

REMEMBERING JAMES TOBIN: STORIES MOSTLY FROM HIS STUDENTS

Robert S. Goldfarb
George Washington University

James Tobin was renowned as an economist of great distinction. Moreover, his students and colleagues witnessed dimensions of his personality and behavior often unknown to others. Up close, Tobin was a memorable figure who made lasting impressions on those he taught and influenced. This article describes Tobin close up, in the words of Tobin's students who became professional economists. These remembrances do not focus on his research, because it is already well-known. Instead, they describe Tobin the teacher, both inside and out of the classroom, Tobin the person, and Tobin the friend and mentor.¹ These stories portray a remarkable personality.

The first part of the paper presents background information about Tobin's career. This is followed by recollections about his teaching and impressions of Tobin the person. It continues by documenting larger lessons he imparted as well as personal kindnesses. The paper concludes by recounting humorous stories about his early history and his Nobel Prize.²

A BRIEF TOBIN HISTORY

Tobin was born in 1918 in Champaign, Illinois, where his father was the publicity director for athletics at the University of Illinois. Tobin attended University High School in Urbana, a school that graduated only 30 to 40 students annually but counted two Nobel Prize winners among its graduates by the time Tobin won his prize. He went to Harvard in 1935, thanks to some new national full scholarships initiated to "diversify the geographical, scholastic, and social sources of the student body... starting with the mid-Western states" [Tobin, 1982]. After graduating in 1939, he continued his studies as a graduate student at Harvard for the next two years. After a brief stint in Washington, he served almost four years as an officer on the destroyer U.S.S. Kearny and returned to Cambridge in 1946, where he met his wife Elizabeth, with whom he "raised four remarkable children" [Tobin, 1982]. Tobin completed his Ph.D. in 1947, remaining at Harvard for the next three years as a Junior Fellow. After a sojourn at the Department of Applied Economics at Cambridge University in 1949-50, he arrived at Yale in 1950 as an Associate Professor. He was promoted to Professor in 1955, served as Cowles Foundation director from 1955 to 1961 and in 1964-65,

Robert S. Goldfarb: Department of Economics, George Washington University, 2201 G Street, NW, Washington, DC 20052. E-mail: glfdrb@gwu.edu.

and as Department Chair in 1968-69 and again from 1974 to 1978. What he describes [Tobin, 1982] as “my principal excursion into public life” was as a member of President Kennedy’s Council of Economic Advisers in 1961-62. He remained an active consultant to the Council for several years afterward. Both Krugman [2002] and Buiter [2002] identify him as the force behind the Kennedy tax cut “which started the boom of the 1960s” [Krugman, 2002]. Tobin also “frequently testified before committees of the Congress, and... advised government agencies and political candidates” [Tobin, 1982]. From 1966 to 1970 he served as chairman of the New Haven City Plan Commission. He was awarded the John Bates Clark Medal in 1955, and the Nobel Memorial Prize in Economics in 1981. He became Emeritus Professor at Yale in 1988. James Tobin passed away in 2002. “He made fundamental, lasting contributions to the study of private consumption behavior, the theory of economic growth, the theory of banking and financial intermediation, and the theory and empirics of portfolio allocation” [Buiter, 2002]. Tobin “is probably best known” to the general public for two policy ideas—the Kennedy tax cut, and the “Tobin tax” on foreign exchange transactions, “both of which have been hijacked—his own word—by people whose political views he did not share” [Krugman, 2002].

So much for the bare facts. What did his students see and remember?

TOBIN IN THE CLASSROOM

Extremely talented researchers are not necessarily good teachers. Such individuals may have very adroit minds that easily see connections others must struggle to grasp. Since these researchers do not understand where others are likely to stumble in comprehending an argument, they neglect to set out the argument in the step-by-step systematic way required to make it comprehensible for less intellectually stellar brains. Or it may be that, for these exceptional researchers, the market and nonmarket rewards (intellectual satisfaction, reputational glory) from research considerably exceed those of teaching.

If the claim that very talented researchers tend not to be outstanding teachers has merit, then James Tobin’s classroom teaching represents something of a puzzle. On the one hand, in intellectual ability and associated research prowess, he was in the extreme right-hand tail of the distribution of economists. On the other hand, as the student stories below indicate, he was an exceptionally good classroom teacher, especially of graduate students. Moreover, he took his teaching responsibilities extremely seriously.

Two Tobin characteristics contributed to his classroom prowess. First, rather than making large logical leaps in his reasoning, he used a kind of Socratic method to lay out step-by-step the essential logical features of arguments. This was combined with a remarkable ability to reduce seemingly complex issues to their essential analytical features, so that some otherwise-obfuscating complexities simply dropped away. Second, he seemed to put a lot of effort into his teaching.

Why did he allocate such effort towards teaching? In the autobiographical statement accompanying his Nobel lecture, he noted that:

I like teaching, and I do a lot of it. I never fail to learn, from the students themselves and from the discipline of presenting ideas clearly to them. A large and durable reward is the legion of friends of all ages. [Tobin, 1982]

Besides the implied “joy of teaching” motive, it could be that he used “the discipline of presenting ideas clearly” to hone his own thinking and research ideas. One respondent who knew Tobin well suggested a quite different contributory factor:

Jim used to say that in life, as in economics, recognizing the budget constraint is the beginning of wisdom. It is hard to believe he didn't recognize the constraint himself, but if he did he must have thought his own constraint was out near infinity.

