

# When You Are Missing a Paragraph

## A crowdsourced paper in honor of Charles Wyplosz

Friends of Charles Wyplosz\*

May 15, 2018

### Abstract

There are times when you miss a sentence or a paragraph to start or finish a paper, when you find your data description boring, or when you think that your theory is lacking. Even worse, there are times when you cannot prove concavity, your t-stats are lower than what you deserve, and you are just sitting there thinking about why, oh why, we use  $Y$  for income. This paper should help.

**Keywords:** Finish the paper!

**JEL Codes:** All of them

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*From A PADRE (Politically Acceptable Debt Reduction in Europe) to THE PADRE (Professional, Accurate, Dedicated, Respected and Expert) and finally to LE PADRE (Passionné, Ami, Disponible, Réfléchi et toujours à l'Ecoute).*

## 1 Introduction

The first sentence is the hardest (Cochrane, 2005), but words ought to be a little wild, for they are the assault of thoughts on the unthinking (Keynes, 1933) and, remember, the purpose of studying economics is to learn how to avoid being deceived by economists (Robinson, 1978).<sup>1</sup>

I have long since abandoned the illusion that participants in this debate actually communicate with each other. So I omit the standard polemical introduction (Solow, 1962).

The contribution of this paper to the economic literature is not clear, but it is clearly important. When deciding on whether to accept this paper for publication, the editor should not forget about type II errors and consider the following letter received by Barry Marshall in 1983:

Dear Dr. Marshall, I regret that your research paper was not accepted for presentation. The number of abstracts we receive continues to increase and for this meeting 67 were submitted and we could only accept 56.

This was the paper on the bacterium *Helicobacter pylori* and its role in gastritis and peptic ulcer disease (whatever that means), for which Marshall went on to win a Nobel prize in 2005. We also have examples of type II errors in economics (ask George Akerlof and Robert Lucas), and you may want to check the letter to Andy Warhol reproduced on the last page of this paper.

The paper is organized as follows: we start with section 1, then we have Sections 2, 4, 5, 6, 7, 8, and 9.

The Impossible Trinity ate Section 3.

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<sup>1</sup>Put details and digressions in footnotes. Then delete the footnotes (Mankiw, 2006). With this caveat in mind, we are using this footnote to let the reader know that the last sentence of this paper is adapted from Kafka.

## 2 Interdisciplinary considerations

I am interested both in economics and in philosophy; while the union of my interests in the two fields far exceeds their intersection (Sen, 1998), I know that there is nothing so disturbing to one's well being and judgment as to see a friend get rich (Kindleberger, 1993)

Faust said:

*I've studied now Philosophy  
And Jurisprudence, Medicine,  
And even, alas! Theology  
All through and through with ardour keen!  
Here now I stand, poor fool, and see  
I'm just as wise as formerly.*  
Goethe (1808)

Wasted time. At first, we thought that Faust should have studied macro because Blanchard (2009) told us that the state of macro was good, but then Fisher (1993) said that there is no such subject as macroeconomics. Moreover, microeconomics is about getting specific things wrong whereas macroeconomic is about being wrong in general (Bauman, quoted in *The Economist*, April 26, 2018) and Thaler (2017) discovered the presence of human life in a place where economists thought it did not exist: the economy.

So, he should have studied behavioral economics. This field is especially interesting at the beginning of the year because few things illustrate self-control as vividly as New Year's resolutions. February is even better, though, because it allows studying why so many of those resolutions are broken (Mullainathan, 2014). But remember that even psychotic behavior can be (and today, is) understood as "rational," given a sufficiently abnormal view of relevant probabilities (Lucas, 1977).

## 4 Theory

General Pfuel had a science—the theory of oblique movements. These wars could not be called wars, they did not accord with the theory, and therefore could not serve as material for science. Pfuel was one of those theoreticians who so love their theory that they lose sight of the theory’s object—its practical application. His love of theory made him hate everything practical, and he would not listen to it. He was even pleased by failures, for failures resulting from deviations in practice from the theory only proved to him the accuracy of his theory. (Tolstoy, 1869).

