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Robert W. Dimand, *James Tobin* (Basingstoke, Hampshire: Palgrave Macmillan, 2014), pp. 197, $110 (hardcover). ISBN 978-1-137-43194-3.

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Part of the Great Thinkers in Economics series, this book brings together in revised form a series of papers on various dimensions of James Tobin's work that the author has published in various conference volumes over the last decade. It is thus more a collection of essays than a unified narrative, and, as such, it inevitably suffers from the repetition that is characteristic of the form. Written by a former student and definite admirer, the book is also more a work of appreciation and even advocacy than of critical assessment: "James Tobin was the outstanding monetary economist among American Keynesians" (p. 11). The purpose of the book is to tell us what Tobin said, and to persuade us that it was and continues to be better than alternatives both on the right (monetarism of various sorts) and the left (post-Keynesianism of various sorts), and indeed even the center (so-called New Keynesianism or New Neoclassical Synthesis).

The book's central concern is to establish the distinctive features of Tobin's version of American Keynesianism. "Among the leaders of that generation of American Keynesians, Tobin stood out for his emphasis on financial intermediation in multi-asset monetary exchange economy" (p. 131). From this point of view, Tobin's famous article "A General Equilibrium Approach to Monetary Theory" (1969) contains the core of his contribution. Although there is no explicit optimization, and certainly no representative agent, that paper paints a coherent picture of the financial sector by means of "careful attention to adding-up constraints for wealth, balance-sheet identities, and stock-flow consistency" (p. 144).

As a model of financial equilibrium, the 1969 paper represented the end result of a long project of construction around the sketch of the Keynesian system suggested by John Hicks in his "Mr. Keynes and the Classics: A Suggested Interpretation" (1937). In effect, Tobin (1969) is just an elaborated and modern version of the LM curve, first proposed by Hicks and then further developed and popularized by Alvin Hansen in his *Guide to Keynes* (1953). Intriguingly, suggests Dimand, Tobin himself played a key role in helping Hansen to formulate the IS-LM framework, which afterward became the dominant language for macroeconomic instruction and policy discourse. And, as the dominant figure in President John F. Kennedy's Council of Economic Advisors for twenty months in 1961 and 1962, Tobin played a key role in demonstrating the practical usefulness of this framework.

Not just the LM curve, but also the IS curve commanded Tobin's attention early on in his PhD thesis on consumption, which urged the importance of wealth as well as income as a determinant of consumption spending, and also in his later so-called q theory of investment demand. Importantly, this early work shows the emergence of Tobin's characteristic methodological approach, which draws equally from Irving Fisher and John Maynard Keynes, building neoclassical optimizing foundations for aggregative macroeconomic relations. Perhaps it was this methodological approach that appealed to Jacob Marschak and Tjalling Koopmans in offering the research directorship of the Cowles Commission to Tobin, combined with Tobin's early foray into econometric modelling of food demand?

From a theoretical standpoint, Tobin's monetary economics built from Hicks's famous "Suggestion for Simplifying the Theory of Money" (1935) by treating money as amenable to the economist's traditional apparatus of supply and demand. Tobin's early work on transactions money demand and commercial bank money supply did exactly that. The mature work went farther by treating money as just one of a large collection of financial assets, and equilibrium in the money market as just one part of a larger financial sector equilibrium. This approach to money, which Tobin shared with Don Patinkin and Franco Modigliani (who got it more from Marschak than from Hicks), I have in my own work termed "Monetary Walrasianism." There is no question that by 1969 it had become the new orthodoxy, but also no question that by 1981, when Tobin was awarded the Economics Nobel Prize, professional fashion had moved on.

Why so? It is a question that haunts the entire book. One possible answer is the rise of finance. "The burgeoning field of finance stressed arbitrage that equalized rates of return, rather than imperfect substitution that allowed changes in the relative supplies of assets to change their relative rates of return" (p. 70). But there are lots of other possible answers that receive sustained attention in the closing chapter (pp. 146–152). In the end, Dimand has no very satisfactory answer to the question. For him, Tobin's vision of what macroeconomics should be is simply so compelling, which is to say that he is himself so compelled by it, that he finds it impossible to understand why others might not find it so.

For Dimand himself, the key paper is Tobin's "Keynesian Models of Recession and Depression" (1975), in which Tobin proposes a "corridor of stability" idea. The economy seems able to adjust itself, given enough time, when hit by small shocks that shift the economy within the corridor, but large shocks are another matter. From this point of view, a central concern of policy must be to ensure that the corridor of stability is as wide as possible. Tobin's concern during the 1970s, which Dimand clearly shares, was that increasing mobility of capital chasing returns first in one asset then another, first in one country then another, may operate in fact to narrow the corridor of stability, and so to make the economy unable to absorb even relatively small shocks. The idea for a small tax on financial transactions, put forward in Tobin's "Proposal for International Monetary Reform" (1978), is a proposal to put sand in the gears of that increasing mobility and so to widen the corridor of stability.

"This is not a biography" (p. vii), the author warns in the preface, and certainly that is true. But I read it as a call for a biography, and there are plenty of biographical facts mentioned in passing that cry out for fuller treatment. The influence of Edwin Bidwell Wilson (p. 12), for example, is news to me and possibly connects Tobin to Paul Samuelson, and hence Yale to MIT, at a deep methodological level. The stint at the

Council of Economic Advisors is mentioned as reason for delay in finishing a monetary treatise (p. 15), a wait that extended to 1998 (!), so that generations of Yale students instead relied on mimeographed material; what explains that long wait? A footnote (p. 160) mentions an unpublished manuscript on the intellectual development of macroeconomics. And these are just three examples. A future biographer will find many more clues to follow up in this short and valuable book.

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Barbara H. Stein and Stanley J. Stein, *Crisis in an Atlantic Empire: Spain and New Spain, 1808–1810* (Baltimore: Johns Hopkins University Press, 2014), pp. ix + 664, $89.95. ISBN 978-1-4214-1424-9.

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In 1970, Barbara and Stanley Stein released their slim but influential work, *The Colonial Heritage of Latin America*. The arguments they made nearly fifty years ago continue to inform their works, including the four hefty volumes they have released in the past dozen years. For the Steins, Spain was always an underdeveloped country, subordinate and dependent on England and France, the hegemonic powers of Europe. Backwardness, however, did not relegate Spain to being irrelevant because of the enormous wealth of the Spanish colonies. Just like the greater powers reduced Spain to a satellite, Spain subordinated its colonies, imposing a colonialism that syphoned seemingly unlimited precious metals back to the Iberian "Metropole." Indeed, the Steins argue implicitly that it is the Spanish colonies and their treasures that should be placed at the center of analysis of early modern Europe.

The 664 pages of the present volume are focused primarily on the two years 1808 to 1810 that began with Napoleon's entry into Spain and the collapse of the Spanish monarchy, and continued through Father Miguel Hidalgo's Revolution in Mexico. Joseph Bonaparte's ascension to the throne sparked pro-Fernando VII autonomy movements throughout the empire, both in Spain and Spanish America. No single