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ABBA PTACHYA LERNER

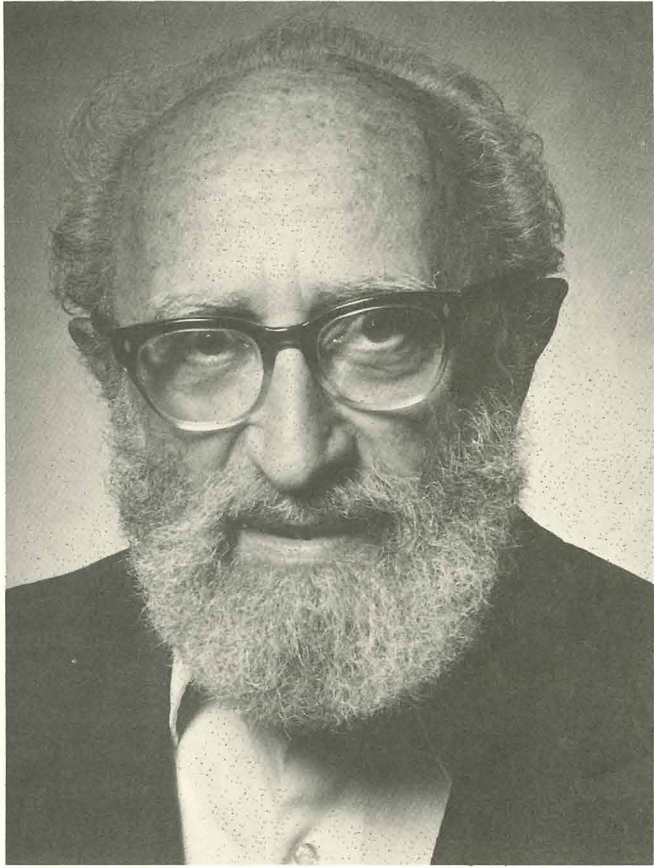
1903—1982

A Biographical Memoir by
DAVID S. LANDES

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Biographical Memoir

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Abba P. Lerner

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October 28 1903–October 27, 1982

BY DAVID S. LANDES

ABBA PTACHYA LERNER was born in Bessarabia (then in Russia) in 1903 and came to England as a child of three, one more lucky escapee from endemic and epidemic persecution of Jews. We know little of his childhood, but the variety of his early work experience bespeaks the Outsider. No public or grammar school; no scholarships or fellowships. From the age of sixteen he worked as a machinist, a teacher in Hebrew schools (possibly the worst-paid job ever invented), and as a businessman. When he entered the London School of Economics in 1929, he brought with him the lessons of a variegated career and a maturity beyond that of his classmates, as well as an invaluable sense of what it was like out there in the Real World.

At LSE Lerner found a subject to his measure and a benign appreciative environment that gave full play to an extraordinary natural talent. In his first year he won the director's Essay Prize and a Tooke scholarship; these were only the first of a series of honors that crowned a run as first-place student in economics. He took his bachelor's degree in 1932 and went on to graduate study, first at LSE, then at Cambridge and Manchester. It was while still a graduate student that he persuaded Paul Sweezy and Ursula Webb (later Ursula Hicks) to join him in founding *The Re-*

view of Economic Studies. (Abba had been, in one of his avatars, a commercial printer and was not intimidated at the prospect of publishing a journal.) The intellectual justification, he recalled later, was that most journal articles were too long—too much verbiage—and that there ought to be a place for shorter notes that would make the sparks fly. Apparently there was no lack of material, but the Young Turk organizers needed to find money. Then, as later, the best-provided members of the discipline were the Americans; so the organizers put the bite on all visitors from across the sea, who couldn't have been more encouraging and gave five pounds to prove it. (Note that five pounds then was almost \$25, and \$25 then was like \$500 today.) Only Jacob Viner was skeptical: he felt there was already a plethora of journals and he couldn't keep up; but he gave ten pounds.

