

MEMORIAL RESOLUTION

EMILE DESPRES (1909 – 1973)

Emile Despres, who was a member of the faculty of Stanford University since 1961, died on April 23 of this year. His originality, strength and intellectual courage place him, with Allyn Young and Thorstein Veblen, among the greatest of the Stanford economists. Despres' presence here helped make our Department a leading center of economics teaching and research for over a decade.

Professor Despres was born in Chicago in 1909, the son of Emile and Irma Rosenthal Despres. His father died when Emile was still very young, and on his mother's remarriage, he became the adopted son of William J. Mack. He attended schools in Chicago and the Riverdale Country School in New York. He was graduated from Harvard *magna cum laude* in 1930. He married Joanna Hitt Eakin in 1939 and had three children, Lani (Mrs. David A. Burack), John and Charles.

After his graduation from Harvard College the young Despres, without lingering for graduate study, went immediately to the Federal Reserve Bank of New York as a special foreign exchange analyst. He made his mark almost at once by establishing a system for monitoring the volatile international flows of short-term capital which were a feature of the frantic financial markets during the Great Depression. He was soon drawn into the making of US monetary policy on which the N.Y. Bank then had great influence. He worked for the kind of expansionary policy which he believed would have permitted the country to escape the worst of the Depression. He was among the first to warn that Hjalmar Schacht's system of exchange controls would permit Germany to carry through a policy of economic recovery and military rearmament without suffering the balance of payments collapse then so widely anticipated.

In 1937, Despres was back at Harvard as a consultant in the Graduate School Public Administration. There he was a member of the very small group of young economists who saw the promise of the new Keynesian theories and, in effect, brought the Keynesian Revolution to this country.

In 1939, Despres began a long period of service for the Federal Government. He started as economic advisor to the chairman of the Federal Reserve Board, working to make Keynesian monetary and fiscal policy practical instruments for re-employment and economic recovery. From 1941 to 1944, in the Office of Strategic Services, he served first as chief of the Economics Division, later as a member of the Joint Intelligence Committee of the Joint Chiefs of Staff. In 1945, Despres became the economic advisor on German affairs in the State Department and was a member of the U.S. delegation to the Potsdam Conference. Both before that Conference and after, Despres worked for an American policy that would further a peace of reconstruction rather than one of economic and military repression.

After the war, Despres joined the faculty of Williams College and taught there from 1946 to 1961. While Despres led the faculty, it was often said that "the best way to learn economics was to be an assistant professor at Williams." He established the Williams Center for Development Economics for students from developing countries. He also helped found the Pakistan Development Institute in Karachi and served as the American joint director.

When Professor Despres came to Stanford in 1961, he already held a unique position in economics. Little known to the public and even to many academic economists, he was a quasi-legendary figure among the leaders of the discipline and among enlightened businessmen and public figures. Among the letters supporting his Stanford appointment, was a famous statement by the later Nobel laureate, Paul Samuelson: "Since Stanford cannot hope to appoint Adam Smith, it may do well to set its cap for Despres."

Modern theories concerning international monetary adjustments and the balance of payments owe their origins in part to Despres' thought. So did many diagnoses and prescriptions for public policy.

Professor Despres was one of the first economists to warn that it was dangerous for developing countries to concentrate on urban and industrial investment at the expense of the rural economy. @s early as 1963 he proposed the "two-tier" market for gold -- an official price and a free-market price -- which was adopted in 1968. In 1966 he was one of three economists who jointly warned that the United States balance-of-payments position was being distorted by use of the dollar as a kind of world currency.

Despres taught by conversation, alone with a colleague or a student, in a small group or in a seminar. He thought and talked about a very wide range of subjects, some very far from his own specialties. His ideas were always fresh, often a profound basis for new theories of wide generality. His thought was practical. The theoretical problems he probed stemmed from questions demanding attention, and the theoretical positions he adopted had practical applications. He had a gift for vivid exposition and for striking phrases. He drew on a long association with business and public affairs for illustration and evidence.

To his students and his colleagues Despres was far more than a teacher. His quick sympathy made him a warm friend. His wit, wisdom and charm made him a spirited and lovable companion. In spite of years of illness, he remained full of the joy of living, and he passed the excitement and liveliness of his own spirit to all the lives he touched.

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