The search for accurate theory has been extended to dental health.<sup>2</sup> The conventional analysis of toothbrushing has centred on two basic models – the ‘bad taste in one’s mouth’ model and the ‘mother told me so’ model (Blinder 1974)”. On the Tolstoy principle, the ‘bad taste in one’s mouth’ model is inferior since any pattern of human behavior can be rationalized by such implicit theorizing and thus this model is devoid of empirically testable predictions, and hence uninteresting. The ‘mother told me so’ model is based on culture up bring and thus incomplete, but at least it presents falsifiable predictions. Using survey data gathered by the Federal Brushing Institute, Blinder (1974) finds a positive relationship between brushing and the workplace value of clean teeth.

We move from more or less plausible but really arbitrary assumptions, to elegantly demonstrated but irrelevant conclusions (Leontief, quoted in Nell, 2010): a solution is derived from economic theory, and two useless but true theorems are proved. The second proof has been for a special case; but the proposition is in fact relatively general. (The reader must, of course, be careful not to confuse relative generality with general relativity, Krugman, 1978).

It is more important for an economist to be wise and sophisticated in scientific method than it is for a physicist because with controlled laboratory experiments possible, they practically guide you; you couldn’t go astray.

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<sup>2</sup>The obsession of economists with dental hygiene must date back to Keynes’s (1930) famous statement about the fact that economists should be more like dentists: "If economists could manage to get themselves thought of as humble, competent people, on a level with dentists, that would be splendid!"

Whereas in economics, by dogma and misunderstanding, you can go very sadly astray (attributed to Paul Samuelson).

Yet, once macroeconomists concluded that it was reasonable to invoke imaginary forcing variables, they added more. The resulting menagerie, together with suggested names now includes (Romer, 2016):

1. A general type of phlogiston that increases the quantity of consumption goods produced by given inputs
2. An "investment-specific" type of phlogiston that increases the quantity of capital goods produced by given inputs
3. A troll who makes random changes to the wages paid to all workers
4. A gremlin who makes random changes to the price of output
5. Aether, which increases the risk preference of investors
6. Caloric, which makes people want less leisure

The production of too many useful things results in too many useless people (Marx, 1844) and inflation is always and everywhere a *monetary* phenomenon (Friedman, 1969).<sup>3</sup> No, inflation is always and everywhere a *fiscal* phenomenon (Sargent, 1993).<sup>4</sup>

## 4.1 Relaxing the assumptions

All theory depends on assumptions which are not quite true. That is what makes it theory. The art of successful theorizing is to make the inevitable simplifying assumptions in such a way that the final results are not very sensitive.

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<sup>3</sup>"Everything reminds Milton of the money supply. Well, everything reminds me of sex, but I keep it out of the paper" (Solow, 1966, quoted in "Who Was Milton Friedman?" by Paul Krugman, in *The New York Review of Books*, 15 February 2007).

<sup>4</sup>Talking about inflation: it is appropriate to seek a formula that expresses the interest-rate operating target as a function of variables that can be observed (or at least estimated) by the central bank at the time that it must make its decision. Under this view, the Taylor rule does have certain basic features of the reaction functions associated with optimal policies. However, an optimal reaction function is unlikely to be quite so simple as the classic formulation of the Taylor rule (Woodford, 2003).

A "crucial" assumption is one on which the conclusions do depend sensitively, and it is important that crucial assumptions be reasonably realistic. When the results of a theory seem to flow specifically from a special crucial assumption, then if the assumption is dubious, the results are suspect (Solow, 1956).

