Walter S. Salant

1911–1999

MEMORIAL

THE BROOKINGS INSTITUTION

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INTRODUCTORY REMARKS BY Robert E. Litan

We are here to remember and celebrate the life of our colleague Walter Salant. I want to emphasize the word celebrate. This is not a funeral. Although it is a solemn occasion, it is also an event at which those who knew Walter best can tell the rest of us what a kind, caring man he was and what a great and influential economist.

During my own tenure at Brookings, I have attended similar events—as a member of the audience—for three other great economists: Art Okun, my mentor; Joe Pechman, another mentor; and Ed Denison. On each occasion their friends recounted for all of us some of the special, often humorous, moments that captured the texture of their lives. Many of those moments were here at Brookings. We now do the same for Walter Salant, who was a senior fellow here for more than twenty years and thereafter an emeritus senior fellow and guest scholar.

We are pleased and honored to join the Salant family in this event—Edna, Walter's wife, and his two children, Michael and Stephen—as well as many of Walter's friends, whom I suspect have had no Brookings connection other than perhaps to have once or twice walked past this building.

We will hear from family members, who will tell us about Walter the man, the father, the patriarch of the Salant family. Then, as is our custom, we have asked a few of Walter's close colleagues to say some words about his professional life.

Edna, I hope what you are about to hear will provide you with some solace during these difficult days.

REMARKS BY
Stephen W. Salant

I thank all of you, friends and colleagues of my father, for coming here today to commemorate his life. Others will speak about Walter Salant the economist. I want to speak from the perspective of a son who loved him.

Even as I sat down to compose these remarks, I was keenly aware of my father's steadying hand and continuing influence. In seventh grade, when my English teacher asked me to write analytical essays for the first time, I had no idea what was expected and sought my father's help. Until I got the hang of it, Pop would spend time with me every weekend batting around ideas for that week's essay. I still have many of those early papers. More important are the memories I have of those Saturdays he spent encouraging me to involve myself in each project.

In that same seventh-grade year I was taught grammar in school. But home is where I learned it. Throughout junior high school, no grammatical error in a conversation at the dinner table went uncorrected. This was a game I thoroughly enjoyed. Under its ground rules the smallest person at the table was at liberty to correct the biggest. And, rest assured, when a chance presented itself, I never missed it.

By the time I reached college, Pop must have decided my apprenticeship in writing was over. I was ready for the big time. He got me a summer job at Brookings, editing an economics monograph by Larry Krause, who worked in the office next to his. After wrestling with the manuscript for a month, I suggested a major reorganization of the book as well as providing more detailed comments. Given that the suggestions were coming from a first-year college student who had never before been exposed to what passes in the economics profession for English, Larry took them with phenomenal grace. A few years later Pop found a wider audience for his views on the use of language in economics, publishing in the *Journal of Political Economy* an article, "Writing and Reading in Economics," that has become a classic.

Pop used to spend weekends fixing things, with me always at his side. Until I was eight years old we lived in Virginia. We had our own well, and plumbing was a major concern. He taught me plumbing so thoroughly that once, when he was away and no plumber could be found who understood the intricacies of our plumbing system, my mom pulled me from second grade to get our water flowing.

In Washington we were on city water, so electrical repairs came to dominate his list of weekend chores. Lamps, switches, radios, TVs—he fixed them all. When diagnosing a problem, he would consider its possible causes and would, if possible, devise ways to determine which diagnosis was correct. It became a game, coming up with tests to eliminate potential but incorrect explanations. Soon I became adept enough that I was able to ply my own trade as an electrical repairman around the neighborhood and in the corridors of Brookings.

It never occurred to me when Pop was alive to ask him where he had gotten his facility as a repairman. Certainly it was not from his own father. Grandpa Aaron was a brilliant student and an extraordinary scholar, but if he had a practical bone in his body, he kept it hidden. Pop, on the other hand, applied in daily life the abstract theory that he had learned in school. He explained to me a decade ago, as I struggled to stop my daughter's swing from wobbling, that I would understand the nature of the difficulty better if I regarded her swing as two pendulums of different lengths joined together by a rigid board. Models and their practical implications were never far from his thoughts.

