

Morris A. Copeland

August 6, 1895 — May 4, 1989

Morris A. Copeland died on May 4, 1989, in Sarasota, Florida, where he had retired following a long and varied career in government and academia. He was born in Rochester, New York, in 1895; attended Amherst College (A.B., 1917); and received his Ph.D. degree from the University of Chicago (1921). Amherst honored him with its Doctor of Humane Letters degree in 1957. His close attachment to his alma mater was reflected also in the generous endowment he provided for its Copeland Colloquia Program, which supports cross-disciplinary studies.

Morris began his teaching career at Cornell in 1921, serving successively as instructor, assistant professor, and professor, an appointment he held until 1930. During 1927-29, he was on leave, teaching at the Brookings School of Economics and Government and working at the Board of Governors of the Federal Reserve System in Washington. It was during this period that he began an association with the National Bureau of Economic Research that continued until 1959 and resulted in two published works, the latter his path-breaking *A Study in Moneyflows in the United States* (1951).

In 1930, Morris accepted a professorship at the University of Michigan, which he held until 1936. In 1933, he began what proved to be a six-year term as executive secretary of the Central Statistical Board; between 1939 and 1944 he served, successively, as Director of Research at the Bureau of the Budget and Chief of the Munitions Bureau of the War Production Board. For the next five years, he worked on his moneyflows research, now with substantial funding from the Federal Reserve Board. He returned to Cornell in 1949; in 1957—the year he also served as president of the American Economic Association—he was appointed to the Robert Julius Thorne Chair, which he held until his retirement in 1965.

Morris' retirement was short-lived. He accepted posts as visiting professor at the University of Missouri for 1966-67 and at the State University of New York (Albany) for the two following academic years.

Morris' crowning achievement was undoubtedly his work on moneyflows, for which—working largely alone, in his small, book-filled office on the second floor of Goldwin Smith—he completed the manuscript, containing both the conceptual framework and the initial empirical estimates. Together with Simon Kuznets' national income accounts and Wassily Leontief's input-output analysis, it constitutes one essential component of the triad of accounting frameworks by which we comprehend macroeconomic magnitudes and processes. The national income and product accounts cover only transactions involving final goods and services; input-output analysis

adds the intermediate transactions carried out within the production (business) sector. Copeland's flow of funds encompasses both, and adds the purely financial flows—i.e., the transactions involving exchanges of financial instruments. The U.S. Federal Reserve System and countries all over the world assemble these data on a current basis, and use them in their economic forecasting.

That work was, however, only the most important manifestation of Morris Copeland's constant insistence that if economics was ever to validate its claim to be a science, it would have to frame its theoretical propositions in forms capable of empirical verification, and devote at least equal energy to that empirical testing. This, in turn, explained his life-long efforts to develop the relevant statistics, not just in his work on moneyflows but also, among other contexts, in his six years with the Central Statistical Board.

In these views, he was firmly in the institutional tradition, with which he consistently identified himself. He shared with the institutionalists also the conviction that "economic laws" are valid only in specific, historical institutional contexts, which are themselves subject to constant evolution. Not surprisingly, therefore, he published not only in economic journals but also in professional journals of psychology, philosophy, statistics, political science and accounting.

Not surprising, also, these convictions entailed a skepticism of the tendency of main-stream economists to find support in "natural economic laws" and "invisible hands" for a laissez-faire political philosophy. He summed up these broader concerns in his American Economic Association Presidential Address, "Institutionalism and Welfare Economics," where he emphasized "the significant divergences between what is profitable and what is in the public interest" (AER, 1958, p. 12), and championed governmental interventions to bring the two into closer harmony. He strongly supported collective bargaining to compensate for the fact that "the wage system imposes upon its employees the obligation of subservience," (p. 14) despite his recognition that "collective bargaining may leave the interests of an important group of third parties, viz., the consumers, quite inadequately protected" (p. 16). In his view, "when a conflict of interest develops between our free enterprise system and the objective of developing and strengthening our bill of personal rights and liberties, it is the free enterprise system that must yield" (p. 16).

For all his skepticism, however, Morris Copeland also recognized the enormous advantages of *Our Free Enterprise Economy*—the title of the little book he published in 1964. He begins his Presidential Address with an apt summation of his views.

We in the West are proud—and justly proud—of our free enterprise economic system. Nonetheless...

Morris' professional work tells only part of the story. He made a deep impression on generations of students and colleagues. His graduate students, particularly, remember vividly, with both affection and enormous respect, his dogged use of the Socratic method; his persistent challenge of generalizations based on pure deduction; his "prodding examination of the basis on which you thought you knew something to be true"; his rare combination of a thorough grasp of the traditional theory with his own insistent empirical and institutional orientation. One writes:

*I went through Chamberlin's **Theory of Monopolistic Competition** with Chamberlin himself, at Harvard, then with Morris, at Cornell: you wouldn't know it was the same book! The one, a direct exposition, the other enormously illuminating, stimulating and original—but it took me a semester and a half to catch on.*

He slowly worked his way through the great works with questions, questions, questions...And what questions!

They remember also his eminent approachability, his personal and social courtliness while he subjected them to intense intellectual challenge.

Morris Copeland was opinionated, disputatious, some might even say cantankerous. He was also a giant.

Fred Kahn, George Staller, Tom Davis