

# Sho-Chieh Tsiang

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Professor Sho-Chieh Tsiang, a world renowned authority in macro-economics, monetary theory and international finance, joined the Economics Department in 1969 and taught until 1985 when he was elected an emeritus professor on retirement.

Born in Shanghai, China, he studied at Keio University, Japan, until the war intervened. He then enrolled in the London School of Economics where he received the B.Sc. (1941) and Ph.D. (1945) degrees. Even as a graduate student of 24, his critique of Keynes (*Economica*, 1942) marked the beginning of a stream of influential contributions which have spanned half a century. His dissertation under Hayek won him the Hutchinson Medal, awarded to authors of the best thesis at L.S.E. in a two-year period.

While he offered many criticisms against the imperfections of the Keynesian theory which foreshadowed many of the recent developments, his principal concern was the harm which may be caused to developing economies by the unqualified acceptance of the views of Keynes in inappropriate contexts.

He taught at the National Peking University, 1946-48 and the National Taiwan University, 1949. Interestingly, his proposal of indexed saving bonds made at the Peking University was not implemented by the Nationalist government but adopted after the Communist takeover.

He served as an economist at the International Monetary Fund. While at the Fund, he established himself in a series of articles as a major participant of the debates in macro-economics and international finance. It was also during this period that he and the late Professor T.C. Liu formulated the proposal for reform of the exchange rate and interest rate policies for the economy of Taiwan, China. The adoption of that proposal in 1958 and its full implementation in the next two years made possible the economic miracle of Taiwan.

He then accepted a professorship at the University of Rochester in 1960 before he was induced to join Cornell by T.C. Liu in 1969. In his visits to Taiwan, he helped Liu in setting up the tax reform in Taiwan. This provided the finance for the expanded education system. He further utilized his prestige in public policy debates. Under his leadership, the interest groups were prevented from appropriating the development gains in Taiwan for private benefit. As an acknowledged leader in development policy, he was invited to Chile, Mexico, Switzerland, Japan, Korea, and China to discuss his views.

He was a principal force in promoting the education and research in economics in Taiwan. By his prestige, influence and personal leadership, he played a major role in the founding of the Graduate Institute of Economics of the National Taiwan University, and the Institute of Economics in Academia Sinica, and he was the founding President of both the Taiwan Institute of Economic Research and the Chung Hua Institution of Economic Research.

He was the author of one book and more than fifty scholarly articles in his field. During his illustrious career, he was a Visiting Lecturer at Johns Hopkins University; member, Academia Sinica; the Rockefeller Visiting Professor of the University of the Philippines; Visiting Fellow, Nuffield College, Oxford University; and Visiting Lecturer of Keio University. He served on the Editorial Board of the *American Economic Review*, 1974-76; and was a Guggenheim Foundation Fellow, 1966-67.

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