Pop's obituary in the *Financial Times* bears the apt headline, "Unsung Economist of Influence." Certainly he never sang his own praises, in public or even in private. In reviewing a list of his publications, I am struck by the number that are designated "unsigned." Some unsigned publications were omitted from the list altogether, like the influential, if radical, 1938 tract *An Economic Program for American Democracy,* which Pop and nine others from Hansen's Fiscal Policy seminar wrote, arguing that the sharp downturn of 1937–38 was consistent with Keynesian theory.

In rereading some of his work, I am even more struck by his reluctance to cite himself in circumstances that, by modern standards, cry out for tooting one's own horn. Take the program of foreign aid and technical assistance to the developing countries that President Truman announced in his inaugural address. The Point IV program was the big surprise in Truman's speech: he called for a program "to stir the peoples of the world into action not only against human oppressors but also against their ancient enemies—hunger, misery, and despair." The Point IV program dominated headlines the next day: "Truman Proposes 'Fair Deal' Plan for the World," the *Washington Post* reported.

That Pop contributed to the implementation of the program is evident from the foot-deep stack of memoranda he prepared on the subject that are now in the Truman Library collection. But there is much more. There is also a distinct possibility that Pop, then thirty-seven years old, contributed to the very idea behind the program.

In December 1948 Pop argued in two conversations with a White House aide that the United States should be giving foreign aid to less developed countries on a continuing basis. The aide became excited and asked him to provide a memo by 6 P.M. the same day for use in "a major speech by a top official." Later, that same aide sought Pop's comments on what turned out to be the paragraphs in Truman's inaugural address concerning the Point IV program.

Surely all of this entitled Pop to at least *mention* his own involvement in the Point IV program. Yet he told his own family little about these contributions and omitted mention of them when discussing Point IV in lectures and in print. What we know we learned from a lengthy interview Pop gave the Truman Library in 1970, which we discovered after his death.

This excessive reticence came from his own father. When Pop spoke at his father's memorial service, he told of discovering in the New York Public Library a volume on prison labor translated from German by the former chairman of the National Committee on Prison Labor, who turned out to be Aaron B. Salant, his father. Pop wrote, "I had never heard him mention that Committee, much less that he was Chairman of it." Upon further research Pop discovered that legislation on prison labor, which passed into federal law when he was a Harvard freshman, had been drafted by his own father. As Pop put it, "I knew that Dad had worked on this problem, but only in recent weeks did I learn—not from him, of course—that he had drafted the Act." Although admittedly to a lesser extent, Pop displayed extraordinary reticence.

Pop began his professional career when most established economists of the day had no solutions to pressing problems. That gave the best and the brightest youth of his generation unprecedented opportunities to influence domestic economic policy. This was as fulfilling for them as it was fortunate for those they were able to help regain employment and prosperity.

Pop once wrote that his beloved teacher Alvin Hansen regarded the "study of economics as a means of promoting the public good rather than as an intellectual game or as a means of scoring points over colleagues on theoretical refinements."

Pop's own orientation was the same. He was very fortunate after his government service ended to work here, where his talents could flourish.

REMARKS BY

Shelley A. B. Salant

I know that many of you will be talking about Walter Salant as an economist. I never knew him as an economist. Walter S. Salant was my grandfather. I only knew him for the last nine-and-one-half years of his life. He was sick a lot, but that didn't do a thing to stop him from being the best grandfather I could ever really ask for. I have tons of memories of being with my grandpa. I could go on forever telling about all the memories, and even if I just said a few, I would end up going on and on. So as I said, I will always have the beautiful memories, and my grandpa will always have a very special place of his own in my heart, until I go to join him in that place up above us, where I know he has gone, when I will love him even more. I think that when someone dies, they're never really gone. They'll go to heaven and be happy. But part of them will always stay here with us, the friends and family. I guess I'm embarrassed to say that I never really thought about that kind of thing before. No one as important and special to me has ever died before. I know that this will leave an everlasting impact on me, but I know that part of him is still here and always will be. Walter S. Salant was my grandfather, and as far as I'm concerned, he still is.