With start-up funds in hand, Lerner and colleagues repaired to the major centers of teaching and research to drum up contributions. Oxford was splendid. The economists laid out a festive board, and Lerner never forgot the sliced grapes. But no one would talk about economics—only about such urbane topics as weather, politics, and people. In Cambridge, however, Joan Robinson took the provincials from the capital in hand and exposed them to the new macroeconomics. This proved so shocking to good students of Marshallian economics that a weekend meeting was held at Bishop's Stortford, a compromise site halfway between London and Cambridge. Joan Robinson ran the show, assisted from time to time by husband Austin, R. F. Kahn, James Meade, and others. As Lerner remembered the event, Joan did the talking. Lerner and company listened and expostulated. Joan told them that, yes, they were making progress; no, they were going backwards; and they parted ways agreeing to disagree. They did not seem to be able to understand one another—a clash of para-

digms. But Lerner kept thinking and worrying about the issues and decided to spend a few weeks of a fellowship to Manchester clearing up things in Cambridge. So with wife and twin son and daughter, he moved to Cambridge and stayed six months.

At Cambridge he talked to everyone and attended the lectures of John Maynard Keynes. The text was the galley proofs of the soon-to-appear *General Theory*, which marked a revolution in economics and posed the same kind of paradigm shock that Joan Robinson had inflicted, only more so. Looking back on this encounter, Lerner had trouble understanding why everything had seemed so difficult. In 1936 he was asked by the International Labour Office to write a review essay on the *General Theory*; the resulting article (1936) remains one of the most limpid discussions of the Keynesian argument, clearer than that of the inventor himself. Lerner's puzzlement testifies to the pain of changing assumptions and parameters when one has mastered another system. Better to start from scratch, as Lerner was to find with his own students.

After his year in Cambridge and Manchester, where he went to learn about applied economics and statistics, Lerner taught as assistant lecturer at LSE, then came to America, where he was to spend the rest of his life teaching and writing at an extraordinary array of institutions. These included the University of California at Berkeley, Columbia University, the University of Kansas City, the New School for Social Research, Roosevelt University in Chicago, Michigan State University, and others too numerous to mention. Although he had started his teaching career late, he made up for it by offering instruction almost to the end of his life. After he retired from Berkeley in 1971, he served as distinguished professor of economics at Queens College of the City University of New York until 1978 (he was then

seventy-five) and then took a chair at Florida State University, which he held until his death in 1982. In addition, he served as consultant or adviser at various times to the Rand Corporation (1949), the Economic Commission for Europe (1950–51), the Economic Advisory Staff in Jerusalem (1953–55), the Institute for Mediterranean Affairs (1958–59), and the Treasury and the Bank of Israel (1955–56).

The most productive years of Lerner's career came early, during that first exhilarating stage as undergraduate (yes!) and graduate student and the period that followed his first exposure to Keynesian economics. Reflecting on this precocity, Paul Samuelson later speculated that prodigies are not necessarily young. Lerner was twenty-six when John Hicks first discovered his quality in a class at LSE and called him to the attention of Lionel Robbins; and he was twenty-eight when his first paper appeared. Samuelson suggested that "it may be the number of years after you *enter* economics that counts and not the number of years after birth" (1964, p. 169).

Between 1933 and 1939 Lerner published twenty-nine articles and notes, some of which made a lasting mark on the discipline, on both its substance and folklore. In a country that was not unready to appoint to a professorship in Oxbridge on the basis of a single article, Lerner should have been professor many times over. But his achievements were counterbalanced in British eyes by religious origin, dress, and manners: Abba Lerner, Jew from Eastern Europe and then the brick and grit of the East End, bare feet in sandals (because, he said, his feet sweat), unpresed trousers hanging, shirt collar open, was a hippie before his time. In some things he could be difficult; in others he was too permissive. He had a disconcerting way of saying what he thought. The would-be genteel folk of academe could not see him twirling a sherry glass and making small talk in

wood-paneled common rooms. The story is told, based on unpublished letters, that Professor Lionel Robbins of LSE consulted Keynes in this regard when a post opened at the London School. Lerner was an unavoidable candidate. Keynes Brit-wittily replied by referring to Lerner's origin as from the Continent. Maybe, he wrote, if they found a job for Lerner as a cobbler during the day, they might wear him out and have him teach in the evening. Lerner did not get the job. He probably continued to pay for his particularities when he moved to the other side of the Atlantic. At any rate, he did not receive a post at a major university until very late in his career.

