PORTRAIT: HARRY G. JOHNSON (1923-77)

Arnold C. Harberger
September, 1978
(Prepared for publication in Challenge Magazine)

The picture of Harry Johnson that will remain in the minds of those who knew him is of a man of incredible intensity and energy. To be sure he was a skilled craftsman, whether at making the imaginative wood carvings on which he seemed always to work while listening to a lecture or seminar; or at distilling into a compact and coherent paper the essence of a set of new developments in economic science; or at criticizing lines of economic thinking that were too parochial, or too esoteric, or that deviated too far from the fundamentals of our discipline; or at encouraging and stimulating students and other young professionals, both through his personal advice and through his masterful lectures. As exceptional as Harry was at doing all these things, even more than his skill it was the massive volume of his accomplishments that caused the greatest wonderment among his fellow economists.

No one in our generation, and probably no one in the history of the profession, was as prodigious as Harry Johnson in the various dimensions I have listed. He holds the profession's records for number of articles published in professional journals, as well as for the total number of pages of professional writings. But he probably also holds the records for the number of journals he edited or helped to edit, for the number of colleges and universities at which he lectured, for the number of conferences in which he participated, for the number of miles traveled in the course of carrying out these professional activities, for the number of universities other than his own, which he served as a committee member
(sometimes for dissertations, sometimes for curriculum evaluation, sometimes for searching out new talent, sometimes for yet other things). It is not that he was prodigious in the sense of doing much more of one thing than most of his fellow-economists, Harry was prodigious in doing much more of almost everything.

In order for a man to perform such feats, he has to possess some very special traits. In the first place, his professional work must come so naturally to him as to be almost effortless. And so it was. Just as J. S. Bach, another prodigious man of another discipline and era, would sometimes sit down on a Thursday to compose a cantata for the following Sunday, so Harry was known to get up at four in the morning, and to have written out a formal lecture or paper, or even a scientific article, before noon. But pure natural talent is not enough. In addition one has to be forthright and brave, confident of what one writes or says, and willing to live with the consequences of what one puts on the public record. And so Harry was neither fearful of being wrong, nor deeply sensitive to how others might react. He put his ideas out as they came to him. This makes it all the more incredible how well his works have survived the test of time. Looking back at his written work, no contemporary professional would guess, from its content and style, from the way it has survived the passing years, that most of it appeared in print just as it first rolled from Harry's pen.

There can be no doubt that Harry Johnson was "his own man" in just about every aspect of his enormously busy life. I have said that no one could have accomplished what Harry did, if his attitude were one of seeking the profession's approval, or of currying the favor of a selected elite within the profession. But Harry's independence went far beyond the simple
absence of servility. He had his own ideas about what the profession was
doing right, and what it was doing wrong. And he did not hesitate in the
slightest to make these opinions known. In doing so he was almost in-
variably forceful, and often acerbic—there are few among the great and
near-great in the profession who totally escaped his verbal or written barbs.

Yet for all the sharpness of his tongue and pen, there was a very
special quality about Harry Johnson in his caustic moments. He was
definitely not one who directed comments against others in order to
aggrandize himself. Nor does he fit the picture of the acerbic old
man who calls forth plagues upon a world he has for all practical purposes
abandoned. No, Harry was much more like a missionary or a prophet. When
he cast aspersions on what others thought or did, it was not to build up
himself but to straighten out the discipline of economics. And when he
debunked a trend or fashion in economics it was because he saw it leading
nowhere useful; most of the time he had in mind some quite explicit alter-
natives that were more proven or more promising. And so, though his
acerbity was quite real and justly famed, it was characteristically (for
him) untainted by egotism or malice.

It should come as no surprise, in the light of Harry's character
as reflected in his later life, that his independence and inner-directedness
were evident from the very beginning of his professional career (and I am
sure much earlier, too). He took his Ph.D. from Harvard, but was in
residence there less than 16 months. He then returned to Cambridge, where
he had earlier spent a year, and started (as lecturer) an academic career
in England. By the time he actually took his Ph.D. from Harvard, he was
already a renowned economist and a full professor at Manchester.