REMARKS BY

Claire E. B. Salant

It was a very hard decision for me when I was given the opportunity to get up here and speak. When I finally decided to speak, I chose to speak *not* about Walter as an economist, but as a grandfather. My grandfather. He was a wonderful grandpa. He was, for his age, quite interactive with us. I remember him getting down on the floor and watching me and Shelley play marbles. I remember our visits. As soon as we walked into the apartment, he was hugging us and kissing us. He always seemed to have a smile on his face. It was the same when he left. He didn't want us to go. I remember the last time I saw him. He was on his hospital bed. When we told him we were leaving, he seemed upset. He was shaking his head and moving his hands trying to tell us not to leave. But we had to. He was also a very loving grandfather. He loved us right to the end. And I loved him back. And I still do. My most treasured memory of him is his smiling face. Now you all know how wonderful he was in his role as a grandfather.

Shelley and Claire turned ten years old one week after the memorial service.

REMARKS BY

Peter Salant

My uncle Wally was an especially important man in my life and the lives of my brothers, Nick and Tony. On this day after Father's Day 1999, we pay tribute to Walter Salant, father, husband, grandfather, father-in-law, uncle, brother, son, and grandson. Wally's younger brother Bill, my father, died in 1966, and Wally became the closest connection for my brothers and me to our father. He went out of his way during the next thirty-three years to be that connection, along with Marie and Roy Neuberger, his wife Edna, and our mother, Dorothy.

Walter Salant was a gentle and kind man. He was firm in his views, always willing to listen and consider new possibilities. My first memory of Wally is his alarm watch, of early 1960s vintage, and his pipe. He was the first man I knew who smoked a pipe.

Wally always made time for his young nephews, for which I am forever grateful. One day in 1968 my mother had made me a kite for my eleventh birthday. Wally visited a few days later and we flew it together along the beach in California. He educated me about our family history. I have an eleven-page letter with me, written in 1968, explaining what was going on with gold in the world. Wally wrote this to a ten-and-a-half-year-old, in language we can all understand even now! In 1973

he sat for an interview with me about the devaluation of the dollar. These are family treasures. We spent some especially nice time together at our Salant family reunion in 1988. I will never forget Wally playing football with us, just after his seventy-seventh birthday. There were more great times at his eightieth birthday party in Michigan in 1991. I have pictures of him lying on the floor with my four-month-old daughter, Carly, playing and talking to her just like a grandfather, as Shelley described. He was the closest to a grandpa she had.

To Edna, Michael, Steve, Katherine, Daisy, Shelley, and Claire, we wish you strength in this time of sadness for the loss of a truly great man—and gentleman, husband, father, father-in-law, and grandfather. What a legacy Walter Salant has left to all his family, colleagues, and anyone lucky enough to have known him.

On behalf of my brothers, Nick and Tony, I will miss you Wally. If he were here today, your brother Bill would thank you for being there for him, for your love and support throughout his life of almost fifty years, and for helping to look out for his sons in his absence. And our mother Dorothy joins us in being grateful to you as well.

FURTHER REMARKS BY

Robert E. Litan

The distinguished speakers today need no introduction to this audience. First is Alice Rivlin, one of the nation's most distinguished public servants, with a long line of major appointments, including director of both the Congressional Budget Office and the Office of Management and Budget—the only person to do that—and most recently vice chair of the Federal Reserve. Alice is returning to Brookings next month as a senior fellow, and we are pleased to see her back. She is here today because she counts Walter as one of her mentors and friends.

Professor Paul Samuelson of MIT is, at least in my view and I think that of many other informed individuals, the greatest economist of the postwar era. He knew Walter from the very early years of Keynesian excitement, and I can guess he will share some of his remembrances from that time. Professor Samuelson, we are privileged that you could come here today.

Lincoln Gordon knew Walter from childhood. I did not know that, but learned it several weeks ago. As you know, Lincoln has for a long time been with our Foreign Policy program and is a former ambassador to Brazil, assistant secretary of state, and president of Johns Hopkins University.

Robert Solomon also knew Walter for many years. Bob too has been with us for more than two decades, following his leadership as the chief international economist at the Federal Reserve.

Finally, Ralph Bryant has been a senior fellow at Brookings for more than twenty years. Ralph was also chief international economist at the Federal Reserve before coming to Brookings.