But those articles! Take, for example, "The Concept of Monopoly and the Measurement of Monopoly Power," published in 1934, Lerner's first year as a graduate student. This revolutionary departure from the prevalent view of limiting cases of perfect competition and perfect monopoly was written before Edward Chamberlin and Joan Robinson's books on monopolistic competition became available. Not only did it introduce the notion of degrees of monopoly but it offered a measuring stick: the distance of prices from the social optimum reached in perfect competition, which Lerner defined as equal to marginal cost. Lerner showed that $P = MC$ is a necessary and sufficient condition of an optimum allocation of resources—hence that it is a necessary condition for maximizing welfare.

In addition, the article introduced "the first clear, rigorous and definitive statement of Pareto optimality" (Scitovsky, 1984, p. 1551). Pareto's statement of the principle had in effect been forgotten if not misunderstood. As Samuelson put it, Pareto was "obscure and a bit confused" (1964, p. 172); besides, the concept is a deep one. Lerner expressed it in the form that has since become a staple of training and thinking in economics:

The social optimum relative to any distribution of resources (or income) . . . will be reached only if the resources which are to be devoted to satisfying the wants of each individual are so allocated . . . that his total satisfaction would not be increased by any transference of resources from the provision of any one of the things he gets to any other thing he wants. This would show itself in *the impossibility of any individual being put in a preferred position without putting another individual in a worse position*. We may adopt this as our criterion or test of the achievement of the relative optimum. (1934, p. 162; my italics)

Another theme of these early papers was international trade, and here too Lerner generated ideas in almost wasteful abundance. His readers—even the best of them—rarely caught all the implications. In preparing his sixtieth-birthday salute, Samuelson reread these pieces and was still making discoveries. In the above-cited piece on “The Concept of Monopoly,” for example, Samuelson found “clear recognition that Marshall’s dictum, that one should tax increasing cost industries to subsidize decreasing (or constant!) cost industries, simply represents an error” due to Marshall’s failure to aggregate producers’ with consumers’ surplus. (Lerner was not himself always aware of his iconoclasm. Samuelson exclaims: “Lerner treats this as a well-known error!” Kenneth Arrow, however, recalls that Allyn Young, who taught at LSE until his death in 1930, had caught this as early as a review of Pigou’s *Wealth and Welfare* in 1913, so that perhaps Marshall’s remark was indeed a well-known error in some circles.) The same holds for the doctrine that the harm resulting from deviation from marginal cost is cumulative: Samuelson had always associated it with the postwar work of McKenzie and Scitovsky. But it’s right there in Lerner’s hypothetical calculations (1934, p. 172). And Samuelson sums up: “Papers like those of Lerner’s are so packed with results that few readers have ever gleaned all their fruits” (1964, p. 171).

One wonders sometimes whether people were doing their reading. Lerner's very first article, "The Diagrammatical Representation of Cost Conditions in International Trade," published in 1932 when he was still an undergraduate, was the first to combine Haberler's concept of a production-possibility frontier (1930) with collective indifference curves to derive a two-country equilibrium of international trade. Who read it? Can it be that *Economica* was seen as a house organ of LSE and lacked the resonance of the older, more established journals? In any event, much the same ground had to be covered again, and to much more attention, in Leontief's 1934 essay in the *QJE* on "The Use of Indifference Curves in International Trade."

But one should not blame only Lerner's readers. He himself was not always aware of what he had done. There is the extraordinary example of his work on the equalization of factor prices across countries. Classical economists understood that free movement of labor and capital across frontiers would equalize their prices from one country to another, and the Swedish economists Eli Heckscher and Bertil Ohlin took the story further by showing that free movement of goods can substitute for factor mobility and reduce international differences in factor prices. Then in 1948 and 1949, Paul Samuelson offered first a geometric and then an algebraic proof that such movement would equalize prices, subject to specified constraints.

Samuelson's demonstration found its way to the desk of Lionel Robbins, who recalled that he had heard the same argument from a student in seminar some fifteen years earlier; and he still had a copy of that seminar paper, by Abba Lerner. At Robbins's urging, Lerner published the piece as originally written: "Factor Prices and International Trade," in *Economica* in 1952. The question remains, what had Lerner done with his copy of the paper during all those years?

