

HARRY JOHNSON

Corden on Harry's View of the Scientific Enterprise

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In preparation for this symposium I reread the lengthy survey of Harry's contributions to international trade theory that I published in the *Journal of Political Economy* in 1984. It is clear that Harry made two kinds of contributions to the field. Firstly, he guided and immensely helped the works of others. Secondly, he wrote a vast number of papers of his own. In retrospect, I think that the first contribution – helping the work of others - was at least as important as the second. Let me quote something (with the permission of the *JPE*) from this survey of mine.

Harry "must be given some part of the credit for numerous important articles published by others (in the field of trade theory) over a period of more than 20 years. If the list of acknowledgments in a paper contains his name, it can safely be assumed that he made a difference to the paper. Perhaps he encouraged the author initially, perhaps he directed the author's attention to some other work not yet published of which the author should have been aware, or perhaps he suggested redrafting, following up new lines, and so on. Above all, he had the remarkable ability to guide numerous authors in fruitful directions. He was able to see a contribution – however apparently narrow - in the perspective of the whole field and in the light of the scientific development (as he would put it) of the subject. It can be assumed that he had a significant role in most or all articles in international economics published in the *Review of Economic Studies* and in the *Journal of Political Economy* while he was an editor. He had a flair for seeing which articles were likely to become important in the field." I then follow with a list of ten well-known articles.

Later I quote Thomas Courchene. Harry was "a builder of intellectual bridges" Of how many of our colleagues can we say that?

Here I should add that many surveys he wrote not just in trade theory and policy but, even better known, in macroeconomics, had an enormous influence on students and fellow researchers. He guided the development of the subject. He was a historian of contemporary economic thought, one who sought to influence the next steps history would take.

Coming to his own work, in retrospect his most important trade theory articles have been “Economic Expansion and International Trade”(1955) and “Optimal Intervention in the Presence of Domestic Distortions (1965). Because of the continuing interest in, and extreme relevance of, the theory of second-best trade policy (or policy more generally), I would guess that the latter is now his most influential article. He formulated this theory, or theoretical approach, in a more insightful way than had any of his precursors. Certain other articles do also get cited now, such as “Optimum Tariffs and Retaliation”, and various papers on customs union theory. But whether particular papers are remembered depends a great deal on whether there happens to be a current interest in the particular subject. Economic integration, and hence customs union theory, is “hot”, but, owing to worldwide trade liberalization, tariff theory in general – where Harry also made major contributions - is not.

Some of his papers were very important in the development of the subject, but also, many were inevitably ephemeral, being devoted to critiques of writings of others or insufficiently worked out in detail. In certain papers he was undoubtedly original, but he never highlighted his originality. He was one of the pioneers of the theory of effective protection - which has had a big impact on empirical work and policy judgments – and was *the* pioneer of tariff bargaining theory. One might note the enormous number of topics within and outside international economics that he tackled and illuminated.

One might also reflect on Harry’s motivation. He set out his approach very clearly in the preface to *International Trade and Economic Growth* (1958), which contained many of his most influential trade theory articles. It is too long to quote here. Essentially he wanted to synthesize and make simple the results from the existing literature and push their application into new areas. More generally, he wanted, as so many economists, to illuminate real world problems that were in current discussion. He wanted to clarify, to sort out. Above all, he wanted to destroy error, confusion, and folly. That was a life-long battle. Subsidiary battles were fought against pretentiousness, excessive

claims, and failure to acknowledge predecessors. In earlier years, he also wanted (I think) to show how smart he was. He had strong views, though possibly less in trade theory and policy than in macroeconomics and monetary theory. In general he had a sense of what was important and relevant, but also, above all, a sense of the history of thought. I would like to quote again from my paper.

Harry's "brilliance was as a synthesizer and a user of theory to probe real world policy issues. As a contributor to pure theory, he must be regarded as having had an important place in the ongoing stream: he said neither the first nor the last word in the many branches of trade theory in which he wrote. In total, his contribution to pure theory was immense, but his originality in this field was not of the order of Ohlin's, Samuelson's, or Meade's."

Harry is not much cited these days. This is a matter I must touch on here, and have already hinted at. Graduate students, let alone undergraduates, in international economics, seem hardly aware of his work. Of course, that is also true of Haberler, Machlup and Meade, and no doubt many others who made major contributions. So there is a general point here. History of thought is not fashionable, and new ideas are incorporated in texts and later literature without the originator being remembered or acknowledged. Furthermore, when alive he (rarely she) can actively promote his own work, as can his students. But the contrast between the enormous influence that Harry had in his lifetime, and the amount of citations he received, with the situation now, 23 years later, is rather striking and is a subject for discussion when the ageing members of the "Harry Johnson generation" get together. Therefore, let me pursue it further.