Here are some student stories about various aspects of his teaching, and his attitudes toward it. First, two of the many submitted recollections about what went on in the classroom:

That first term Jim taught the micro—not macro—economic theory course. I never had another class, before or since, that was as challenging and exciting and in which I learned as much. Jim taught the course in Socratic style, setting up an economics question and leading us by logically, beautifully ordered questions to develop and understand a model which dealt with it. Before the term was over we had been exposed to a vast amount of theory—some of it standard fare, and some not to appear in the journals for years. Much of what we learned seems as fresh and useful today as it did (many decades) ago. The classes were deceptive—they did not seem to be moving fast, but it was a great mistake to lose concentration for a moment, and by the end of an hour a great deal of ground had been covered. The intelligence and clarity of Jim's answers to questions were a pleasure. It seemed there was no question to which he could not give a logical, concise and nuanced answer. ...Jim's lectures were models of how to think in a disciplined way about issues that are fundamentally complex...³

The year I arrived at Yale there were two theory sections for incoming graduate students, and I was unlucky enough not to get the section Tobin was teaching. As a result, during my two years of classes, I got to hear exactly one Tobin lecture, which, as you can imagine, was distinguished by something otherwise notably absent among those teaching graduate-level theory at the time—complete clarity. Tobin was so good that I got bored during the lecture because it seemed as though he was teaching an Econ 1 class. When I reviewed my notes after the lecture, they read like a chapter out of a text, and it was

then that I realized that I hadn't actually known what he was talking about before coming to that class.

Tobin also taught undergraduates.⁴ In that setting, he was less able to use his Socratic method of teaching. The following anecdote suggests that some of the best undergraduate economics students thought Tobin was a great teacher, but the average undergraduate was less enamored:

I continue to think Jim was the best economics teacher I had (and I had terrific teachers at MIT as well as Yale)...Jim was tremendous in the classroom for the same reason his writing is unusually lucid: He had a clear idea what was critical in the material, he was well organized in telling his story, and he was surprisingly passionate about the importance of what he was doing... [M]y high opinion of Jim's teaching was not widely shared among my fellow undergraduates. Jim received only mediocre marks for teaching effectiveness in the student-produced guide to college classes.

We turn from stories about the quality of Tobin's teaching to those indicating the effort he put into it—including dealing with students—at both the graduate and undergraduate levels. He gave this advice to a former student about attention to teaching:

My first year of teaching.... Jim came down to visit and we were talking about teaching Graduate Macro. I... was modeling my teaching on his example... [H]e pointed out that he regarded it as essential that "each year there is a 5% improvement factor..." so the course never remains the same....

More generally, many students commented on Tobin's desire to teach small sections in order to get to know the students:

In the 1957-58 academic year, Tobin was slated to teach the introductory economic theory sequence. He hadn't done so the previous year, so, in addition to the 26-28 entering graduate students, all of those from the previous year signed up to audit the course. That would have made for a class much larger than he wanted, especially since he sought a small group and planned to teach it largely by Socratic method. He decided to divide the group in two, taking on two introductory theory classes instead of one, while continuing all the rest of his scheduled activities.

Even injuries failed to deflect him from the classroom:

During the winter of 1969/70 (I think), Professor Tobin broke his right arm. I was in his Macro II class, which usually consisted of him writing extensive equations and graphs on the blackboard. Being right-handed and with his arm in a sling, we expected that he would ask someone to take over the chalk duty. Without any explanation or discussion, he simply picked up the chalk in his left hand and continued as if nothing had happened. We found out later that he had never written with his left hand and that this was his first try at being ambidextrous, which he mastered quite quickly. Whenever I see a reference to Harry Truman's quip about one-handed economists, I'm always reminded of this incident....

Many former graduate students commented on being invited to parties at Tobin's house:

In my time at Yale Jim was as I recall the only faculty member who made a point of inviting all members of his class to his house. We saw his dogs, his ad jammer on his TV, every aspect of his life was open to us.

[I]t was not long before we found ourselves losing our shirts to the Tobin children in games of chance and Poker.

He also paid considerable attention to his undergraduate students:

After 30 years in business, I decided to study for a Ph.D. in economics and pursue a new career in education.... I tried to get "back up to speed" by taking several undergraduate courses... [O]ne of the courses was ... intermediate macroeconomics... taught by Professor Tobin... Jim scheduled a weekly (optional) lunch with students, during which we discussed almost every subject... other than the course. I never missed a lunch.

I took Tobin's [introductory principles of] macro lecture course... The remarkable thing about the course was that Tobin taught one of the discussion sections himself.

When I was a senior in high school I got interested in learning something about economics, so I checked out the readings companion to the Samuelson textbook. I'd known Hugh Tobin from Little League and remembered that his father was a famous economist. So when I saw that James Tobin had written one of the articles, "Deficit, Deficit, Who's Got the Deficit," I decided to start there. An hour later I was thinking "I want to be able to think like *him*." I enrolled at Yale the year Jim taught...introductory economics...I arranged my whole

schedule to be in his class and weekly [discussion] session, and tagged along with him back to Cowles almost every day. Not once did he give any indication that he might have better things to do than talk to a freshman...

He gave continuing attention to the students outside of class, as indicated by lunches with undergraduates, parties for the grad students, etc. Two final stories provide different evidence of this attentive behavior:

I was an undergraduate [at Essex, where] Jim had given the invited Keynes lecture the year before. Within a week of arriving at Yale I get a call from Jim's secretary to see him. I go in and he knows all about me and Essex. I am greeted with instructions to come and see him if I have any problems. I don't know how many other Yale students had the same experience, but mere mortals would not have the time or stamina!