But what if we relax all assumptions? Then we no longer have a theory, we have Borges:

In that Empire, the Art of Cartography attained such Perfection that the map of a single Province occupied the entirety of a City, and the map of the Empire, the entirety of a Province. In time, those Unconscionable Maps no longer satisfied, and the Cartographers Guilds struck a Map of the Empire whose size was that of the Empire, and which coincided point for point with it. The following Generations, who were not so fond of the Study of Cartography as their Forebears had been, saw that that vast Map was Useless, and not without some Pitilessness was it, that they delivered it up to the Inclemencies of Sun and Winters. In the Deserts of the West, still today, there are Tattered Ruins of that Map, inhabited by Animals and Beggars; in all the Land there is no other Relic of the Disciplines of Geography (Borges, 1946).

After relaxing all the assumptions that could be relaxed, an anonymous author created a new synthesis by constructing a new-classical overlapping generations equilibrium business cycle model with Austrian roots which nevertheless contained Keynesian price rigidities, neutrality properties, involuntary unemployment, outsider power, decreasing returns to scale, irrational expectations and maximizing agents operating in a world of fundamentalist uncertainty, repeatedly hit by endogenous technical progress. When the model generated neo-Marxian predictions, the author just flipped!

## 4.2 Counterfactual analysis

Suppose that, instead of stumbling upon the two American continents, Columbus had fallen off the edge of the earth. Would Charles still have gotten his

PhD from Harvard? The answer is no, but not for the reason that you think. Using the FRAPPE technique McAfee (1983) provides a counterfactual analysis:

To summarize the FRAPPE results, I present a rough chronology of the events following Columbus' demise. While America is virtually unchanged in 2000 A.D., the rest of the world is drastically different.

After Columbus disappeared, rumors ran rampant that a Nirvana lay across the sea. Hundreds of ships were launched from Spain and Portugal to this Paradise, and with each ship, the promise of returning exacted. None returned, and Spain's power as a nation diminished with this burden on the treasury, and the Moors recaptured Spain in 1511.

Meanwhile, the industrial revolution gathered strength in the British Isles and Northern Europe. Fed by trade with India and China across the land, Italy, Palestine, and the Moslem countries prospered. An Englishman, F. Drake, experimented with a hot air balloon developed by a friend; the first channel crossing occurred in 1604. Without the Americas as an avenue of exploration, hardy types substituted balloon travel. Frustrated at the number of middlemen between Europe and China, France and England captured large portions of the Middle East in the "Great Balloon War" of 1712. This was followed by the "Second Balloon War" of 1731, in which the first motorized dirigible was used. The leader of the British forces, Margaret Attila "the Hen," was defeated at Qum in 1735, and the Europeans sued for peace.

Frustrated in eastward expansion, and intrigued by the studies of A. Monrovia concerning plate tectonics and "floating continents," the English turned their eyes toward newly discovered Australia. In a daring exploit, a team of Welsh divers unfastened Australia from the Pacific rim and, in dead of night, sneaked it past Indian and African shipping, to fasten it near the edge of the

earth roughly 1,000 miles off Brittany.

The new "continent of America," named for an aborigine phrase meaning "what?," was first used as a penal colony to house former British Lords and French royalty. These individuals eventually revolted, and the rest is history.

So, Harvard would still have existed. The problem is that France would not have existed in its current state.

### 4.3 Uncertainty

Before I married, I had four theories about raising children and no children. Now, I have four children and no theory (attributed to John Wilmot 2<sup>nd</sup> Earl of Rochester).

I can live with doubt and uncertainty and not knowing. I think it is much more interesting to live not knowing than to have answers that might be wrong... In order to make progress, one must leave the door to the unknown ajar (Feynman, 1955). In fact, It ain't what you don't know that gets you into trouble. It's what you know for sure that just ain't so (attributed to Mark Twain).

The fundamental cause of the trouble is that in the modern world the stupid are cocksure while the intelligent are full of doubt. Even those of the intelligent who believe that they have a nostrum are too individualistic to combine with other intelligent men from whom they differ on minor points (Russel, 1933).

## 5 Data

A trend is a trend is a trend. But the question is, will it bend? Will it alter its course through some unforeseen force and come to a premature end? (Cairncross, 1993).