England was the place where his professional career first reached
full flower, and where many of his personal traits first became visible to
the public eye. A colleague (Max Corden) perceptively referred to
Harry's "love-hate relationship" with the British economics profession.
I am certain that such a relationship existed, but I do not know how it
all began. What is clear is that from very early on (at least from the
early 1950's) Harry was publicly decrying the self-satisfaction and pro-
vincialism of the British economics "establishment." He deplored the fact
that achieving first-class honors in Oxford or Cambridge was all the evidence
needed to launch a man on the Oxbridge academic ladder. Such people, he
said, were selected because they could write good undergraduate essays,
and most of them continued to write such essays for the rest of their pro-
fessional lives. He castigated the British establishment, too, for not paying
serious enough attention to what was going on elsewhere in the world, and for
thinking of economics as a forum where debater's points were to be made
rather than as a serious profession trying to understand how economic
processes really worked in the world around us. He felt that the spirit
underlying graduate study, and subsequent professional conduct, in the
better economics centers of the U.S. and Canada was much healthier than
that which dominated in the U.K.

Characteristically, Harry did not waste time in futile brooding about
these complaints—without hesitation he moved to do something about them.
Quickly he became a leading figure in the Association of University Teachers
of Economics, whose annual meetings became a forum (like those of the
American Economic Association and its Canadian counterpart) for the presen-
tation and serious professional criticism of scientific work in the
discipline. He also was instrumental in reviving the London-Cambridge-
Oxford Joint Economic Seminar (later expanded to include Manchester),
which met several times a year at the member universities.

The focus in both the AUTE and the LCOM Economic Seminar was on work by younger and less-well-known economists. Harry was their teacher, guide, patron and guru. It was Harry who knew them all (or nearly all) by name. It was Harry who read their work, criticized it, and advised them whether and where to publish it. By 1958, when I happened to spend a couple of academic terms in England, Harry was already a legend among the younger U.K. economists. In the years that followed he never lost his dedication to their cause, or his willingness to spend countless hours with and for them—listening, reading, criticizing, helping.

The other front on which Harry battled the British "establishment" was the reform of graduate school curricula. The historical pattern of graduate work in the U.K. had been one in which Ph.D. candidates simply worked on their own, developing their dissertations, until finally the requisite committee approval was obtained. There were no required courses, no special substantive examinations (except on the thesis). Moreover, the best undergraduate students rarely even sought the Ph.D. First-class honors students could move straight into teaching positions or to good civil service posts.

Harry insisted that even the best A.B.'s had a lot to learn, and that disciplined graduate course work (with examinations) was essential to the proper training of a professional economist in our era. He pressed his position ceaselessly, not only at the Universities (Manchester, and later London) where he was attached, but also by attempting to persuade anyone in the profession who was willing to take his ideas seriously.

My feeling, on the basis of intermittent conversations with Harry on this subject, was that in his days at Manchester he was reasonably well
satisfied with the reforms that had been instituted there. He also was pleased with the way the London School of Economics and some of the "red brick universities" were evolving in the early sixties. But his standards kept rising with time, and I know that when he joined the LSE on a half-time basis in 1966, one of his prime objectives was to help it to come closer to his conception of a "proper graduate school." I also have the clear impression that during Harry's tenure in his LSE post, things moved quite significantly in the direction he wanted. But they did not move far enough or fast enough, and one could detect with each passing year the increase in Harry's sense of frustration. Ultimately (1974) he abandoned his formal LSE connection, though he continued subsequently to serve as examiner and in other ways. His formal statement of resignation listed U.K. tax laws as the prime motivating factor. That taxes were an important factor I cannot deny, but I remain doubtful that he would have taken the same step, had he felt that his vision of what the LSE could and should become was about to be fulfilled.