I was living in New Haven with a connection to the NBER office there. One day I was walking up the stairs at Cowles, and passed Tobin. I had never met him, but knew who he was... He looked at me, extremely puzzled. It was clear that it greatly bothered him that there was a person who must be a Yale graduate student whom he did not know by name. This concern was quite different from the faculty behavior I had seen elsewhere.

Having reported recollections of Tobin in the classroom, we turn to the "in person" impressions he made.

IMPRESSIONS OF TOBIN THE PERSON

People's impressions of Tobin are from the classroom and from one-on-one interactions outside of class. His classroom persona struck different people differently:

I will always remember how shy Professor Tobin appeared as a lecturer, even a bit diffident, and especially when discussing his own ideas, despite his brilliance. It was almost as if he thought you were going to disagree with him!

In the first several weeks, when the only exposure to Jim was in this class, it is not surprising that he appeared imposing—even intimidating. Not someone you were likely to engage in casual conversation after class.

But it was out of the classroom where he was capable of making a particularly distinctive impression. Specifically, several people who knew him well referred to what one called "The Look":

He was certainly an intimidating presence when I first met him as an honors examiner at Swarthmore my senior year. After taking his graduate course, and serving as the TA for two years in his undergraduate macro course—he was still an intimidating presence... [O]ne line I remember from Bill [William Parker, Tobin's fellow-student at Harvard and longtime colleague at Yale]... is his reference to “The Look” that Jim would give when a performance or situation was not quite right, where you often could not fathom a specific meaning but had no doubt that you were not measuring up.

“The Look” could sometimes have a beneficial effect, functioning as a kinder substitute for overt criticism that might have been more devastating to the recipient:

He could be rather overwhelming on a first or second acquaintance. I remember standing across from him, as a second year graduate student—the lowest life form in academe—in his office on the top floor of the Cowles Foundation at Yale University. I had some half-baked idea that I wanted to turn into a Ph. D. dissertation and hoped he would supervise me. As I went through my well-prepared mini-presentation, Jim looked at me, slouched in his seat, with his glasses halfway down his nose and said nothing. The forehead began to look more and more domed and first one and then two eyebrows began to rise. I lost it completely and left saying I would put it all down on paper. I never did. It soon became obvious that the eyebrows had risen for a good reason.⁵

Another distinctive characteristic that could sometimes be disconcerting was his mode of speaking:

One of my graduate school classmates went to talk to Professor Tobin in his office. Tobin had a habit of pausing after clauses. One was never sure if the end of the clause was the end of a sentence, or if another clause was coming. My classmate reported that, after quite awhile of this, he was so on edge that, when he got up to leave, rather than walking out the office door, he walked into the closet.

All of this indicates that Tobin could come across to students as both very serious and somewhat intimidating. But more important than these small details was the broader intellectual and personal impression he imparted:

To me he was a giant, and it took me a long time to be able to call him Jim instead of Mr. Tobin.

When I took the one-year graduate theory sequence, Tobin taught my group the second semester of that sequence. After a class early in that semester, I remember coming out of class and thinking “that is the smartest person I’ve ever seen. If that is what is required to do economics well, what am I doing here?”

Tobin could also make a strong impression on noneconomists. In his Nobel lecture [Tobin, 1982] he reports that, at the beginning of World War II, he:

spent 90 days in a Columbia University dormitory learning to be a naval officer. Among my friends were...Cyrus Vance and Herman Wouk. Wouk’s thinly disguised reference to me in *The Caine Mutiny* was until recently my main source of notoriety.

Wouk’s impression of the Tobin-like character is well-described by Willem Buiter:

He makes a brief appearance in Herman Wouk’s novel, *The Caine Mutiny*. One of the main characters, Willie Keith, has ambitions to be first in his class when entering midshipmen school, but soon sees that this will be denied him: “a mandarin-like midshipman named Tobit, with a domed forehead, measured quiet speech, and a mind like a sponge, was ahead of the field by a spacious percentage.” Those who know Jim Tobin will have no difficulty identifying the suspect. A statistical estimator developed later by Tobin was given the name *Tobit*.⁶ [2002]

Yet he also had wit, word play, and flashes of humor. One student noted Tobin’s demeanor at the parties he held for students:

He was generous, gracious, and always had that dry humor which he never lost.

And then there was:

Tobin was talking in his graduate economic theory class about Von Neumann-Morgenstern utility or expected utility theory or some such. One of my fellow students accused him of having “reintroduced cardinal utility.” Tobin gave one of his measured, deeply analytical responses, closing with “that may be a sin, but it is not a *cardinal* sin.”

[We were at] the welcoming picnic for the incoming class, complete with its student-faculty softball game.... [A] student batter, with runners on base, hit an easy roller to shortstop Tobin. He moved confidently toward the ball until his feet slipped out from under him on the wet grass. As he wiped himself off, he looked toward the student bench and explained in a rueful and self-deprecating tone, “Must be this Astroturf.”

I still remember his declaration that the Nixon price controls had been a rousing success because... inflation had subsided just as quickly with the controls as it would have without them.