Above all else, show the data (Tufte, 1993). I never guess. It is a capital mistake to theorize before one has data. Insensibly, one begins to twist facts



to suit theories, instead of theories to suit facts (Conan Doyle, 1891).

However, data is not information, information is not knowledge, knowledge is not understanding, understanding is not wisdom (Stoll, 1996), and if you torture the data it will confess to anything (Coase, 1981, quoted in Tullock, 2001). Moreover, big data is like teenage sex: everyone talks about it, nobody really knows how to do it, everyone thinks everyone else is doing it, so everyone claims they are doing it. (Ariely, 2013).

There are two basic ways to obtain quantitative information about the economy: you can study econometric evidence, or you can ask your uncle. Despite all the well-known pitfalls of time series econometrics, there is far too much uncle-asking in government circles in general and in central banking circles in particular. Academics are trained to be skeptics, and thus are naturally and appropriately wary of empirical evidence that may stand on shaky statistical ground. (And what finding based on nonexperimental data does not?) That is all well and good. But we should be careful not to give aid and comfort to the supporters of uncle-asking, which is really a subterfuge for escaping the discipline of the data and allowing your priors to run rampant (Blinder, 1997, p. 8).

Summing up, conducting data analysis is like drinking a fine wine. It is important to swirl and sniff the wine, to unpack the complex bouquet and to appreciate the experience. Gulping the wine doesn't work (Wright, 2003, quoted in Banerjee, 2013).

## 6 Taking the model to the data

The whole intention of empirical economics is to force theory down to Earth (attributed to George Akerlof), but when an economist says that the evidence is “mixed,” he or she means that theory says one thing and data says the opposite (attributed to Richard Thaler). In fact, data have a way of disagreeing with theory and of complicating our lives (Blanchard, 2017) and the great tragedy of science is the slaying of a beautiful hypothesis by an ugly fact (Huxley, 1894).

The corollary is that your t-statistics are never as high as you hope (Hausman, 1993).<sup>5</sup> When this happens you can always claim that you displayed no error bands about the estimated impulse responses, for which there is no excuse but time pressure (Sims, 1991).

Once all possible datasets have been explored and most common explanatory variables have been tested, do not give up. Your hypothesis could be still validated using selected Dummy variables. Never underestimate the Power of the Dummy!

## 6.1 Endogeneity

Anything that happens, happens. Anything that, in happening, causes something else to happen, causes something else to happen. Anything that, in happening, causes itself to happen again, happens again. It doesn't necessarily do it in chronological order, though (Douglas Adams, 1995, quoted in Angrist and Pischke, 2009).

What is the solution? Some say: "Friends don't let Friends do IV. Just don't do it. And if you must do it, dear God please don't do it with a Arellano-Bond type dynamic panel model."<sup>6</sup> Others maintain that it is "better LATE Than Nothing" (Imbens, 2010).

A Tragedy of the Commons has led to an overuse of instrumental variables and a depletion of the actual stock of valid instruments for all econometricians. Each time an instrumental variable is shown to work in one study, that result automatically generates a latent variable problem in every other study that has used or will use the same instrumental variable, or another correlated with it, in a similar context. We see no solution to this. Useful instrumental variables are, we fear, going the way of the Atlantic cod (Morck and Yeung, 2011).

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<sup>5</sup>The t-stats would have been "higher" if the test had been devised to evaluate the THC content in a substance which is now legal in Switzerland (instead of the quality of Guinness beer).

<sup>6</sup><http://mungowitzend.blogspot.ch/2015/09/friends-dont-let-friends-do-iv.html>

## 6.2 Robustness

When guys with 130 published papers state certain things, guys with 60 published papers listen.<sup>7</sup> I Just Ran Two Million Regressions! (Sala-i-Martin, 1997).

