

Memorandum in re
the Econometric Society .

- I. Charter Members
- II. Fellows.
- III. Regular Members.
- IV. Publication of a Journal.
- V. Annual Meetings.

Having met in Munich and Bonn on September 27th and 28th and discussed the matters of the Econometric Society the undersigned Josef Schumpeter and Ragnar Frisch have agreed on the following points; which they take the liberty to communicate to the colleagues in the Council of the Econometric Society as proposals regarding the policy to ~~the~~ be followed by the Council in the further work.

I. Charter Members .
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Professor Divisia has proposed the policy of inviting as Charter Members not only specialists in Econometrics but also a larger group of people. His proposal is accepted by Professor Fisher who says in a letter of Aug. 20th 1931 to Divisia " The point in which your letter most influenced me is in respect to the Charter Membership . I am now inclined to think that we should admit to Charter Membership anyone whose name would help to forward the Society. The Charter Members might be helpful in either of two ways first, because a person is a specialist who has contributed materially in economic lines or, second, simply because he is a distinguished economist. ?" In point of principle the undersigned accept this policy with the following proviso; we deem it essential that persons of the second category invited to a Charter Membership should have distinguished themselves in some branch of science. Thus we are in point of principle opposed to inviting in this second category politicians, big business men or other persons whose fame is of a non-scientific character. This should only be done, we believe, in the case of a very exceptional service to this Society.

We also think that the second category should include not only economists that are non-specialists in our fields, but also other non-specialists. A Charter members of the second category may be, we believe, of one of the following four types:

- a.) Economists that are not statisticians or mathematicians.
- b.) Statisticians, that are not Economists or Mathematicians.
- c.) Mathematicians, that are not Economists or Statisticians.
- d.) Scientists from other fields, who take a real interest in the econometric approach to ~~political~~ ~~economics~~ ~~economics~~.

In accordance with Divisia we believe, that

certain persons in the second category of Charter Members should be exempt from dues. For instance, ; Mem xlike Karl Pearson, Vito Volterra and Hadamard are eligible in the second category. Although their central interests is not economics, their whole scientific attitude is such as to make them valuable members for the Econometric Society. It would seem a peculiar procedure first to invite such people and then send them a bill of membership dues. We do not think, however, that all Charter Members of the second category should be exempt from dues. In particular we think that most of, if not all of, thexx Charter Members, whose principle interest is in economics, ought to pay a due. The list of those exempt from dues might be decided in each case by the Council. Those Charter Members that are exempt from dues, should also, we believe, have the journal free, if a journal is established.

We consider a procedure^{such} as x the one outlined above, as being in perfect accordance with the constitution. We agree with Divisia, that the cl^ose of the constitution ; " The dues for regular members and the dues for fellows shall be fixed by the Council " leaves it open for the Council to fix zero dues for some of the Charter Members. In all other respects the two categories of the Charter Members should, we believe, ^{on a par}. For practical purposes it may however, be convenient to designate them by special names. We propose " Charter Members honoris causa " and " Paying Charter Members ".

II. Fellows.

We are of the opinion that the list of fellows should be very restricted. As a rule a fellow ought to unite in the same person both the economic, the statistical and the mathematical point of view. In this connection we do ^{not} interpret the mathematical point of view, as the mere ~~cases~~ of quite elementare formulax or the computation of a correlation coefficient, but as a point of view that impli^{es} knowledge of mathematics at least sufficient to read Cournot and Walras. In exceptional cases of men of great merit some flexibility in the mathemathix requirements might however be admitted. We are, for instance, ready to accept Wesley C. Mitchell as a fellow because of his pionier work in the statistical study of the business cycle. But we are strongly opposed to include amongst the fellow the large group of workers, who has followed in Mitchell's footsteps or the still larger group of workers in economic statistics generally. We are, for instance, not ready to vote for Snyder and Mills as fellows. We admit, that their works is of great value in making accessible important source material for economic investigations. But in our opinion their work has not advanced the essential object of our society; the colaberation of the thinker and the observer in economics - to such an extent as to warrant their election as fellows.

We propose the following persons ^{to be} elected as fellows:
U.S.A. Evans, Fisher, Hotelling, Mitchell, Moore, Roos, Schultz
E.B. Wilson,
England: Bowley, Pigou, Keynes,
France: Colson, Divisia, Roy, Rueff.
Germany: Schumpeter.
Italy: Amoroso, Del Vecchio, Fanno, Ricci, [?] Vietri-Tonelli,
Switzerland: Boninsegni.
Austria: Haberler,
Scandinavian Countries: Frisch, Zeuthen.
Poland: Zawadski,
Russia: Kondratieff, Slutsky.