LARGER LESSONS AND ASSORTED KINDNESSES

Larger Lessons

Tobin's Nobel autobiographical note opens with the following:

I studied economics and made it my career for two reasons. The subject was and is intellectually fascinating and challenging, particularly to someone with taste and talent for theoretical reasoning and quantitative analysis. At the same time, it offered the hope, as it still does, that improved understanding could better the lot of mankind. For me, growing up in the 1930s, the two motivations powerfully reinforced each other. The miserable failures of capitalist economies in the Great Depression were...disasters. The depression also spelled crisis for an economic orthodoxy unable either to explain events or prescribe remedies. The crisis triggered a fertile period of scientific ferment and revolution in economic theory. The excitement reached beginning undergraduate students like myself. In 1936... a young tutor at Harvard... suggested we read together a new book by an English economist, J.M. Keynes, and I was hooked. [1, 1982]

One knowledgeable respondent described one way in which this mind set, collection of interests and associated agenda affected Tobin's students:

But perhaps his most important teaching was not in the classroom. Tobin's "army"—generations of undergraduates... and Ph.D.s...became part of an intellectual adventure, reforming the tax system; calculating q ; designing a contingent repayment student loan program. In the process they learned that informed reason can be applied to almost any problem. They were instilled with the desire to devote knowledge and reason to the betterment of society...Members of Tobin's army have gone on to succeed in many different walks of life...[O]ne of those students—almost my age—recently...said "you know, Jim Tobin has been my North Star my whole life."

A well-known economist wrote:

The overarching memory I have of Jim Tobin is his powerful humanity. He taught economics not as a bag of analytic tricks, but as an exercise of identifying analytically the tradeoff frontiers at which moral choices come into play. He took great care that the dimensions of that tradeoff frontier were ethically relevant. And that is how I have taught economics ever since....Tobin's teaching had a powerful

influence over my own social ethics. His thinking informs much of what I write in ...(my branch of applied) economics.

One distinguished former student who has held important public sector posts wrote that:

I first met Jim in the early 1960s...I was then a new graduate student interested in macroeconomics, and Jim and Art Okun were co-teaching...Yale's main course in macro...The central notion I took from the course was the importance of national saving in shaping a country's long-run living standards...[T]his central lesson of the course has pretty much stayed with me ever since...It played a role in my thesis, written under Jim's direction, a role in several papers I wrote in my academic years, and a role in [a number of major public sector positions this economist has held]...Jim has been more than a teacher who passed along some ideas. He was a living presence...[In the policy positions I held] I often consulted with Jim. To the end, he was there, helpful, and almost whatever the issue, Jim had written a path-breaking paper...To this day, when I hear someone spouting economic nonsense, my first thought is how Jim would grimace at what they were saying. My second thought is how he would restate the proposition correctly.

Respondents also reported a sizable number of more specific lessons from Tobin. Six examples:

After completing generals, I went back to... where I had been an undergraduate expecting to work on a thesis on Indian economic development with two professors for whom I had worked as a research assistant. Once I got up there, I found I didn't have many ideas about Indian economic development and I was very interested in the problems of the Boston Public Schools. On a trip back to New Haven, I went to Jim and asked whether it was even plausible that an economics Ph.D. thesis could be written about an urban public school system. He said "Economics is what economists do" and so it was definitely plausible... That conversation gave me the push (or maybe the license) I needed and it was very important in my career.

"The General Equilibrium Approach to Money" appeared in the founding issue of the *Journal of Money, Credit and Banking* when I was a second year graduate student. I remember the excitement we students had as we first tried to absorb all of the wisdom in this path-breaking work, which, among other things, introduced the concept of Tobin's q . Several of us got stuck one afternoon trying to work through the article when we came to the following statement after

spelling out an eight equation model with two additional assumptions: “These assumptions lead to the conclusions presented in Table 18.2.” The table gives signs for the general equilibrium effects of changes of eight exogenous variables on three endogenous variables. We took it that they followed immediately. But it was only after an hour or more of work covering the blackboard in the Cowles Foundation coffee room several times over that we were indeed able to derive the table. We thought we must really be dense for not seeing what clearly was intended to be obvious...As we finished, Tobin came in...and we asked him how one could easily get from the model...to the table. He responded “I didn’t mean to imply that it’s easy, but it is just math.” This captured the essence of one of the many things I took away from having Tobin as a teacher. Good economics... is in touch with reality and uses math as a tool to understand that reality...[The math] is not an end in itself.

Jim Tobin... warned us about two common failings begotten by the highly mathematical approach now taken to economics. First, he forced us to think about the meaning of “efficiency”—specifically that it can be wholly illegitimate to add up areas under market demand curves and pretend that the sum is an ethically defensible social maximand. Recently I read in a textbook that “when a public policy makes George \$2 better off and Martha \$1 poorer, that policy is a good thing.” Jim Tobin would never have uttered such nonsense which, alas, has become a staple in modern economics. Second, Tobin once remarked in passing: “If the first order conditions of your comparative statics do not make intuitive sense to you—if you can’t tell a good story about them—redo your calculus. Chances are that you made a mathematical error. Good economics must, in the end, make common sense.” I have followed that rule all my life.

One of my favorite stories about Jim Tobin is one I have used frequently to illustrate his intense commitment to fairness and the high standard he set for his students. Sometimes, the best that he expected was too much. [A classmate] and I were talking with Jim in the Cowles coffee room in the fall of 1966. [We] were both working on our dissertations, and thinking about where we might land our first teaching jobs. Jim suggested that since we had enjoyed four years of draft deferment while studying at Yale, the time had come for us to pay back the country and to do our military service. I went into shock, and my wife later told me “over her dead body.” Vietnam was not yet as controversial or divisive as it was to become, but I had not contemplated the option that Jim calmly and logically laid on the table. He was right, we had been blessed with special privileges, and we should pay back our country.

