

Ta-Chung Liu

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Ta-Chung Liu, the Goldwin Smith Professor of Economics from 1964 to 1975, was born in Peking. After graduating in civil engineering at the National University of Communication in 1936, he came to Cornell to study railway engineering, earning the M.S. in 1937. At this time he began the study of economics with Fritz Machlup, who was then a visiting professor here. Machlup, who was a master teacher, so fired Ta-Chung's interest that he decided to become an economist, obtaining his Ph.D. here in 1940. After a year with the Brookings Institution, he joined the commercial section of the Chinese Embassy in Washington, rising to become deputy commercial counselor, in which capacity he participated in the Bretton Woods Conference in 1944.

In 1947 he went back to Peking as professor of economics at National Ching-Hwa University. Less than two years later, with the fall of Peking impending, he felt compelled to leave China at the end of 1948, returning to Washington to join the staff of the International Monetary Fund. Subsequently, Machlup brought him to Johns Hopkins University, where he was lecturer in economics until 1958. That fall he accepted appointment as professor of economics at Cornell.

Professor Liu's second period at Cornell proved enormously productive, earning him an international reputation in quantitative economics and as a specialist in the economics of mainland China. Besides at least a dozen papers in leading professional journals, he published three books: *Manufacturing Production Functions in the United States, 1957* (with George H. Hildebrand); *The Economy of the Chinese Mainland* (with Kung Chia Yeh); and *Economic Trends in Communist China*. At the time of his death, he had developed the only monthly econometric model of the United States economy in some pioneering work supported by the National Science Foundation. His estimate of the separate influences of labor, capital, and technology upon output was also a highly original undertaking, while his work concerning the national income of Communist China remains the basic study in the field a decade after its publication.

Mention should also be made of his major contributions to economic policy in Taiwan, for which he was awarded the Order of Bright Star with Grand Cordon, Second Class, in 1970. Together with Professor Sho-Chieh Tsiang of Cornell, he laid the basis for the substitution of a floating exchange rate for the earlier system of exchange control, adopted as policy in 1958. In 1964 he was invited to assist in planning policy, which led him to devise ways to improve basic economic statistics. In turn, these led to his refinement of estimates of national income, to the

building of an input-output table, and to the development of an econometric model of the economy of Taiwan. During 1968-70 he served as chairman of the Commission on Tax Reform. Among his many accomplishments in this last office were reform of the income tax law, liberalization of depreciation allowances, and computer control of tax-law enforcement. Beyond these significant contributions, Ta Chung also made many other major proposals, among them a value-added tax, a free money market, and deferral of a scheme for building an integrated steel industry until the economy had grown large enough to support one on an economical scale.

Professor Liu's standing as an expert economist was also signalized by his service as consultant to the Rand Corporation; as a member of the Committee on the Economy of China, established by the Social Science Research Council; and as a fellow of the Econometric Society.

Finally, his administrative services to the University also went well beyond the minimum call of duty. During 1966-69, he created and directed the Cornell Program on Comparative Economic Development. In 1970, at a time of upheaval in the University, he generously responded to the urging of his colleagues and reluctantly accepted the post of chairman of the Department of Economics. For nearly five years he strove with all of his remarkable reserves of energy and intelligence to build an organization of the highest professional standards.

Ta-Chung left a very substantial professional legacy of international importance. He also left an unmistakable and lasting impression upon those who knew him, as a man of ebullience and good temper, not without an American sense of humor, yet driven by fidelity to his professional goals and complete devotion to duty. He was never without fresh and important ideas. He was also a stern critic, a severe disciplinarian, and a rigorous economic theorist—all in the service of the best standards of scholarship. There was nothing mediocre about him.

T.-C. Liu served this University loyally and with great distinction during his many years on the campus.

Sho-Chieh Tsiang, Peter D. McClelland, George H. Hildebrand