## 6.3 Out-of-sample forecasts

I am sorry about using  $I$  for income. The fact that I hadn't the ghost of an idea that there was any particular sanctity about  $Y$ , and that it hadn't just been drawn out of a hat. Other people, I find, are in the same case; so, I *doubt that there is much chance of getting consistency in notation* (Hicks, 1937).<sup>8</sup>

Moreover:

1. Heavier-than-air flying machines are impossible. (Lord Kelvin, President of the Royal Society, 1895)
2. Everything that can be invented has been invented. (Charles Duell, Commissioner, US Office of Patents, 1899)<sup>9</sup>
3. The wireless music box has no imaginable commercial value. Who would pay for a message sent to nobody in particular? (David Sarnoff's associates, RCA, 1920s)
4. Who the hell wants to hear actors talk? (Head of Warner Brothers, 1927)
5. I think there is a world market for maybe five computers. (Thomas Watson, Chairman of IBM, 1943)

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<sup>7</sup>Translated and adapted from Michel Audiard "Quand les types de 130 kilos disent certaines choses, les types de 60 kilos les écoutent", 100'000 dollars au soleil

<sup>8</sup>This was Hicks's reply to a letter from Keynes, which among other things asked him to use  $Y$  for income and  $I$  for Investment. Keynes (1937) wrote: "I regret that you use the symbol  $I$  for income. One has to choose, of course, between using it for income or investment. But, after trying both, I believe that it is easier to use  $Y$  for income and  $I$  for Investment. Anyhow, we ought to try and keep uniform in usage."

<sup>9</sup>Bob Hall claims this one's apocryphal. Another good one, but probably apocryphal is "How, sir, would you make a ship sail against the wind and currents by lighting a bonfire under her deck? I pray you, excuse me, I have not the time to listen to such nonsense." — Napoleon Bonaparte, when told of Robert Fulton's steamboat.

6. We don't like their sound, and guitar music is on the way out (Decca Recording Company on declining to sign the Beatles, 1962)
7. There is no reason anyone would want a computer in their home. (Ken Olsen, Chairman of DEC, 1977)
8. When the music stops...things will be complicated. But as long as the music is playing, you've got to get up and dance. We're still dancing. (Chuck Prince, July, 2007).
9. L'Europe se fera par la monnaie ou ne se fera pas (Jacques Rueff) and If the euro fails, Europe fails (Angela Merkel). Europe does not need the euro (Thilo Sarrazin).

These predictions show the importance of Fiedler's main rule of forecasting: Give them a number, or give them a date; never both. Remember, he who lives by the crystal ball soon learns to eat ground glass because the moment you forecast, you know you'll be wrong, but you don't yet know when and in which direction (Dickson, 2013).

## 7 Policy implications

This policy proposal that I am recommending is clearly not politically feasible now. But the role of economists is also to explore what is desirable from an economic point of view, disregarding political constraints, so as to be ready when political conditions allow it. Hence: *Truffles for the Poor!* (Asher Rose in Taulignan)

The Theory of Economics does not furnish a body of settled conclusions immediately applicable to policy. It is a method rather than a doctrine, an apparatus of the mind, a technique of thinking, which helps its possessor to draw correct conclusions (Keynes, 1922). While economists do not know very much, other people, including the politicians who make economic policy, know even less about economics than economists do (Stein, 1993). This is why

politicians use economics the way a drunk uses a lamppost—for support, not for illumination (Blinder, 2018).

The corollary is Blinder’s Law stating that Economists have the least influence on policy where they know the most and are most agreed; they have the most influence on policy where they know the least and disagree most vehemently.

Summing up, sometimes the best policy is no policy at all (attributed to C. Wyplosz) and we know that it is a great error to consider a tax on wines as a tax on luxury. On the contrary, it is a tax on the health of our citizens. It is a legislative declaration that none but the richest of them shall be permitted to drink wine, and in effect a condemnation of all the middling and lower conditions of society to the poison of whisky, which is destroying them by wholesale, and ruining their families (Jefferson, 1818).