Before we begin, I offer my own first remembrances of Walter from when I started out here as a research assistant twenty-seven years ago. I was nothing special, but I remember meeting Walter early in my job, often at the economists' lunch table, where I also became friendly with Joe Pechman, Ed Denison, Barry Bosworth, George Perry, Charlie Schultze, and many of the other great names who have populated our ranks. Walter would frequently ask me what I was working on. Now, all I was doing was grinding out some statistics for my then boss, Art Okun. But Walter treated me as if I were a real economist, something that no one in Economic Studies does today, I might note. But it was a little touch he didn't have to do, to pretend that a lowly economics undergraduate had already joined the ranks of the annointed. You see, in those days, economists were almost the equivalent of secular priests. I never forgot the way Walter treated me, but that was simply part of his character.

REMARKS BY

Alice M. Rivlin

It is a privilege to speak about Walter Salant, a friend of many years for whom I had great affection and admiration.

I came to Brookings in the fall of 1957 as a research fellow. I was twenty-six and a Harvard graduate student. I was pregnant with my first child and pretty unsure of how I would fit into this strange place called the Brookings Institution, about which I knew very little except that it offered me a chance to finish my dissertation. I hoped there would be some friendly faces. There were. One of the friendliest was Walter's.

Brookings was then on Jackson Place in a narrow building that had once housed not only the staff but a small, quite distinguished graduate school. The senior economists in the late 1950s included Walter, Jack Gurley, Bert Hickman, Marshall Robinson, and Bob Asher. Ed Denison and Joe Pechman came a little later. They were a lively group who knew each other well and interacted a lot, especially around the lunch table. Walter and his colleagues welcomed the research fellows, took us seriously, and integrated us into the conversation. It was a wonderful introduction to high-quality policy discussion and the issues and politics of Washington in the Eisenhower years.

I loved it, although I don't think I realized at the time how truly lucky I was.

In 1957 Walter was forty-six years old (very young by my present standards) and had been at Brookings only three years. But he had been in Washington since the late 1930s. He had been a price controller and a decontroller, had served on the staff of President Truman's Council of Economic Advisers for six years, and had worked for NATO in its infancy. He knew everybody who mattered in the world of economic policy on both sides of the Atlantic. He loved ideas and good economic policy debate. He was a good listener who cared what other people thought, including young people like me. He and his gracious hospitable wife, Edna, gave wonderful parties with interesting guests and lots of good talk.

I stayed at Brookings after my fellowship year, moving with Walter and the others to the seventh floor of the less intimate but more comfortable building on Massachusetts Avenue. Then in 1962–63 I got a chance to work with Walter on a book. President Kennedy asked Walter to pull together a team to analyze the problem of the U.S. balance-of-payments deficit (or the current account, as we now call it) and recommend policy actions. It was a high-level project with a tight schedule. Walter recruited Emile Despres, Lorie Tarshis, his own brother Bill, Larry Krause, and me. I was flattered and excited to be included in such a distinguished group. My only claim to be there was that I had worked on foreign aid programs, and though foreign aid was not important to Walter, it was a significant part of the balance-of-payments puzzle.

Walter's concept of how to get the book written was to preside over an intense continuing seminar in international economic theory and practice. We had long discussions, some of them over lunch at the Iron Gate Inn. We exchanged drafts, critiqued each other's contributions, and gradually figured out what we wanted to tell the president and the public. The basic message was not to worry. The deficit would probably decline, and corrective action might do more harm than good. Policies that did not make good economic sense domestically should not be undertaken to reduce a deficit in the balance of payments. I believe that is still true. I was a bit surprised, however, on rereading the conclusions over the weekend, to see how vigorously we defended fixed exchange rates.

Walter pushed hard to drive the project to a conclusion. When Emile Despres, who made brilliant intellectual contributions but could never get anything written down, was about to leave the country without finishing a crucial section, Walter put him in an office with a tape recorder and said, "Don't write, Emile, just talk." Then Walter and I turned the transcript into a chapter.

In my case the pressure to finish the book had a special intensity because I was expecting another baby. We were asked to testify on the project before a congressional committee just before my due date. I remember Walter pleading, "Please don't have the baby before the hearing." Fortunately, my son cooperated. Walter always referred to him as "the balance-of-payments baby."

Walter Salant made many contributions to the economic thinking of policymakers in an exciting period of economic history. I think of him as a kind, gentle, intelligent man who loved ideas and people, who always had time to read someone else's work and make suggestions, both about substance and style—even grammar—and who always had a kind word and a sensible contribution to make to any conversation. He and Edna have made both the Brookings Institution and Washington better places for a lot of people.