While England was the focal point of most of Harry's confrontations with the profession, his native Canada provided the inspiration for a great deal of his work on economic policy. Canada is a developed country in just about every relevant respect, but it shares with the LDC's the fact of being a small country relative to the world market, and the sense of economic dependency (together with the nationalism and xenophobia that feed and breed upon it). As a Canadian, Harry knew at first hand the depth of nationalist sentiments and the strength of the political forces they engendered, and he accepted the reality of both. Yet he resisted the notion that small countries should, in the name of nationalism or self-sufficiency, pursue policies that entailed huge economic costs for those countries
themselves. Modest economic costs he was prepared to accept; huge economic costs, no.

This was the frame of mind in which he entered the controversy between nationalist-autarkists on the one hand and economist-liberals on the other. He was unquestionably on the side of the economist-liberals, but the fact that his positions were pragmatic rather than dogmatic greatly enhanced his effectiveness in the debate. Time and again he showed that policies embraced by the nationalists would have costly effects that never had entered their imagination.

In his writings about Canada and in those about the LDC's he constantly pressed the view of national economic self-interest. These small countries lived in a cold and impersonal economic environment, but not a malevolent one. They could and should expect no quarter, no pity from the world economy, but neither should they expect a purposeful cruelty aimed against them. The problem facing them was how to organize their economies so as to be able to take the greatest advantage of whatever favorable possibilities the world market situation presented to them, and so as to minimize the costs imposed on them by unfavorable turns in the world economy. Over the years, Harry Johnson gave volumes of perceptive insights and counsel to both Canada and the LDC's, pointing out the implications of the least cost principle here, calling attention to the absurdity of a specific policy proposal there. His advice was listened to, and generally appreciated (albeit grudgingly), but rarely acted upon. Just as it had done in the case of many other economists of this and earlier eras, the mythology of autarkic nationalism resisted and frustrated even Harry Johnson's powerful thrusts.

It was in part, I think, the experience of seeing rational analysis
done in by the passionate slogans of Canadian nationalism and third-world ideology that led Harry to move in the period after 1960 toward a broader approach to these phenomena, attempting to integrate strands from several of the social sciences. This facet of Harry's career was reflected in his presence on the University of Chicago's Committee for the Comparative Study of New Nations, and in his seminal paper, "The Ideology of Economic Policy in the New States."

The hardest task in trying to capture the essential elements in the professional life and personality of Harry Johnson, is the challenge of distilling the contents of over 500 scientific papers and 20 authored books, not to mention nearly thirty volumes edited or co-edited by him. Here I shall attempt first to point up certain characteristics that pervade his work, and then to list some of the main items in his substantive legacy to the profession.

The most striking attribute of Harry Johnson's writings, viewed as a whole, is their vast range. From international monetary reform to the economics of opulence; from problems of Canadian nationalism to the brain drain; from the economics of student protest to the inflation tax; from the economics of smuggling to that of advertising; from the two-sector model to the economics of long-term forecasting; from the theory of optimum tariffs to the economics of patents and licences, nothing seemed to escape Harry Johnson's purview.

A second characteristic of Harry's work, already alluded to, is its pervasive professionalism. In twenty years of reading Harry's writings, more or less as they were produced, I do not recall a single instance of sloppy thinking or writing, or of appealing to the sentiments rather than the intellect of the reader. Moreover, the professional quality of his
work was such that the great bulk of economists could always learn from it, even from his pieces that were directed at audiences much broader than just the economics profession itself. In his writings, Harry set a very high standard for himself, and he did not slip from it.

A third important attribute is the superb diagnostic skill displayed in Harry's work. Few people think of Harry as an empirical economist, but he certainly was one in the sense of using economic analysis to speak cogently about real-world problems. In doing so, he invariably used relatively simple tools of analysis; his forte was to sense which simple tools were the most relevant for a given problem. This skill is what enabled him to give his fellow professionals many pleasant surprises—showing us how familiar tools of economics could open our eyes to new insights about such things as the brain drain, the economics of opulence, or even the future status of women.