[I]n 1972...Jim was advising the McGovern campaign. I remember some uproar and incredulity that a secretary earning \$11,000 per year would be taxed to provide the "\$1,000 giveaway" for the poor. While I was sitting in someone's office..., Tobin poked his nose into the door, and in response to some general discussion about the uproar against the McGovern proposal, noted that \$11,000 for a single person would place her (I believe) in the top 20% of the income distribution [for single individuals]. What impressed me at the time was that here was a famed professor at Yale...of all places ... who seemed to care about poor people [and] programs designed to help them.

The first time I met Jim was not in the classroom, but at a community action group meeting in ...a church.... I had just started as an economics graduate student. The meeting was focused on ways to improve educational opportunities for kids in that neighborhood. I was there trying to figure out something useful to do to retain my sanity as the Vietnam War raged on and economic theory seemed all too irrelevant. I did not know what Jim looked like. We went around the room introducing ourselves. Jim just introduced himself as Jim Tobin. Some people in the room probably knew who he was, but he never called attention to himself by using words like Yale or Professor or economics. He asked a couple of thoughtful questions during the meeting about people's views of the potential consequences of possible courses of action that were under discussion. But he didn't push; nor did he state what he would do. Somehow it was easier to pay attention to economic theory the next morning after seeing the breadth of Jim's concerns.

Considerate Acts, Both Large and Small:

Several of those responding were eager to report acts of generosity from small to large:

I was in awe of the man and his intellect, and when he wrote to me that he had learned something from a book chapter of mine, I considered it the highest praise I have ever received.

James Tobin was renowned for his concern for students long after they had graduated... I didn't expect to experience this concern first hand. I considered myself a middling student at best, who hadn't made much of an impression on the "great man" in the two classes I had had with him. I began to change my opinion when the great man more or less arranged for my first academic job. But the most caring thing Jim Tobin did for me occurred 5 years later at the Western Economic Association Meetings. I had been asked to write a paper on

the role of reserve requirements in monetary policy. The paper I wrote used a heavy duty theoretical model to make a couple of trivial points. By the time the conference rolled around, I realized that the paper wasn't very good...I was listed as the third speaker...[M]idway through the second paper, I spotted a white-haired gentleman in a tweed coat sneaking into the room. I instantly panicked: James Tobin was about to hear a former student present a truly banal paper on monetary policy... Jim exited immediately after my presentation, and I breathed an enormous sigh of relief. A week later, a letter arrived from Jim relating how much he enjoyed my paper and enclosing a couple of pages from his famed, unpublished book on money. [Note: more about "the Book" below] In those few pages, he had covered all of my points with style and grace. I disagreed with his assessment of my paper, but the fact that James Tobin was interested enough to come hear me speak convinced me that I had the ability to do better than middling work in the future. I learned one other lesson from this experience with Jim Tobin: sometimes as a teacher it is much more important to offer encouragement to students rather than an honest, critical appraisal of their work.

The night before graduation the Tobins had three of us who were going on to economics grad school... [Note: the three names listed are all current senior faculty at top-ranked U.S. departments]...over after dinner with our parents. Somehow it came up that my grandfather was in town, and Jim and Betty said I should have brought him. The next day Jim marched in graduation as he always did, and when he saw my parents he got out of line and shook hands with my grandfather. Jim was one of those rare people who enhanced the stature of the Nobel Prize, but who was [an even] better man than he was an economist.

James Tobin changed my life... I had no plans to attend graduate school until I met this great man. In my three years as his undergraduate research assistant I learned more about economics—and how to conduct myself as an economist and a teacher—than...in the fifteen years since. There were many memorable days. In my junior year, Professor Tobin took me and several other students skiing. I had never skied before, and my pathetic coordination skills ensured that my learning curve would not be as steep as even the gentlest slope on the mountain. Professor Tobin took me out for my first lesson. I was a slow learner. After over an hour, when many of our colleagues...wanted to send me off to an official ski instructor, Professor Tobin would have none of it. The Nobel-Prize winner told them, "You go ahead, I am his professor and I will stay with him until he learns." I did eventually...make it down the mountain without a cata-

strophic fall... I am still a terrible skier, but I am a better man for the lessons he taught me.

Sometime in the nineties, Jim was invited to be a keynote speaker at a conference in Mexico in July—just when he spends time with his family in Wisconsin. There was no way he was going to break up his family vacation for a trip south, but he must have felt bad about saying no outright. Instead, he prepared an intimate and gracious videotape shot at his summer home complete with dogs and grandchildren and with a lake in the background. The audience loved it, and it actually brought them closer to Jim than his actual presence might have done. How do I know this? My spouse and I were at the meeting...I began my remarks by saying that James Tobin had been my teacher so perhaps I brought a little of his influence along.