The story, as told by Scitovsky, is that it had been lost; that Lerner had given the corrected typescript to a fellow student, who had volunteered to type it for submission to a periodical and then left it on a bus. It was never recovered, and Lerner was too busy working on other papers and perhaps too embarrassed by the circumstances to recover the text. At least that was the talk among Lerner's students in 1935, when Scitovsky was one of them.

These early pieces were written in the context of a gathering debate on the effectiveness of capitalism as an economic and social system, especially by comparison with a hypothetical socialist alternative. (It is always hard to argue against utopia.) Lerner was on the socialist side, but his economic analyses gave little comfort to his spiritual and intellectual comrades. His heart may have been in the right place, but he never let his heart rule his head. As a result, he preferred efficiency to orthodoxy, competition and freedom to state monopoly and dictation. Not that he thought private enterprise intrinsically superior: that had to be tested in the marketplace, and both private and public sectors should be free to prove their worth. (Ironically, Lenin had had fewer doubts on the subject. He thought that to let even one village grocer subsist would be to invite the return of capitalism.)

In anticipation of this contest between public and private, Lerner devoted a series of articles to those principles that should govern socialist planners and economic managers and enable them to duplicate the advantages of a free, competitive market. He then worked these into his first major book, *The Economics of Control—Principles of Welfare Economics* (1944). The book is written as a kind of owner's/user's manual for a command economy, but it is much more than that, as the subtitle indicates. It is a study of the character and conditions of optimality, presented in clear,

simple, nonmathematical prose. (That probably cost it with the experts, who were moving increasingly to mathematization of argument.) It begins with the exchange economy and moves on to production, with special reference to the problems posed by indivisibility of factors. From there it takes up such matters as efficient allocation in the short and long run, rent, economic surplus, taxation and fiscal policy, investment, international trade and finance, and—a gloss on Keynesian analysis—the thorny link between unemployment and inflation. Scitovsky's appreciation of this ambitious work will serve to situate it in the history of economic thought: "By comparing Lerner's book to Pigou's *Economics of Welfare* (1920), one realizes how narrow and one-sided was Pigou's interpretation of that term, and what enormous progress was made in one generation. Had Lerner written his *Economics of Control* fully footnoted with a complete set of references, one would also realize the magnitude of his own contribution to that progress" (1984, p. 1553).

The most controversial aspect of Lerner's book was his discussion of distributional optimality: What distribution of income would maximize happiness (aggregate satisfaction)? As Lerner had recognized but set aside in his article of 1934 ("We cannot here go into the problems connected with optimum distribution"), Pareto optimality was compatible with any and all distributions of income, however skewed. The principle seems intuitively unjust. In *The Economics of Control*, Lerner posed the question: What income distribution would maximize the sum of individual satisfactions *if* (1) the size of income were independent of its distribution; (2) the ability to experience satisfaction were independent of distribution; and (3) the ability to experience satisfaction were unknown, that is, if utility functions differed in ways unknown, so that ignorance was symmetric? His an-

swer: if we assume there is diminishing marginal utility (that satisfaction decreases with growing consumption of any good or service) and that a move away from equality is as likely to increase as to diminish aggregate satisfaction, society's overall satisfaction will be highest if income is equal for all.

This argument, needless to say, became a subject of sharp debate, in which logical proofs alternated with comparisons of abstract values and psychological attitudes. Was the sum of individual utilities a proper measure of social welfare? Was satisfaction a function of absolute income or relative as well? Is equality of result inherently good or does it reward some more and some less than they deserve? And if it does the latter, that is, misallocate reward, does such misallocation reduce the social pie? Do incentives matter? And even if there are some distributions that are more productive than others, who is to say what they are and how to bring them about, much more convince people of their productivity and fairness? The kind of demonstration provided by Lerner is testimony to the power of economics to pose questions clearly, specify conditions, and generate answers within these constraints, but testimony also to the limitations of such reasoning as constraints are relaxed and complications introduced.

