

Ben Higgins in Melbourne

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Abstract: This article contains the text of a memorial address for Benjamin Higgins (1912-2001). It details his activities as Ritchie Professor of Economics at the University of Melbourne in the late 1940s, and discusses his influence on young Australian economists in this brief period.

Author's Note

Benjamin Higgins's (1912-2001) contribution to development economics is well-known and partly captured in his *Economic Development* (1959). His earlier *What do Economists Know?* (1951) illustrated his deep concern for the methodological foundations of the discipline. An autobiographical account of his career appears in *The Road Less Travelled* (Australian National University, 1989), particularly in chapter 1. In 1992 *Equity and Efficiency in Economic Development: Essays in Honour of Benjamin Higgins* (edited by D. Savoie and I. Brecher) was published by the McGill-Queens' University Press. The contributors included Irma Adelman, Mark Blaug, Kenneth Boulding, John Chipman, Andre Gunder Frank, Murray Kemp, Robin Marris, Richard Musgrave, Walt W. Rostow and Paul Streeten.

The following memorial address was delivered at University House, Australian National University, on 7 August, 2001. There were five or so memorials presented at this gathering of family and friends, including his Indonesian colleagues, and the occasion was chaired by Ross Garnaut. Later there was a similar event held at the Chapel, University of Montreal. When Ben returned to Canada after appointments at MIT and the University of Texas, he taught at the University of Montreal and later at the University of Ottawa. Several of the memorial participants were former colleagues of Ben at these universities and from earlier days at McGill. Higgins's daughter read the following address there also.

Text of Address

I would have greatly enjoyed talking to you about my friendship with Ben, which began with his arrival in Melbourne in 1948 and continued undiminished throughout the next fifty-three years; but at this juncture, so soon after his death, I would find any kind of coherence beyond reach.

I therefore propose to speak about Ben's brief occupancy of the Ritchie Chair at the University of Melbourne. In particular, I will offer some tentative thoughts about the significance of that occupancy for Australian academic economics.

First, however, I must spend a minute or two reminding you of the main elements of Ben's professional training, for only then can we understand what it was that Ben contributed to Australian economics at that time. As you will see, for an economist who would spend much of his professional life thinking about problems of economic development, Ben's was an almost ideal upbringing.

After taking his first degree at the University of Western Ontario, Ben spent a year at the London School of Economics. There he listened to the lectures of Hugh Dalton, Frederic Benham and Paul Rosenstein-Rodan, and he wrote a master's thesis for Lionel Robbins on the relationship between psychology and economics.

Of the many friendships formed in London, it was that with Rosenstein-Rodan which was, ultimately, most stimulating in a professional sense; but 'Rosie's' important article on the coordination of lumpy investments had not yet been written and Ben's interest in economic development had not yet blossomed.

After a brief interlude teaching at the University of Saskatchewan, Ben enrolled in the doctoral programme of the University of Minnesota. He admired Arthur Marget, the great monetary theorist, but he soon fell under the influence of Alvin Hansen, 'the American Keynes', and eventually followed Hansen to Harvard. There he worked mainly with Hansen, but was strongly influenced also by Joseph Schumpeter and Edward Chamberlin. Indeed, one of Ben's earliest papers, published in the *American Economic Review*, was on monopolistic competition.

Summarising, the main formative influences in Ben's training were Hansen and Keynes, Schumpeter and Chamberlin.

Australian economists had been familiar with the work of Keynes and Chamberlin long before Ben's arrival. Douglas Copland, a contributor to the Premier's Plan, had lectured on the *General Theory* within weeks of its publication; and Chamberlin, Joan Robinson and Triffin had quickly taken their places in the Melbourne curriculum. Perhaps Schumpeter's work was not widely known, but we did have Alan Fisher's extraordinary *Clash of Progress and Security*, which anticipated many of Schumpeter's ideas on the need for well-tailored investment incentives.

Thus Australian economists were familiar with many of the ideas that Ben brought to Melbourne. But they had not learned to integrate them so that they formed a coherent whole (a social philosophy). Ben had learned to integrate them, and taught his Melbourne audiences to do likewise. *That was Ben's contribution.*

Shortly after his arrival in Melbourne Ben gave a serialised inaugural lecture in six parts, later published by the Melbourne University Press under the title *What do Economists Know?* The message was elegantly simple: for each social problem, whether it be unemployment or inflation or resource misallocation or the maldistribution of income, there is a solution, indeed a unique solution. In later terminology, for each target there is a single most appropriate instrument.

Evidently these ideas anticipated those of Jan Tinbergen on the *Theory of Economic Policy*. They also anticipated those of Paul Samuelson on the neoclassical synthesis.

As Ben later recognised, the supposition of a strict one-to-one relationship of instruments and targets was just a trifle naïve. But for me, for most of my fellow graduate students, and for most of the young postwar faculty, the inaugural lecture was a revelation and an inspiration – a revelation of the cohesiveness and potential usefulness of economic theory, and an inspiration for those of us who were wavering in our choice of careers.

Of course Ben went on to work on many other things: the theory of economic growth, the theory and practice of managed economic development, regional economic development and, eventually, a grand synthesis of economics and anthropology in which many of the economist's constants become variables the values of which are to be determined by the theory. Others will speak of these later

interests. I will add only one thing. While repeatedly expanding his horizons by taking on board new ideas, Ben remained faithful to the old ideas of Hansen, Chamberlin and Schumpeter. He saw the theories of his teachers not as faulty but merely as incomplete and lacking integration.

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