III. Ordinary Members.

The requirements of ordinary membership should be quite liberal, we believe. In particular it will be desirable to have young promising econometricians adhere as regular members. The Council Members should draw up lists of prospective members.

IV. Publication of a Journal.

As we see it the three main objects towards which the efforts of the journal of the society should be directed are:

- 1.) The publishing of reports regarding the work of the society, minutes of the meetings etc.
- 2.) The publishing in full of papers presented at the meetings.
- 3.) The publishing of a systematic annotated bibliography of econometric literature. We propose that a Committee of three be appointed to study the organization of such a bibliography: How to establish the collaboration between reporters in the various countries what kind of classification system to adopt etc. We are ready either to serve on such a Committee or cooperate with the Committee in any way which the Council may find desirable.

We have no objection to the journal taking up the publishing of econometric papers in general. Whether this ought to be done or not, is mainly a question of the financial support which the journal can get. We want to emphasize however, that even if large funds become available no effort ought to be made to concentrate as far as possible the econometric papers of the world in the journal of the society. On the contrary we believe that it is very desirable that all the leading economic journals should contain econometric papers to the extent which they find they can afford. We even think that it would be desirable for the society to organize a service by which papers from the members of the society ^{could be} placed in the leading economic journals. The Council members could probably render useful services in this connections. Divisia has suggested that the same paper may be placed simultaneously in several journals. This we believe, will not be possible, nor even desirable. But some ^{kind of} thought of contact between the journal of the society and the leading economic jour-

nals will undoubtedly be useful. The following is a list of journals with which it will probably be desirable to establish such a contact: Economic Journal, Quarterly Journal of Economics, Journal of Political Economy, La revue d' économie politique, Giornale degli Economisti, Archiv für Sozial Wissenschaft, Zeitschrift für National-Oekonomie, Weltwirtschaftliches Archiv, Jahrbücher für National-Oekonomie.

A service as the one outlined above may be useful not only for the Econometric Society but also for the various economic journals in so far as such a journal may occasionally want to have the opinion of the society, regarding an econometric paper, that had been presented directly to the journal in question.

Financial support offered to the journal whether from scientific institutions, big business, or otherwise, should only be accepted if it can be made in such a form as to preserve the absolute autonomy of the journal. The journal must remain independent and its policy be determined exclusively by scientific motives.

If sufficient funds become available to permit the publishing of econometric papers in general, we think that a small Committee should be appointed to help the main auditor in making the necessary contacts. If the journal is published in U.S. and the main auditor is an American, the committee ought to consist, we believe, of this main auditor, and two Europeans. We declare our readiness to serve on such a Committee. The Committee as such should decide, we believe, on whether or not a paper presented to the journal should be published. This does not of course apply neither to the papers presented at the meetings of the society nor to notes and articles of a bibliographical character. For such matters the main auditor must take the full responsibility.

As name of the journal we propose: " The Journal of the Econometric Society " or " Econometrica " .

V. Annual Meetings.

The meeting of the Econometric Society in Lausanne September 22nd to 24th this year has proved to be a great success. The most interesting feature of the meeting was the fact that hardly any time was given to discussions about methodology. Practically all the communications and discussions were concerned with actual work on scientific problems.

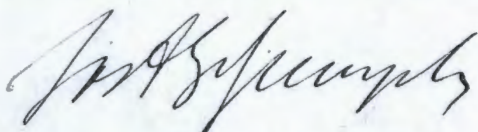
At the Lausanne meeting there was a very strong feeling that the European meeting ought to be made an annual feature, and we agree in this. The majority of those present expressed the wish that the next European meeting should be arranged in Paris in the first week of October 1932. The place Zürich was discussed but rejected.

The wish was also expressed that one should try to organize a series of " conférences - leçons " . That is to say lectures giving a more or less systematic development of those parts of mathematics that are particularly useful in econometric studies. Since it is to be expected that not all those present at the meeting will want to attend these lectures,

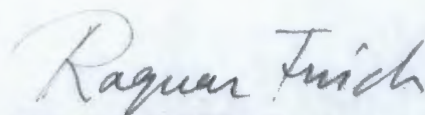
it might be desirable to set aside for them a day before the official^{in person} of the meeting, and then let the official meeting extend over the following a two and a half days. Such lectures will do much to further the object of the society, and we suggest that they be arranged both at the European and at the American meetings.

The annual meetings of the fellows can of course most conveniently be arranged at the same time. The question may arise if the American or European meeting of the fellows shall be considered as the official one. We propose that both these meetings are considered as equal and that ~~in~~ in matters of vote, the votes from the two fellow-meeting are counted together.

Bonn, September 28th 1931.



Josef Schumpeter.



Ragnar Frisch.

This Memorandum has been sent to:

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