For all these original and important contributions, any one of which might have been the making of a tenured career at a major university, Lerner will probably be remembered best for his clarification and extension of Keynesian theory and policy. Keynes himself was not always ready to keep up with him. In 1943 Lerner published an article, "Functional Finance and the Federal Debt," that announced a new approach to fiscal policy. (The subject was further developed in his *Economics of Control* and the *Economics of Employment*.) He noted that conventional fiscal wisdom was based on the principles and morals of good

household management: don't spend what you don't have—a tacit reminder that the words “economy” and “economics” are etymologically derived from *oikos*, the Greek word for household.

Lerner, however, picking up on the summary Keynesian prescription of deficit spending, argued that governments should not be concerned with conventional morality but rather should consider only the results of their actions. The aim of government spending and taxing, he said, should be to hold the economy's total spending at a level compatible with and conducive to full employment at current prices—in other words, no unemployment and no inflation. In doing this the government should not be concerned with deficits or debt. Second, the government should borrow or repay only insofar as it wants to change the proportions in which the public holds securities or money. Changing this proportion will raise or lower interest rates and hence discourage or promote investment and credit purchasing. If the only question, then, was how to finance a deficit, Lerner advocated printing money. Third, the government should put money into circulation or withdraw (and destroy) it as needed to effect the results called for by the first two principles.

To those who objected to such a radical program (and Keynes, at least initially, was one), Lerner replied that it was not so radical as it seemed. If the government operated as he prescribed, nothing would go wrong. The natural, almost instinctive, concerns about inflation were denied if not allayed by the reminder that, so long as the government observed the first principle of good functional finance and increased the money supply as much as and no more than would hold effective demand at a level that would sustain full employment at current prices, there would be no inflation. (To this a cynical economic historian might

reply that if politicians were economists they would cease being politicians, and conversely.)

By the same token, Lerner rejected the fear that servicing a large public debt would entail heavy taxes and thereby reduce the reward for risk taking and the incentive to invest. He pointed out that the same high income tax that reduces gain provides a deduction in the event of loss; net return may in fact be improved thanks to tax offsets. Scitovsky notes with surprise that “neither Lerner nor any of his critics . . . thought of another and possibly real danger of the high income-tax rates needed to service too large a public debt: the diminished incentive to work” (1984, p. 1560). To which I would add that entrepreneurs and investors do not ordinarily enter into ventures with the expectation of loss. They expect to make money, and the tax rate is necessarily a factor in their calculations of potential gain. To be sure, the rate at which tax deductions may be taken will affect (distort) normal incentives—hence the world of tax shelters and *Springtime for Hitler*. But investments made in anticipation of loss are surely less than optimal from a macroeconomic point of view.

Keynes jibbed at Lerner’s logical policy development of his own macroeconomics. In a letter to James Meade in April 1943, Keynes noted that Lerner had written that, once the national debt built up big enough, it would no longer be necessary to borrow to enhance purchasing power—that the interest on existing debt would provide the necessary injection. (In effect, the government would be printing money.) “His argument,” Keynes wrote, “is impeccable. But heaven help anyone who tries to put it across [to] the plain man at this stage of the evolution of our ideas” (cited in Colander, 1984, p. 1574). And much later, at a seminar at Boston University in 1972, Lerner recalled putting the matter to Keynes in Washington in 1946, at the time of Bretton

Woods: "Mr. Keynes, why don't we forget all this business of fiscal policy, public debt, and all those things and have some printing presses?" To which Keynes replied: "It's the art of statesmanship to tell lies, but they must be plausible lies" (*ibid.*). (Kenneth Arrow heard a somewhat different version from Paul Baran, who remembers Keynes's reply as, "Mr. Lerner, how many times do I have to remind you that you cannot run a government on *transparent* humbug?")

Keynes, like most people who think about government and serve it, was of two minds; Lerner of one. When confronted by the implications of his own reasoning, Keynes is said to have remarked, "I am no Keynesian." The quip is perhaps apocryphal, but *se non e vero, e ben trovato*. As Lerner himself put it later in "Keynesianism: Alive, If Not So Well" (1978), Keynes was timid: "He did not carry his conclusions all the way."