REMARKS BY

Paul A. Samuelson

Walter Salant was a dear personal friend for more than sixty years. As bachelors we were briefly once roommates. And even before I knew Walter, I knew Bill Salant, who was in the same 1937 class as my fiancée, Marion Crawford.

Today I want to present a few words on Walter Salant as one of about two score scholars who helped shape on the economic side the evolution of Franklin Roosevelt's New Deal. Historians need to realize that the initial 1933 programs of FDR were not explicitly Keynesian in ideology or intention. Crudely put, they tended to be Veblenian and technocratic. Hooveristic capitalism was in crisis all over the world during the post-1929 Great Depression. Early FDR brain trusters illustrate my point: Raymond Moley was a Columbia University professor of political science; Rexford Tugwell was an eclectic critic of economic orthodoxy; Harry Hopkins at the WPA and Harold Ickes at the PWA did not have to master multiplier mathematics to spend billions of stimulatory deficit dollars. George Warren and Frank Pearson were the horse doctors from Cornell's Agriculture School who shaped Roosevelt's devaluation of gold decisions. Treasury Secretary

Henry Morgenthau was not Veblenian, nor technocratic, nor Keynesian. When Keynes himself visited the new president, the bad chemistry between them choked off potential influence.

Marinner Eccles at the Federal Reserve gave sympathetic attention to Lauchlin Currie and Alvin Hansen. Henry Dexter White and Edward Bernstein at the Treasury Department also weighed in. By temperament an experimental optimist, FDR gradually became converted to the essence of countercyclical Keynesianism—converted because it worked. By my count some forty to one hundred individuals, well-known insiders but only vague names to the general public, were the key influences on that 1933–40 recovery, which came just in time to enable the total wartime mobilization that saved Britain and, with Russia's help, brought down Adolph Hitler. Walter Salant was a significant member of this corps of experts, along with Robert Nathan, Milton Gilbert, George Jaszi, and Ed Denison.

In speculation, timing is everything. Timing is everything also in biography. Walter graduated from Harvard in 1933 at the right time and in the right place. He then went to Cambridge, England, precisely when Keynes was lecturing on his uncompleted general theory of employment, interest, and money. Alec Cairncross from Scotland and, from Canada, Lorie Tarshis and Robert Bryce were other Cambridge classmates at that crucial time. Walter then did a tour of duty in the Treasury Department. Along with Emile Despres from the New York Federal Reserve Bank, he returned to Harvard to help Alvin Hansen and John Williams construct the new Littauer [Kennedy] School's seminars and curricula. Anonymously, he and Emile helped compose the classic Program for American Democracy, a prescient statement of what was to become 1940–70 U.S. fiscal policy. When did Walter find the time to court Edna and raise a family?

Leon Henderson and John Kenneth Galbraith recruited Dick Gilbert to head the wartime research unit of the Office of Price Administration. Walter Salant was part of this crucial inner circle.

Later, at the same time that Bill Salant was one of the White House's anonymous advisers, Walter Salant and Gerhad Colm were providing the economic expertise for the postwar Council of Economic Advisers. Harry Truman and CEA chairman Leon Keyserling presided over a prosperous America that avoided the kinds of deep depressions that had followed World War I and the Civil War.

Charlie Kindleberger and I, from our remote abodes in primitive New England, were able to keep in touch with Washington realities over the years by contacting Salant, Walter Heller, Joe Pechman, Art Okun, Charlie Schultze, and still other Brookings stalwarts. The old Jackson Square Brookings of Harold Moulton and Mordecai Ezekiel had come a long way when reborn on Massachusetts Avenue.

Civilization owes much to the Invisible College of Isaac Newton, Robert Boyle, and other early scientists in the Royal Society. Contemporary global political economy similarly owes much to the Invisible College that included Walter Salant.

A scholar can have only one kind of immortality, that which I regard as the only kind worth having. My friend Walter lives on in the corpus of economic presumptions that he helped to build up in a critical epoch of world history.

REMARKS BY

Lincoln Gordon

In the late 1920s, Walter Salant and I were fellow students at the Fieldston School in New York. Walter was older and a class ahead, but I soon learned that he was the intellectual star of the class of '29. In 1930 I followed him to Harvard and then rather foolishly decided to skip a year, so we graduated together in 1933, proud of two summa cum laudes from Fieldston. Then he went off to Cambridge, England, while I went to Oxford.