And now for the most astonishing story uncovered in assembling this article. Its author, Robert Summers, was not a student at Yale, but was someone for whom Tobin served as a mentor:⁷

Tobin did something I've never heard of anyone else in academe doing...Back in 1954 when Yale was still a small cohesive department, Jim, already a recognized star in the economics firmament, made a *remarkable* offer to a young, struggling ABD instructor. I had a dissertation topic from Stanford that wasn't working out. Jim saw I wasn't making progress so we had a series of discussions about how I might move forward. He suggested an alternative area that was closer to my interests and we had back-and-forths over several weeks of the following sort: I would investigate what I took to be a specific topic he was suggesting. When I came back saying "so-and-so (Katona, etc.) has done that" he would say "Yes, so-and-so has, but that wasn't really what I had in mind." This happened several times, until I came up with something that again was not exactly what he had in mind, but in his view was a good idea. Hurrah! The chosen topic involved a Monte Carlo-type simulation of a synthetic population to get an estimate of the U.S. size distribution of *lifetime* income. Because Yale at that time didn't have the computer capability to carry this out, I had to commute to the better-equipped Columbia. Entirely unexpectedly, Jim—who was a colleague and mentor, but not a close friend—came to me in November to say "Look, Bob, you haven't taught the stat course before (that I was assigned for the Spring) and it will take a *lot* of your time. You're spending three days a week in New York, and you have a baby at home. I've taught the course three times, so the cost would be low for me to teach it again. I'm going to teach it for you." I protested some, but he did it. His compensation was my gratitude! I'm sure he thought it's what a good academic citizen does.⁸

Speaking of compensation, consider the following story:

Tobin offered me [a Yale undergraduate] a job starting ... summer 1972 in Cowles. A few days before... Humphrey pummeled McGovern in a California debate that centered on tax policy. So McGovern called Tobin and asked him if he could put together a plan consistent with everything McGovern had said... and... still [be] economically sensible—no small task!... Later I found out [not from Tobin] that Jim had returned a month's summer salary to Yale because he did not feel that the University should be paying for the time he spent working for McGovern, even though the work led to a published academic paper. Jim was the only... person I know [the respondent then mentions one other person who might do such a thing] whom I could imagine doing this.

FROM “THE LOOK” TO THE LAUGH: HUMOROUS TOBIN STORIES

But enough seriousness: a number of humorous stories swirled around Tobin...

Before Tobin arrived at Yale

[Tobin told this story] to a group...who were around New Haven in the summer of 1965 studying for generals...[It] was repeated to me...Jim was an economics graduate student at Harvard [taking] a course taught by Schumpeter. During the semester, Schumpeter had to fly out to the University of Illinois to give a talk. At that time, Jim's father worked for the university...After the talk, there was a reception. Since the campus was dry, the reception featured non-alcoholic punch. Tobin's father had heard about Schumpeter from Jim and so he introduced himself, mentioned Jim, and asked Schumpeter whether he would like something a little stronger before his flight back. Schumpeter said indeed he would. A couple of days later at the next class meeting, Schumpeter came striding into the large class and boomed out, “MR. TOBIN!” Jim, more shy than when we knew him, wondered what he possibly could have done wrong. “YOUR FATHER SAYS HELLO!”... [T]he only reason Jim didn't hide under his desk was that the desk was too small.

So, how funny can a Nobel Prize be?

This may be an urban legend, but it was reported in the *Yale Daily News*. It just so happened that in 1981, there was a sophomore in one of the residential colleges at Yale named James Tobin. He was awakened one morning by a phone call: Mr. James Tobin? Yes? Congratulations, It is my pleasure to inform you that you have won the Nobel Prize in Economics. No kidding? And I only got a C!⁹

I was fortunate enough to be Jim Tobin's teaching assistant for first-year Ph.D. macroeconomics the year he won the Nobel Prize. Of course, there was great excitement but Jim retained his unique combination of modesty and underlying self-assurance. I remember some journalist asked him how he would spend the Nobel Prize money and he said he would buy a new bicycle. The journalist reported this as evidence of Jim's unassuming nature and frugal lifestyle, but I remember thinking that an alternative interpretation was suggested by the permanent income theory of consumption, which Jim had just been teaching. Perhaps he had anticipated winning the prize and had built the money into his spending plans years before!

This permanent income explanation seems to be contradicted by the following story:

Back in 1969, when the Nobel Prize in economics was new and I had a very big mouth, I explained to all who would listen that economics was too small a field to support an annual prize—that every first rate economist would eventually get one. To make my point, I offered to purchase \$1,000 worth of the prize from everybody in the room, which included Tobin. I offered him \$3 and he accepted—no doubt out of modesty...When Jim won the prize in '81, I wrote to congratulate him and remind him of his \$1,000 debt. He sent me \$1,000 in play money by return post. When I wrote again to say that a deal was a deal, he...donated \$1,000 to the Yale economics department fellowship fund. I thanked him for his generosity to Yale, but insisted he pay up. Instead, he countered with an offer of a free dinner—which I accepted.

For the skit [that the second-year students] put on at the Christmas party, I played Tobin in our version of "Catch 22", the "Catch" being that you couldn't flunk out of Yale even if you tried because they would simply lower the standards. I sang a duet with a guy impersonating William Fellner. It was after both had been president of the AEA and just after Samuelson had won the Nobel and at the time was writing a column in *Newsweek*. It was sung to "Tea for Two" and I remember it still:

Me: Micro for you, macro for me

"Fellner": Keynes for you, Bernoulli for me

Together: And both of us have copped the presidency

And yet the Prize eludes us both

There's still some time, but not much hope

Maybe, *Newsweek's* the place for you and me.

Jim wasn't at the party but ...I got to sing it to him [the following week], and he was much amused.

