



OFF THE NEWS

Remembering a Friend

Richard “Dick” Erb, a longtime friend of mine and of this magazine, passed away peacefully on May 24, 2023, on his 240-acre farm in Montana, his wife Joanna at his side. Death came from complications of pancreatic cancer.

It would be hard to point to someone with a more illustrious career in international economic policy, and one who touched so many important issues from so many institutional bases.

I first met Dick in the Nixon and Ford administrations when he was Staff Assistant to the President and Assistant Director of the White House Council on International Economic Policy. He had arrived there with a Ph.D. in economics from Stanford University, where he graduated Phi Beta Kappa in 1967. He had done stints with the Board of Directors of the Federal Reserve System in Washington and in Henry Kaufman’s renowned bond research department at Salomon Brothers. My memories of Dick in those years was of someone who was extraordinarily patient with novices like me, a valuable professional mentor, a good friend inside the office, on the tennis court, and at dinner on the weekends. Dick always talked in a low, calm, and confident voice. He radiated competence. He had a great sense of humor and often had a smile on his face. He was a tough negotiator, but unfailingly fair. If I had to pick one word to encapsulate his style, it would be “graceful.”

After serving in the White House, Dick worked in senior positions in the U.S. Treasury, consulted for the Comptroller of the Currency, and conducted research at the Council on Foreign Relations and the American Enterprise Institute. He became the U.S.

Richard Erb,
1942–2023



Executive Director at the International Monetary Fund, and then spent ten years as Deputy Director of the IMF, the number-two official, 1984–1994.

He was deeply involved in many of the most important challenges of our times: the advent of floating exchange rates, the international energy crisis, the Latin American debt explosion, financial assistance to emerging markets after the collapse of the Soviet Union, the rise of Japan and China, and much more.

Following his work at the IMF, Dick moved to Paris with his wife, Joanna Shelton, also a star in the international economic field, as she became Deputy Secretary General of the Organization for Economic Cooperation and Development. Dick and Joanna then moved to Montana where Dick immersed himself in farming, teaching, and a wide variety of volunteer work.

For these past two decades, Dick continued to contribute valuable insights on major international economic issues. In *TIE* alone, he commented on the future of the renminbi, inflation policy of the European Central Bank, the future of the World Bank and the IMF, China’s and India’s role in the global economy, the interaction of exchange rates and global trade, future tools for central banks, and reforming the Federal Reserve, just to take a few examples.

Dick is survived by his wife Joanna, his brother George, several nephews and a niece. He will be sorely missed.

—JEFFREY E. GARTEN
Dean Emeritus, Yale School of Management



New Chinese Financial Religion?

*Chinese leader
Xi Jinping:
Promoter of
new financial
religion.*

All-powerful Chinese leader Xi Jinping has publicly said he does not want China to follow the U.S. and European way of handling weakness in consumer demand by giving people cash. Such stimulus efforts, he says, would lead to the moral corruption of society. It is as if Xi is creating a new, separate financial religion.

Xi's latest move has been to suggest China abolish all Chinese data that are compatible with

the data of other countries. Instead, Xi suggests "Chinese data be limited to "Chinese characters."

This potential coming lack of financial transparency has already produced a lot of backroom discussion in the international financial community. Key question: When will U.S. Securities and Exchange Commission Chairman Gary Gensler step in to de-list all Chinese companies currently listed on U.S. stock exchanges? And to what degree would U.S. companies operating in China such as General Motors and Apple then be vulnerable to retaliation from Beijing?



An Unwise Move

*Chinese Defense
Minister Li Shangfu:
Missing in action.*

With their economy under-performing, China's leaders seem to be in the midst of another campaign to stoke up hyper-nationalism. The recent disappearance of Chinese Defense Minister Li Shangfu is a case in point. He made the mistake of publicly stating that a military conflict between the United States and China today would be "catastrophic"—for China. An unwise move. First the defense minister vanished. Then Beijing launched an investigation of him for "corruption," which in China is often used as an excuse for removing political opponents. And finally, two months after disappearing, Li was dismissed. Said one former G7 official: "Xi thinks continuous talk of a potential military clash with the United States is inspiring to the Chinese people."



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