The mid-1930s were extraordinarily rich in the development of modern macroeconomics, a term then not yet in use. At Oxford I joined a seminar in that new field led by Redvers Opie (then Frank Taussig's son-in-law) and Jacob Marschak, who later moved to the University of Chicago. Fellow students included Charlie Hitch and Donald MacDougall. National income accounting was just beginning. We studied Knut Wicksell and the pioneering work of Wesley Mitchell, but especially Keynes's treatise on money (the *General Theory* was not published until 1936). Then a joint seminar was established with Cambridge and the London School of Economics, meeting in rotation in Oxford, then London, then Cambridge, then London. The great treat of each term was the visit to Cambridge, where Keynes himself provided the entire group with a magnificent high tea and still more magnificent conversation. And there was Walter, who greeted me like a long-lost younger brother.

We became better acquainted in the spring of 1940 when Walter was working at the Commerce Department and I was on leave from Harvard at the National Resources Planning Board. That was the spring when Germany broke out of the phony war to sweep across Denmark, Norway, the Low Countries, and France, leaving Britain as its sole opponent. I have an especially vivid recollection of a call from Walter early that summer inviting me to an informal meeting of young bureaucrats seeking to promote more aid to Britain. Walter was a leader of that group. After Pearl Harbor I came to work full time at the War Production Board, while Walter was at the Office of Price Administration. We then developed a social as well as professional relationship, including our wives, which lasted until his death. We cooperated again during the formative period of the Marshall Plan. In the late 1970s, as a Resources for the Future tenant of Brookings, and especially since my return here in the 1980s as a guest scholar, I became a very frequent luncheon companion with Walter, sharing a wide variety of common interests.

Others here today will speak or have spoken of Walter's professional accomplishments, especially in spreading the understanding of Keynes and unraveling the mysteries of international monetary movements and worldwide inflation. I want to say three things about his character.

First, Walter was a good man. He saw economics not merely as a topic for scientific scholarship but also as an instrument for enhancing social well-being at home and abroad, especially for those with a less fortunate start in life than his own. At the same time, he provided quiet but effective opposition to the blights on American democracy that disfigured the postwar decades (McCarthyism especially comes to mind). Second, Walter was modest about his brilliance. He was always ready to extend a helping hand to promising youngsters but reluctant to advertise his own accomplishments. And third, he was one of the very few academics or bureaucrats I have encountered over a long professional life who had many friends but no enemies. He was liked and respected. He neither envied others nor generated envy. His long association with Brookings was a very happy experience and a great credit to this institution. He will be missed.

REMARKS BY

Robert Solomon

Walter was a good friend, a distinguished economist, and a great human being. I met him in 1948 during my first year at the Federal Reserve Board when he was at the Council of Economic Advisers. It was from Walter's office in the Executive Office Building that I observed the warm welcome Harry Truman received when he returned to the White House after the 1948 election upset.

Before I get to Walter's professional accomplishments, I want to say a few words about what a special person he was. Walter was an incredibly nice—I would even say sweet—person who did not have a mean bone in his body. He was caring, considerate, and sensitive. At the same time, he had his own critical sense and was quite willing to express his disagreements with other members of the profession.

After getting his bachelor's degree at Harvard, Walter was a graduate student at Cambridge University. He was in on the conception, if not the birth, of Keynes's *General Theory,* along with Lorie Tarshis and Bob Bryce from Canada and Alec Cairncross from Scotland, among others. Walter attended

Keynes's lectures in 1933–34 in which were developed the ideas that ended up in the *General Theory.*

Fifty years later Walter wrote a paper discussing one by Donald Moggridge, "Keynes and our Current Discontents." Walter's main point in that paper was that the *General Theory* was much richer in ideas than modern economists seemed to realize and that some of them distorted what Keynes had written. Walter wrote for a symposium on Marx, Schumpeter, and Keynes in 1983, "It dawned on me gradually that while I was getting older younger people were coming into the profession, and that they were getting their acquaintance with Keynesian macro theory from textbooks and other potted forms and might never have read *The General Theory.*" In one of his other papers he observed that many of the recruits to the U.S. government in the 1930s who were sympathetic to Keynesian ideas came from Harvard. Perhaps it is not a coincidence that four of the five speakers today have a Harvard connection.

