that has been written in economics. He has a remarkably retentive mind, being able to retrieve at a moment the source of a quotation, the anticipator of a doctrine, and the views of so-and-so, whether dead or alive, on such-and-such. He has the knack of being able quickly to grasp and to

articulate the essence of a complicated argument. He is able to write with great speed. And he has an unsurpassed capacity for hard work which shows little sign of flagging with the passage of the years.

To those who know him well, and I am proud to be one of them, Sidney is a warm-hearted, sympathetic, and considerate person, a devoted and supportive friend, a stimulating companion, and a generous-spirited man. The fact that he is peppery and scrappy only adds to his charm. One of the happiest and most fortunate events in his life was his marriage in August 1940 to Sheila Tarlow. Sheila has proved a devoted, patient, and understanding wife for over forty years and has provided him with the kind of home life in which his talents have been able best to flourish.