Time marches on. But it does not march in the same way for the few who get a name attached to an idea, a theorem or a diagram. Thus students certainly remember Heckscher and Ohlin, as they will always remember Mundell and Fleming, Stolper (of Stolper and Samuelson) and perhaps even Swan of the "Swan diagram", and Rybczynski, who published one academic article in his whole life. Harry did not promote his own work (other than handing out reprints). He did not claim originality even when he was original, and his name does not attach to a concept or theory. The theory of growth and trade ought to be known as the Harry Johnson theory or model, but then the model itself, while in every textbook, is not much referred to these days. A new generation has taken over.

In the final analysis, Harry's view of the "scientific enterprise" (as he might have put it) is the correct one. It is a cumulative process (with occasional dramatic jumps). He rarely said the first word (and never ever claimed he had), and not the last word either, but the result is what finally ends up in the latest textbooks or recent surveys. We cannot find Johnson articles in recent NBER Working Papers, but we find plenty of papers there that contain some element of the monetary theory of the balance of payments that was pioneered by Mundell and earlier by Harry's "Towards A General Theory of the Balance of Payments" (1958).

In the introduction to a recent collection of economists' autobiographies (Backhouse and Middleton, 2000) the editors noted that so many of the contributors (nine out of ...) referred to Harry as an influence on them – much more than to any other person.

Who did not have Harry stories? Probably a book could be filled with them.

He used to come every year to my international economics seminar at Nuffield College, Oxford. Afterwards we would have sherry in my room, except that Harry had to have whisky. At the end of Harry's presentation one student with a rather "Oxford" accent asked some fairly innocent question or made some remark (I don't remember what it was about), and Harry shot him down rudely, reflecting his prejudice against Oxford, Cambridge, the accent, whatever. I came to the defence of the student. Afterwards Harry approached this student. As far as I know Harry did not apologize. He asked the student what his plans were – ah, he wanted to study in the USA. Harry offered to help him. I don't know what happened later, but I would not be surprised if this student owes a step in his career to the fierce but kind Harry.

In 1954 I made the first ever presentation of my work, namely to the Oxford-London-Cambridge seminar for graduate students, which had been inaugurated by Harry (who was actually at Manchester at that time). I presented a complicated theoretical story about the effects of growth on trade, using diagrams. At intervals I would stop and ask "is that clear?" The plump man at the back would nod, quicker and quicker. Obviously, I concluded, I was going too slowly. It seemed to be clear and obvious to him, and no doubt to the others, as soon as I opened my mouth. That was when I first met Harry. At the end of the seminar it became clear to *me* that only two people, John Black and Harry *had* actually understood what I was about. One of the features of my story was the rather simple, and yet surprising,

“Rybczinski theorem”, not then published, but with which I was familiar because Tad Rybczinski was my fellow LSE student. A year later, the same year that Tad’s paper came out, Harry’s classic article “Economic Expansion and International Trade” was published. It prominently incorporated the Rybczinski theorem. More important it contained a (for me) classic footnote. “The writer first encountered the argument in a paper read by W.M.Corden..etc. etc.” That was the first time anyone had ever referred to me in print. My own paper, extracted from my thesis, was published in 1956.

After Harry died, I concluded from numerous conversations that there must have been about a hundred economists (and obviously more if I included non-economists) who thought they had been one of Harry’s ten best friends. “Of course I knew Harry. We sat up half the night drinking together” ...or something like that. That was the comment of a Soviet economist who was visiting the Australian National University soon after Harry’s death, when a dinner party conversation inevitably turned to the one topic that united economists, especially international ones, world-wide. In a rather patronizing way I had said to this gentleman. “..he was a Canadian economist who..etc etc.” But I should never have assumed that there was any economist, especially outside the United States, who did not know Harry personally.

The enormous admiration and affection for Harry was reflected in the numerous obituaries by members of the economics profession that appeared in 1977 and 1978. The outstanding one was by Jim Tobin (Tobin 1978). Let me quote from him. “For the economics profession throughout the world the third quarter of this century was an Age of Johnson”. He “bestrode our discipline like a Colossus.” “Throughout his career he was an active leader in the professional and academic economics of three countries.” “Harry’s main honour, the one that meant the most to him, was the affection and respect of his profession.” And this, from Tobin, a Nobel laureate: “A Nobel Prize? He was the people’s choice within the profession. Though selection committees stress quantum innovations, sooner or later they would surely have rewarded the massive incremental and synthetic advancement of knowledge that Johnson achieved”.