The Brookings library catalogue lists thirty-one of Walter's works, some written with co-authors. Regarding the major study on the balance of payments that Alice Rivlin focused on, it is well known that President Kennedy worried about the U.S. balance-of-payments deficit. According to Arthur Schlesinger, Kennedy told his advisers that the two things that scared him most were nuclear war and the payments deficit! In 1962 he asked the Council of Economic Advisers in cooperation with other agencies to examine the outlook for the balance of payments over the next several years. Walter Heller, chairman of the council, asked Brookings to undertake the study. Directed by Walter and titled *The United States Balance of Payments in 1968,* the study was completed in about seven months, in early 1963. Based on a number of reasonable expectations, it projected that the U.S. balance of payments would be in surplus in 1968. It also brought out the implications of that projection for policies. The report provided a rationale for the policy pursued by the Treasury Department

in the first half of the 1960s of defending the existing pattern of exchange rates. What Walter and his colleagues could not foresee was the impact, beginning in 1965, of the Vietnam War on the U.S. economy.

Let me give you one more quotation. In a paper titled "A Critical Look at Supply-Side Theory" published in 1986, Walter concluded, "In short, supply-side theory contains elements that are correct and elements that are new, but the correct ones are not new and most of the new ones are in my opinion not correct."

We mourn and miss Walter and we shall never forget him.

REMARKS BY

Ralph C. Bryant

A memorial service is a recognition and sharing of loss. But it is even more a benchmark way of celebrating life.

In memorial services that celebrate a great life, such as that of our friend and Brookings colleague Walter Salant, I invariably find myself thinking of familiar passages from a meditation in John Donne's *Devotions Upon Emergent Occasions,* conceived as he lay close to death. The best-known parts of the meditation are where Donne, listening to the tolling of bells outside his window for the death of some person unknown to him, reflects,

> No man is an island, entire of itself; every man is a piece of the continent, a part of the main. If a clod be washed away by the sea, Europe is the less, as well as if a promontory were, as well as if a manor of thy friends or of thine own were. Any man's death diminishes me because I am involved in mankind, and therefore never send to know for whom the bell tolls; it tolls for thee.

But as we celebrate Walter's life, the passage from Donne's meditation that resonates most powerfully observes,

> All mankind is of one author, and is one volume. When one man dies, one chapter is not torn out of the book, but translated into a better language. And every chapter must be so translated. God employs several translators; some pieces are translated by age, some by sickness, some by war, some by justice; but God's hand is in every translation. And his hand shall bind up all our scattered leaves again, for that Library where every book shall lie open to one another.

The Sea of Faith is no longer full and girdling our world. Thus Donne's deep faith in the power of God's hand as a translator does not come easily to some of us. But the images of interrelated chapters—and of all our books lying open to each other in a great Library—do seem appropriate, and are comforting.

The Salant chapter in this great book truly is exemplary.

As the economists here well know, and as others today have already recalled for us, Walter made important contributions to our understanding of international economics and macroeconomics. I can still remember my excitement as a graduate student in reading a provocative essay first published in the *Economist* in 1966 ["A Minority View about the Dollar and World Liquidity"]. This essay by Walter and his coauthors Emile Despres and Charlie Kindleberger, and later developed further by Walter, brought enduring insights into how we think about capital markets and the balance of payments of a financial center.

I think with gratitude of so many other thoughtful essays and memoranda: about the international transmission of inflation, about thorny issues in national income accounting, about how economic ideas and the world economy itself had changed over the years of his working life, about reading and writing and grammar in economics, and on and on. All of Walter's contributions were distinguished by clarity of thought and writing, by a flair for boiling ideas down to their essentials and lucidly conveying the essentials to others.

Notwithstanding all of Walter's many contributions to economics, some other things stand out even more sharply in my memory. From what others have said today, you know that this was true for many who knew and worked with him. He was a gentle, caring, deeply thoughtful, and generous man. All parts of him, his personal qualities as much as his scholarly abilities, were suffused with humaneness, with a rock-solid integrity. What mattered was the soundness of an idea, not who got credit for it. Of course, he cared deeply about economics. But he had keen lateral vision and empathy for all the humanities, too. To give only a single illustration, I remember with fondness conversations with him about Beethoven's string quartets.