That was one charge one could not lay against Lerner: he was the quintessence of rationality if not practicality, and, once he established his premises, the rest followed inexorably. One of the best examples was his proposal in 1942, when the United States had just entered the war, that each unit commander be allocated funds and permitted to equip his unit as seemed best: so many tanks, perhaps some air support, a few engineers, and so on. In effect, Lerner the socialist was ready to turn that most socialized of institutions, the army, into a congeries of small enterprises. The very idea appalled those who heard it, and to the end of his life Lerner regretted that he had allowed some of his colleagues to talk him out of publishing the proposal. Tibor Scitovsky, who was one of those friendly counselors, writes that critics had more faith in the army's collective wisdom than in the good judgment of individual commanders. (In the light of generalized business incompetence in the military, at all levels, I would have placed more stress on prob-

lems of coordination and transaction costs.) Besides, they had Lerner's best interests at heart, fearing that "so fanciful an idea . . . would worsen rather than improve his chances for professional advancement" (Scitovsky, 1984, p. 1566).

Scitovsky subsequently had second thoughts about the substance of the proposal if not about Lerner's advancement: if the French had had such an arrangement in the 1930s, he writes, the young General de Gaulle might have had the opportunity to put into effect his revolutionary ideas of mechanized warfare, and the course of history might have been different. In fact, there is historical precedent for such an arrangement, although Lerner was probably unaware of it. In the days of mercenary armies, it was not uncommon for commanders to recruit their own force and arm it, as a kind of personal venture.

The problem, of course, is that he who invests (even other people's money) may expect a return. The result might be some ferociously energetic warfare accompanied by equally energetic rapine and pillage. The same for risk: one of the constants of coalition warfare is the effort of some commanders to transfer risk to others. A number of great battles have been lost because of foot dragging by allies. That's the market for you. To be sure, Lerner or another good marketeer would not be at a loss for remedies. Why couldn't one commander pay another for help? Of course, if the bargaining took too long, the supplicant might lose his ability to pay. That's war for you. (In Ottoman times there were no public firefighters in Constantinople: private companies ran to fires and negotiated competitively with owners the price of intervention. Time was of the essence, on both sides, for the willingness of the owner to pay fell with the value of the shriveling remainder.)

Lerner kept this ability to reason things out to their logical conclusion, however iconoclastic and revolutionary, to

the end of his days. In 1979, vexed and troubled by monopolistic oil prices levied by OPEC, he proposed a tax on petroleum imports that would vary with the deviation of prices from some imputed market level. The aim would be to deter increases by multiplying their negative impact on demand. To make his point to his fellow economists, Lerner stood outside the entrance to the large hall where Robert Solow was about to deliver his presidential address to the American Economic Association and passed out flyers. The proposal was probably seen once again as politically impractical; and, in fact, the federal government has always been very chary of increasing the price of gasoline by levying higher taxes. But Lerner was surely right, as we have seen from reactions to unmultiplied price increases in the 1970s and 1980s. In the meantime, American motorists pay at the pump a third or less of the price paid by European or Japanese consumers and are correspondingly more wasteful.

In his last years one of Lerner's abiding concerns was inflation and its cousin stagflation (inflation with inadequate demand). As someone who believed that proper management could be allied with market incentives, he sought a way to discourage price increases while continuing to reward enterprise and growth and to hold costs while not increasing unemployment. Lerner was a manager at heart, but he understood that compulsion in the form of such traditional remedies as price controls simply did not work. He found his answer in MAP—an acronym for Market Anti-Inflation Plan, itself an abbreviation of Market Mechanism Anti-Inflation Accounting Plan, which he first presented to the Sixth Annual Atlantic Economic Conference in October 1978.