And how about “the Book,” and a story about a broken coffee cup? Tobin began working on a book on monetary economics sometime in the second half of the 1950s. By the mid-1960s, the book still had not appeared, and its mysterious status was part of the Tobin lore:

At the party at Tobin’s house for first year students (in the mid-1960s), I asked him (much to my embarrassment later on, when I was better-informed) when his famous book was going to come out. I do not remember what answer he gave....(Note: the correct answer, though Tobin surely did not know this at the time, would have been “Oh, around 30 years from now, in 1997”). (The book is Tobin and Golub [1998].)¹⁰

And a famous story about a broken coffee cup:

About 1954 Jim Tobin spent a semester at the Survey Research Center in Ann Arbor. On his last day there he was given permanent possession of the coffee cup he had been using, a plain white Woolworth variety. All of the members of the staff “autographed” the cup by painting their initials on it with nail polish. On his return to Cowles, it was clear that Jim liked the cup, and derived substantial satisfaction from this tangible expression of the warm feelings the people in SRC had for him...One day (a year or two later?) when Jim was out of town, someone [borrowed it. By] incredibly bad luck...the cup was knocked off the table and broke into six or eight large pieces....I remember thinking “Poor Jim. Thank God it wasn’t my elbow.” In that order.

What could be done?The librarian of the Cowles Foundation spent the afternoon trying to glue the pieces, but they just would not stay together. The next day she had a brilliant idea...[She bought the identical Woolworth’s cup, the nail polish, and] forged all of those old initials onto the new cup. [She then tried]... to rub an old brownish patina onto the cup to make it look the proper age.

We held our collective breath a few days later when Jim returned. The first time he used the cup he appeared not to notice the switch...But two or three coffee-hours later he remarked that the cup seemed different somehow...It was one thing to live the lie, but quite another to deny that anything had happened...Someone came clean.

How did it all come out? In an almost O-Henry-type twist...it turned out that Jim was even more pleased with the counterfeit cup than the original one, because he now had tangible evidence of the warm feelings *two* groups of people had for him.¹¹

Just as Tobin was pleased by the fact that people cared enough to reconstruct the coffee cup, he would no doubt be many times more pleased by the outpouring of affection displayed in this set of his students' recollections.

NOTES

1. This article resulted from a request from Ken Koford for information about James Tobin. While I was not a close acquaintance of Tobin, I found him an exceptional individual and teacher, and did have a few Tobin-era stories of my own. Therefore I thought it would be revealing to gather recollections from other former students. Over 160 people were contacted, usually by e-mail, and invited to submit anecdotes and stories. This e-mail list developed in part from suggestions from those responding to earlier e-mails. Not all e-mails went through, and not everyone responded. Of the more than 100 responses, a sizable subset contained encouragement and names of others to contact, but no specific stories. David Colander posted a request for Tobin stories on the HES bulletin board, which resulted in additional responses and suggestions. Among those contributing recollections were Joseph Altonji, Richard Arnott, Edmar Bacha, Nancy Birdsall, Stanley Black, Bruce Bolnick, William Brainard, Willem Buiter, Jeremy Bulow, Gary Burtless, Robert Campbell, Bill Cline, James Cobbe, David Chu, Robert Dimand, James Friedman, Carl Gambs, Malcolm Getz, Stephen Golub, Alan Goodman, Austan Goolsbee, Edward Gramlich, George Grantham, Jack Hadley, Daniel Hamermesh, Robert Harlow, Sue Hosek, Robert Kilpatrick, Susan Lepper, Allen Lerman, Frank Levy, Andreas Maneschi, Matthew Meade, Andrew Metrick, John McDonald, Steve Medema, Joseph Minarik, Richard Murnane, Van Doorn Ooms, Peter Orazem, Peter Passell, Charlotte Phelps, Beth Pinkston, Larry Promisel, Uwe Reinhardt, Susan Rose-Ackerman, Roger Schmenner, Evert Schoorl, Hugh Schwartz, Dan Seiver, Jeffrey Shafer, Steve Silberman, Larry Spancake, Case Sprenkle, David Sturges, Robert Summers, Craig Swan, John Tilton, Edwin Truman, Ken Warner, John Whalley, Samuel Williamson, Geoffrey Woglom, Bernard Wolf, and Gavin Wright. William Brainard, Susan Lepper, Herman Stekler and Robert Summers were especially helpful at various points in the preparation of this article. I also benefitted from editorial comments from Marsha Goldfarb, Thomas Leonard, David Lindauer, Ryan Mutter, Don Parsons, Larry Promisel, and Lois Stekler.

Because of space constraints and the overlap of the anecdotes submitted, I have had to leave out many of them, including some that are quite striking. An appendix available from me by request contains additional anecdotes.

2. In addition to stories submitted by former students, and responses on the HES (History of Economic Studies) bulletin board, I had available published appreciations of Tobin by Willem Buiter and by Paul Krugman; William Brainard's statement given at the memorial service for Tobin; a document entitled "The Yale Economics Department: Memories and Musings of Current Leaders" [Judd, 1999], Tobin's Nobel address in a version including an autobiographical statement; and his Curriculum Vitae as displayed on the Yale Economics Department website. A few extraordinary recollections from nonstudents are also included.
3. While many students liked this Socratic style, it made some students uneasy: "In the fall of 1961, I took the graduate level macro course from Jim Tobin and Art Okun...I found it frustrating. In particular, I remember on numerous occasions Tobin asking a question. He would never embarrass anyone by calling on them, but once someone volunteered, he would engage in a series of follow-up questions to each response the student would offer, eventually forcing the student into a corner from which there was no logical exit. The result would be a period of silence, until another student would try to help the initial volunteer. At this point, the process would repeat itself with the second student eventually boxed into a logical corner.... At some point we would all realize that we did not know the answer, and so to avoid embarrassment no one would speak up. After (what seemed to me at least) an interminable silence, Tobin would say: "Well, that's enough time on that. Let's move on." Aside from him and perhaps Okun, no one in the room had the slightest idea what the answer was, or what he himself thought about the problem. Only years later, after I had done some teaching of my own, did I realize that his Socratic method was not designed to torment graduate students, but rather was his way of teaching us that learning how to think about problems was much more important than knowing the answers.