In a world where many people have sharp elbows and seem often uninhibited about using them, Walter was the antithesis of someone with sharp elbows. He was always forceful, but invariably courteous and kind—to the great benefit of those around him.

Quakers think of every individual as having a potential inner light. In many of us the inner light flickers. But in a small handful of people, it shines especially luminously, and with enough incandescence to illuminate those around them. I will always remember Walter as one with that bright inner light.

And I can't help thinking today of others in that same small group who, like Walter, are no longer with us in person: Art Okun, Ed Denison, Joe Pechman, Eddie Bernstein. Brookings has been greatly privileged to have this handful of wonderful economists and splendid people pointing the way for the rest of us.

So today, in memory of Walter, we give profound thanks: for a friend and scholar who graces the institutional memory of Brookings and who will stay lodged in our personal memories as a lamp, an inspiration to all of us privileged to have been touched by him, and for a distinguished chapter in the volume of economics, of Brookings, of the Library of Life itself.

CLOSING REMARKS BY
Robert E. Litan

I would like, briefly, to offer some concluding thoughts.

First, to Edna and Michael and Steve: we hope this celebration, this ceremony, will provide some solace to you at this difficult time. We also want to thank you very much for letting us share this special moment with you. Last, I would like to say a few words to Walter's grandchildren.

You have had to sit here for a little over an hour listening to all these adults talking with these big, strange words like Keynes and balance of payments, complicated words that maybe you have heard at home, maybe you haven't, but that I am sure you will understand in several years, if you don't already. What I would like to do is tell you three things that I think that you should try to remember from this day.

The first is that your grandfather wasn't just caring and loving to you, as he evidently was, because you spoke so eloquently to that fact, but Walter treated everybody with such care. You heard that today; that was simply your grandfather's nature. He was special to a lot of people in exactly the same way he was to you, although he probably was a little bit more special to you.

The second thing you should remember is that your grandfather did not toot his own horn. He didn't go around bragging about himself. It's an important lesson to learn in life. He let his actions, and in his case his writings, speak for him, so that he didn't have to speak about himself. In fact, what we heard today is all these other people speak about Walter. But he would not say these things, and that is an important lesson to learn in life.

And my third and final thought is related to the first thing that I said, and that is that a lot of people loved your grandfather. They thought he was a great man, and he was a great man. So, I think we hope that, as you grow up, you will always remember this day, and you'll remember all the wonderful things said by all these people who came here to celebrate your grandfather's life and that they said all of these things because they're all true.

We want to thank you very much for coming.

A New *Salant* on Retirement

on the occasion of Brookings making
Walter Salant its first Senior Fellow Emeritus

Walter Salant's retiring
Is actually not transpiring.
There's been a last-ditch reprieving
To keep him from leaving.

The news and the luncheon
celebration.
Require some kind of explanation.
It's not that he hopes for further
wages
Or has forgotten exactly what
his age is.

The fact is this: The works of Salant
Are not the kind that you supplant.
He's an avid scholar of the Euro-dollar
A man of rarity
Who loves sliding parity,
And uses his talents
So payments will balance,
A man who takes pains
To understand Keynes,
And never grows weary
Of *THE GENERAL THEORY*

Foreign debts are Walter's delights,
Along with Special Drawing Rights.
His monetary interest ranges
From gold to flexible exchanges.

Walter thinks a whole lot clearer
About sterling equivalents of the lira,
Or even the escudo,
Than I or you do.
But other reasons you should know
Explain why Walter cannot go.
We ask that no one leak this story
To, for example, Bruce MacLaury.

All men have bads as well as goods,
And his go back to Bretton Woods.
Through the years of ruminating,
Papers kept accumulating.
And while no man should be reviled
Just because he hasn't filed,
Walter shows a strong desire
To have his papers pile up higher.
His desk (and this is not demeaning)
Has gone beyond the point of
cleaning.
His take-off had to be aborted
Because he couldn't get things sorted

Walter, here's a rousing cheer
To launch a new Salant career!
Your stay will move affirmative actio
Ahead by still another fraction.
As Carter hails women and blacks
today,
Brookings has honored a male who's
gray.

So carry on the search for Veritas
As Brookings Senior Fellow Emeritus

Wilfred Owen scripsit, Roland Hoover setzit und printzit. The views expressed here are not the author's alone and may be freely ascribed to anyone who knew Walter Salant.