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Appears in J. Eatwell, M. Milgate, and P. Newman, eds. The New Palgrave: A Dictionary of Economics, Vol 3. London: Macmillan Press Ltd., 1987, pp. 51-2.

Kindleberger, Charles Poor (born 1910). Kindleberger was born in New York City in 1910. His interests in foreign trade were stirred by a summer job in 1930 as a deck-boy in the Baltic trade and by a summer as a student in 1931 at the Geneva School for International Studies. He received his BA from the University of Pennsylvania in 1932 and his PhD in economics from Columbia in 1937. In 1936 he began twelve years of governmental and intergovernmental service, at the Federal Reserve Bank of New York 1936-39 (the international financial arm of the New Deal), the Bank for International Settlements until the fall of France in 1940, the American Federal Reserve Board in Washington and the Joint Economic Committee of the United States and Canada until 1942, the American Office of Strategic Services 1942-44, and finally the Department of State, where he was involved in the economic rebuilding of Europe. The leaderless world of the 1930s suggested one of his main policy themes. The success of Allied leadership in the War and reconstruction, and of an economically unified Europe after the War, suggested another. At 38 he was appointed a professor in MIT's department of economics, at the beginning of its eminence, and served there until 1981, producing many distinguished students. He taught also to the world at large, through his successful textbook on *International Economics* (1953 and later editions) and through his contributions to economics history. American and European universities have heaped honorary degrees on him, and in 1985 he became president of the American Economic Association.

His writings are voluminous, witty and erudite. Known at first for his innovations on the technical side of trade theory, from the beginning he subordinated theory to fact. Throughout his career he has been concerned in particular with Western Europe, its economic unity and its fate: '[I]t constitutes a good background for ranging economic theories against the facts of history and, if possible, deriving theories from accumulated fact' (*A Financial History of Western Europe*, 1984, p. 1). He has a vivid sense of leaders and followers in financial centres, and a vivid sense, too, of the consequences of failed leadership in an interdependent world. He has been concerned with international trade and finance as a political system, while his colleagues in the field have been mainly concerned with a hypothetical maximizing country in an atomistic world. *A Financial History of Western Europe* ends in this way:

the best chance for European monetary integration would be one in which German leadership achieved political integration... Whether Europe, the United States, or some as yet unsuspected nation will provide the world public good of monetary and economic stability is not yet evident.

Though loyal to the economist's models he is not uncritically enthusiastic for market mechanisms. Politics, in every way a 'public good', is never remote, in recommending regulation of the multinational corporation (*American Business Abroad*, 1969) or examining the disadvantages of the free flow of international capital. His admiration for intelligent intervention, like his growing enthusiasm for historical and institutional studies, has run against the recent flow. He has resisted many of the fashions - the monetary approach to the balance of payments, rational expectations (in his readable *Manias, Panics and Crashes*, 1978), and econometrics - but always with good humour and reasoned arguments rather than with sneers.

The methodological theme of his scholarly life has been, as it was put in the Preface to the pioneering empirical study on *The Terms of Trade: A European Case Study* (1956), 'to test existing theories concerning short- and long-run influences ... against an amassed body of ... evidence'. By contrast, the field of international trade was increasingly devoted during his career to the blackboard rather than the library. The point may be illustrated in the impressive festschrift in which the best of the field c1971 paid tribute to Kindleberger (Bhagwati et al.): only five of the 23 papers were at all factual, and only two of these were Kindlebergerian in their use of the facts.

The Kindlebergerian notion of testing is not a merely econometric test. It is a narrative test: does the theory make sense of the data? As he said of his book on the 1930s (1973, p. 16), 'It is history with a narrative, instead of tables of R squares, Durbin-Watson tests and the like'. Often his conclusion is agnostic, the price of sophistication. In his agnosticism, his advocacy of historical economics, his doubts that storytelling could be abandoned, his pioneering of political economy before the name, and his insistence that the international economy must be led rather than permitted to drift he has been old-fashioned, but therefore among the *avant-garde*.

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