Economic historians have a difficult job: they search for a black cat in dark room. Economists’ job is even more challenging: they search for the same black cat in the same dark room, but the cat is not there. Econometricians find their job more rewarding: they search for the same black cat in the same dark room, the cat is not there but they shout “I got it” all the time. Economists advising governments are bolder: they get paid to train the imaginary black cat to capture mice, and they blame unexpected external shocks for the lack of mice (Folk Wisdom).

## **7.1 On the desirability of an Alpine Currency Union**

The concept of market potential is flawed, and so is the gravity theory of international trade, since both theories strangely neglect the vertical dimension of geographic distance.

It is important to develop the concept of flatness and provide a three-dimension measure of market and trade potentials. These new concepts allow reconstructing the theory of optimum currency areas (OCAs).

Based on data on the highest point of European countries and on the Pythagorean theorem, it is possible to show that the Netherlands forms an

OCA with Belgium, Denmark, Luxembourg, the Baltic countries and Malta. The model also provides strong rationale for Switzerland not being a member of the European Monetary Union. According to the model, this country forms an OCA with Italy and France – three countries with summits exceeding 4,000 meters – but not with the rest of the euro area.<sup>10</sup> An Alpine Currency Union (ACU) would provide strong benefits to its members, provided there is initial investment in a network of long-distance cable cars.<sup>11</sup>

## 7.2 Flexible integration

Flexible integration is the principle that the minds of all Europeans must become sufficiently flexible to be integrated into the rules-based framework of European integration. Since rules cannot be devised to both please German finance ministers and be economically sensible, Europeans must be educated to exercise their minds and bend their thoughts creatively, until they both please Germany’s constitutional Court and yet a happy life remains possible.

Such integration requires a dual structure, which includes a common base to which all members of the Union must subscribe and which encompasses the well-defined preferences of German finance ministers, and open partnerships that allow groups of countries to create breathing space for themselves without obliging any German finance minister to follow their lead.

## 7.3 Rules *versus* discretion

One may set up an arbitrarily designed automatic mechanism consisting of specified reserve ratios, marginal-propensity-to-tax according to frozen tax legislation or according to “formula flexibility,”... and so forth. Such an automatic mechanism is often contrasted with a so called “discretionary” system. Now over the years I have struggled with this distinction and for the life of me I am unable to isolate any real logical difference, either at the philosophical or

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<sup>10</sup>Economic historians may remember the flawed Latin Monetary Union (1865-1927) which, besides France, Italy and Switzerland, included Belgium, a notoriously of flat country.

<sup>11</sup>These ideas are further developed in Friends of Charles Wyplosz (2019).

pragmatic level. Such a mechanism is set up by discretion, is abandoned by discretion, and is interfered with by discretion (Samuelson, 1951).

## 8 Stylized facts (AKA gossips)

Charles's interest for Switzerland was first manifested when he asked Jean-Pierre Danthine and Jean-Christian Lambelet to write a piece for *Economic Policy* (published in 1987 as "The Swiss recipe: conservative policies ain't enough!"). He must have liked what he read because a few years later he showed up in Geneva as professor at Institute formerly known as HEI and became an astute commentator of the Swiss economy.

But why is Charles so productive? The story, like many others in economics, starts with Rudi Dornbusch, who told Charles: "write five pages every day, even if you end up throwing 99% of it." That taught him the need to never stop actively thinking and that it is far better to throw away silly pages than to contemplate a blank page, and panic because it remains blank. It is the best 1% that matters.<sup>12</sup>

In fact, he never stops thinking, like that time in 1981, when, in the middle of the night while inventing stories for little Adele, his mind was wondering along the branches of the multiple shooting trajectories (see Giavazzi, Odekon, and Wyploz, 1982 and Giavazzi and Wyplosz, 1985). Krugman (1982) was impressed and wrote: "Giavazzi, Odekon and Wyplosz have given us an interesting and impressive paper which is the first installment in their program of using the 'shooting' method.