- Indeed, for many challenging economics questions there are no simple answers, and even where there are we need to arrive at the solutions ourselves, not simply accept the prevailing wisdom.”
4. In addition to graduate students, a small number of Yale undergraduates who went on to do graduate work in economics elsewhere were contacted and several submitted anecdotes.
 5. From Willem Buiter’s appreciation/obituary of Tobin in *The Independent*, 14 March 2002
 6. Compare this to a diplomat’s impression of Tobin: Former OECD Secretary-General Emile van Lennep worked with Tobin in Working Party III (the monetary subcommittee of OECD’s Economic Policy Committee) from its start in May, 1961. In his autobiography *Working for the World Economy* (written with Evert Schoorl) he writes, “Jim Tobin was a rather shy man, whose presence was hardly noticed alongside the exuberant Bob Roosa. Whenever he did intervene at meetings, however, he never failed to make a deep impression. He later acquired international fame as a Nobel prize winner and faithful defender of Keynesian ideas, even when these came under attack from all sides during the 1980s. He once told me that when Kennedy asked him to join the Council of Economic Advisers, he had informed the president that he was an ‘ivory tower economist’, meaning that he was ill-suited for this advisory body. To this President Kennedy replied: ‘They are the best. And I intend to be an ivory tower president.’ To which Tobin said: ‘They are the best too.’ Following this curious conversation Tobin complied with the President’s request and joined the Council, to which he and Walter Heller lent particular weight” [105, 1998].
 7. This article does not attribute particular recollections to their specific authors (unless those recollections have previously been published). Instead, contributors are listed in note 1 above. An exception is being made for this story because it is so remarkable.
 8. A respondent who was a student in that course noted that “I was...awed when Tobin turned up teaching the second semester of econometrics during my first year as a graduate student. Bob Summers had taught the first semester and Jim’s taking over the second was a bit mysterious.... Jim... had what looks to me in retrospect ... endless patience with ill-equipped students. I had come in with too much social science and not enough math, and consequently had to be led by the hand in catching on to econometrics beyond the cookbook level. Jim was wonderful...”
 9. On hearing this version of this story, another respondent told me that Professor Tobin had told him a different version. The second version is that when the call from the Nobel committee came to the undergraduate’s phone, his roommate answered, and refused to call James-Tobin-the-student to the phone! Tobin also told this respondent that the same student had gotten calls from the press during the 1980 presidential campaign asking for James Tobin’s opinion about various campaign-related issues. According to Professor Tobin, Tobin-the-student had apparently sometimes supplied answers to the press’s inquiries.
 10. The McGraw-Hill/Irwin Website lists the publication date as July 1997, but the copyright date as 1998. I asked Stephen Golub how he became involved in this project. His reply: “In 1989-90 I had the privilege of returning to Yale on a leave from Swarthmore... I had an office in Cowles and had lunch with Tobin occasionally. [At lunch], I asked him whether he had made progress in publishing the manuscript, the study of which had been one of the highlights of my graduate studies at Yale. When he told me that nothing was being done, I offered to help him revise it. He took me up on it and we worked on the book together intermittently until completion in 1997. It was a great pleasure to be able to work with Tobin...” Robert Dimand told me that the Tobin book, which was originally to have appeared in the Economic Handbook series edited by Seymour Harris, had an even longer history. Apparently, Joseph Schumpeter had been commissioned by Harris in 1949 to write it by revising his long-unfinished manuscript on money, but had also failed to do so (see the document in Messori [1997, 645]).
 11. The teller of this story put this version in writing in December 1976. It includes: “If anyone remembers this story differently, I hope he/she won’t...write to me to correct my version. I like it just the way it is, as filtered through a twenty-year old memory...”

REFERENCES

- Buiter, W.** Obituary of Professor James Tobin *The Independent*. London, UK, 14 March, 2002.
- Judd, M. A.** The Yale Economics Department: Memories and Musings of Past Leaders. Mimeo. Undated, circa 1999.
- Krugman, P.** Missing James Tobin. *The New York Times* 12 March 2002.

Messori, M. The Trails and Misadventures of Schumpeter's Treatise on Money. *History of Political Economy*, Winter 1997, 639-73.

Tobin, J. Money and Finance in the Macro-economic Process. Nobel Memorial Lecture, 8 December 1981, with an autobiographical introductory statement, *Reimpression De Les Prix Nobel en 1981*. The Nobel Foundation. (Note: The Nobel Lecture itself is published in the *Journal of Money, Credit and Banking*, May 1982, 171-204, but that published version does not include the autobiographical introductory statement.)

Tobin, J. and Golub, S. *Money, Capital and Credit*. New York: McGraw-Hill/Irwin. 1998.

Van Lennep E. (with Evert Schoorl) *Working for the World Economy: A Personal History by Emile van Lennep*. Amsterdam: The Nederlands Instituut voor het Bank- en Effectenbedrijf, 1998 .