A fourth and related characteristic of Harry's work is its sense of perspective. Few if any contemporary economists read and absorbed as much of the current literature in the field as Harry. And even fewer had his capacity for distinguishing between fundamentals and frills, between promising new directions and dead ends, between major challenges to widely-held ideas and mere carping from the sidelines. Harry's sense of perspective is reflected in a great many of his writings, but nowhere more forcefully than in his magnificent surveys "The General Theory After Twenty-five Years," and "The Keynesian Revolution and the Monetarist Counter-Revolution." With these papers he not only documented the major shifts that were taking place in the economics profession's approach to macroeconomic analysis, but also contributed significantly to the development of a new synthesis between the Keynesian and monetarist approaches.
Apart from his frequent forays into nearly every branch of economics, and from his continuing vigilance, interpretation and guidance of the evolution of modern monetary and macroeconomics, Harry's main dedication was to his principal field of specialization—international economics. In this area there was no major development, whether on the so-called real side or on the monetary side of the field, that took place in his professional lifetime without his having made a significant contribution to it.

In the theory of tariffs he contributed to the theory of optimum tariffs, to the theory of discriminatory tariff reduction, and to the theory of customs unions. He introduced the analysis of what he called the scientific tariff, explored the linkages between tariff policy and economic development, and developed a general theory of protectionism, tariff bargaining and the formation of customs unions. He analyzed the welfare economics of tariff policies in the presence of domestic distortions, and explored the relationships between tariff policy and the exchange rate. Finally, he did both theoretical and empirical work on the modern concept of effective protection.

In the area of exchange rate theory and policy he explored in a sequence of papers the theory of economic policy under both fixed and flexible exchange rates. He addressed the practical problems of a fixed or floating rate for Canada, the problems connected with the demonetization of gold, the issue of a European monetary union. Much of his work on the phenomenon of inflation was connected with his analysis of exchange-rate issues. On the one hand we find him analyzing the phenomenon of world inflation both under the Bretton Woods system and later; on the other we find him speaking to the problem of more exaggerated inflation rates, such as we find in some less-developed countries, of their relation to the
development process, and of how to accommodate the rest of economic policy to the presence of significant inflation.

The crowning achievement of Harry Johnson's career was his work on the monetary approach to the balance of payments. This new development, in my opinion the most important single advance in the field of international economics in the postwar period, was foreshadowed as early as 1958 in Harry's writings. But his real work in the area started in the late 1960's and continued until his death.

A number of other economists (most of them connected with the International Trade Workshop at the University of Chicago) were involved in the development and elaboration of the monetary approach. But Harry's contributions were among the most seminal, and without doubt Harry was the quickest to appreciate the transcendent importance of the new approach, and to see its applications in many real-world contexts.

Looking at the field of international economics today, it is difficult to find any line of current advance that does not owe a deep and lasting debt to the work of Harry Johnson. This is true of the tariff field, of the areas of exchange rate policy and the international monetary system, and finally, of the monetary approach to the balance of payments, which is now being found to have important and unexpected implications for the analysis of the flexible-exchange-rate system that has governed the major currencies for the past five years or so.

In these current advances, Harry's former students are playing major roles. This calls attention to the fact that Harry's legacy will pass to future generations not only through the printed word, but also carried forward by the hundreds of students who attended his classes, and by the
yet other hundreds of young economists who sought and received his advice and help.¹

¹This is evident from the hundreds of contributions that came in, from all over the world, to the Harry G. Johnson Fellowship Fund, established in Harry's memory at the University of Chicago. Additional contributions to this fund are most welcome. Checks should be made payable to the Harry G. Johnson Fellowship Fund and mailed to Mrs. Alyce Monroe, Department of Economics, University of Chicago, 1126 East 59th Street, Chicago, Illinois 60637. Contributions are deductible for tax purposes in both the United States and Canada.

REFERENCES