Stagflation, Lerner affirmed, was the result of an expectational equilibrium in which prices, wages, and total spending would keep rising and chasing one another in an

inflationary zero-sum game. The cure, Lerner felt, had to come from continued spending at a level that would buy the output of full employment—but no more. Meanwhile one had to stabilize the average price level while allowing individual prices to vary to reflect changes in taste and productivity. The aim: an economy that cools down while retaining its dynamism. How to do this? Briefly, by setting for all firms a normal rate of increase in sales, say to 103 percent of the previous year. If a firm sells more, it incurs an “anti-inflation deficit”; if it sells less, it gets an anti-inflation credit. Successful firms that can and want to grow faster must buy credits from those that are growing slower. Meanwhile, to encourage hiring, each new employee entitles the firm to a free credit equal to his wage in previous employment multiplied by the new firm’s ratio in the previous year between net sales and wage bill. This was later modified to avoid rewarding mere shifts to more labor-intensive techniques at the expense of efficiency. And so on.

The proposal was never put into effect, in part surely because it would have entailed the creation of a costly bureaucracy and generated a large (nightmarish?) accounting burden for individual firms. But it is testimony to Lerner’s imagination and ingenuity and devotion to the common weal. He loved and wanted to do something about problems.

Of his many proposals, only two or three have actually found their way into common use. One is functional finance, which shocked at first but has proved congenial to governments. The second is government intervention to counter speculation by monopolistic manipulators, now standard procedure in money markets and foreign exchange. Lastly, there is Lerner’s recommendation that socialist planners should choose between private and public enterprise on the basis of efficiency. We see more and more of this in

eastern Europe. But can public enterprise survive in open and fair competition? And if it cannot, is this really socialism? And what about power?

Abba Lerner died in October 1982. He was survived by his wife, Daliah; a son, Lionel, and daughter, Marion, both by an earlier marriage; sisters Hannah (Banerji), Bella, and Dorothy; and brother Jack. Lerner was one of the greatest economists of this century. But perhaps because he worked with words and diagrams rather than equations—he was a master of limpid prose—he never got the recognition he deserved. That his name is not on the roster of Nobel prize winners in economics is cause for regret.

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HONORS AND DISTINCTIONS

DEGREES

- 1932 B. Sc. (economics), London School of Economics
 1943 Ph. D. (economics), London School of Economics

PROFESSIONAL RECORD

- 1935-37 Assistant Lecturer, London School of Economics
 1939-40 Lecturer in Economics, Columbia University (fall term)
 1940-42 Assistant Professor, University of Kansas City
 1942-46 Associate Professor, New School for Social Research
 1946-47 Professor, New School for Social Research
 1947-59 Professor, Roosevelt University
 1959-65 Professor, Michigan State University
 1965-71 Professor, University of California, Berkeley
 1971-84 Professor, Florida State University

VISITING PROFESSOR

- 1938 (spring);
 1958-59;
 1960, 1962,
 1963 University of California, Berkeley
 (summers)
 1940 University of Virginia (spring)
 1942-43 Amherst College (fall)
 1947 Roosevelt College (spring, summer)
 1948, 1950 New School for Social Research (summers)
 1954-56 The Hebrew University, Jerusalem
 1957 Columbia University (spring, summer)
 1957-58 The Johns Hopkins University
 1958, 1959 Michigan State University (summers)
 1965 University of Hawaii (summer)
 1965-66 University of Tel Aviv
 1976, 1977 Florida State University (winter and spring)

CONSULTANT

- 1949 The Rand Corporation (summer)
 1950-51 The Economic Commission for Europe, Geneva

- 1953-55 Economic Advisory Staff, Government of Israel
1955-56 Treasury, Government of Israel, and the Bank of Israel (Adviser)
1958-59 Institute for Mediterranean Affairs, New York

HONORARY SOCIETIES

- 1971 Fellow, American Academy of Arts and Sciences
1974 Member, National Academy of Sciences

HONORS

- 1932 Gonner Memorial Prize, LSE
1932 Gladstone Memorial Prize, LSE
1932-34 LSE Research Fellowship
1934-35 Leon Fellowship, University of London
1938-39 Rockefeller Fellowship
1960-61 Fellow, Center for Advanced Study in the Behavioral Sciences
1963-64 Vice-President, American Economic Association
1964 Regents Lecturer, University of California, Santa Barbara
1966 Distinguished Fellow, American Economic Association
1970 Honorary Fellow, London School of Economics
1973 President, University Centers for National Alternatives
1978 D.Sc. (honorary), Northwestern University

PROFESSIONAL SOCIETIES

- American Economic Association
Econometric Society

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