Of course, the key to productivity is a good coauthor. And Charles had many of them. The best of them all is Claire-Lise. It is with her that he did his best work: Perrine, Noemie, Adele, and Clement. This was very influential work as, with help from Didier, Matt, and Alba, it led to Lila, Maya, Elliott, Jeremy, Quincy, Drini, and the very agile Zoom. They call him PADRE!

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<sup>12</sup>In response to a student complaining about the excessively (in the student's view) amount of readings for his open economy macro class, Charles had a disarming smile and said gently: "Reading is healthy." And then he moved on.

## 9 Conclusions

Really, a conclusions section should not be necessary.. I tried omitting the conclusions section a few times, though, and this was too radical for editors and referees (Cochrane, 2005).

The first lesson of economics is scarcity: there is never enough of anything to fully satisfy all those who want it. The first lesson of politics is to disregard the first lesson of economics (Sowell, 1993). The whole of economics can be reduced to a single lesson, and that lesson can be reduced to a single sentence. The art of economics consists in looking not merely at the immediate but at the longer effects of any act or policy; it consists in tracing the consequences of that policy not merely for one group but for all groups. Nine-tenth of the economic fallacies that are working such dreadful harm in the world today are the result of ignoring this lesson (Hazlitt, 1962).

The study of economics does not seem to require any specialized gifts of an unusually high order. Is it not, intellectually regarded, a very easy subject compared with the higher branches of philosophy or pure science? An easy subject at which few excel! The paradox finds its explanation, perhaps, in that the master-economist must possess a rare combination of gifts. He must be mathematician, historian, statesman, philosopher—in some degree. He must understand symbols and speak in words. He must contemplate the particular in terms of the general and touch abstract and concrete in the same flight of thought. He must study the present in the light of the past for the purposes of the future. No part of man's nature or his institutions must lie entirely outside his regard. He must be purposeful and disinterested in a simultaneous mood; as aloof and incorruptible as an artist, yet sometimes as near to earth as a politician (Keynes, 1924).

Adam Smith famously declared that the idea that there are gains from trade "... is so very manifest, that it seems ridiculous to take any pains to prove it; nor could it ever have been called into question had not the interested sophistry of merchants and manufacturers confounded the common sense of mankind." Charles Wyplosz has written more about macroeconomics than



trade; and the “interested sophistry” he has confronted has not come mainly from “merchants and manufacturers.” But the parallel holds: Charles has been an astute and well-informed voice of common sense in an era in which macroeconomics all too frequently slipped off the tracks.

If you want to get there, I would not start from here, if I were you (Irish Proverb) but if you want to be a millionaire, start with a billion dollars and launch a winery (adapted from Richard Branson).

“The meaning of a paper is that it ends.”

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NEW YORK 19

37 WEST 53rd STREET  
TELEPHONE: CIRCLE 5-88  
CABLES: MODERNART, NEW-YO

MUSEUM COLLECTIONS

October 18, 1956

Dear Mr. Warhol:

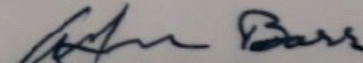
Last week our Committee on the Museum Collections held its first meeting of the fall season and had a chance to study your drawing entitled Shoe which you so generously offered as a gift to the Museum.

I regret that I must report to you that the Committee decided, after careful consideration, that they ought not to accept it for our Collection.

Let me explain that because of our severely limited gallery and storage space we must turn down many gifts offered, since we feel it is not fair to accept as a gift a work which may be shown only infrequently.

Nevertheless, the Committee has asked me to pass on to you their thanks for your generous expression of interest in our Collection.

Sincerely,



Alfred H. Barr, Jr.  
Director of the Museum Collections

Mr. Andy Warhol  
212 Lexington Avenue  
New York, New York

AHB:bj

P.S. The drawing may be picked up from the Museum at your convenience.

Figure 1: Letter from the New York Museum of Modern Art (MOMA) to Andy Warhol