

John Kenneth Galbraith; Popularized Modern Economics

By Bart Barnes
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John Kenneth Galbraith, 97, an economist, author, professor, presidential counselor and U.S. ambassador to India, who used caustic wit and an iconoclastic temperament to help set the foundation of modern economic thinking, died April 29 at Mount Auburn Hospital in Cambridge, Mass. The cause of death was complications from pneumonia.

Dr. Galbraith spent more than 25 years on the Harvard University faculty and advised Democratic presidents and candidates from Franklin D. Roosevelt to Bill Clinton. Socially, he may have been without peer in his field; he was said to have been one of the few economists, if not the only, invited to Truman Capote's 1966 Black and White Ball in New York.

He was an unabashed popularizer of economics -- credited with coining "countervailing power" and "conventional wisdom," among other phrases -- and many of his more than 40 books were international bestsellers.

One of the most influential was "The Affluent Society" (1958), which argued that overproduction of consumer goods was harming the public sector and depriving Americans of such benefits as clean air, clean streets, good schools and support for the arts.

In the book, he painted a picture of epic opulence: "The family which takes its mauve and cerise, air-conditioned, power-steered, and power-braked automobile out for a tour passes through cities that are badly paved, made hideous by litter, blighted buildings, billboards, and posts for wires that should long since have been put underground."

"They picnic," he added, "on exquisitely packaged food from a portable icebox by a polluted stream and go on to spend the night in a park which is a menace to public health and morals. Just before dozing off on an air mattress, beneath a nylon tent, amid the stench of decaying refuse, they may reflect vaguely on the curious unevenness of their blessings."

Dr. Galbraith was generally considered to have been an apostle of the theories advanced by British economist John Maynard Keynes: that government could promote full employment and a stable economy by stimulating spending and investment with adjustments in interest and tax rates, and deficit financing.

He lamented what he believed was an excess accumulation of private wealth at the expense of public needs, and he warned that an unfettered free market system and capitalism without regulation would fail to meet basic social demands. This was echoed in "The Affluent Society."

'Renaissance Man'

Dr. Galbraith's observations on a variety of economic and political matters were circulated at the highest levels, although they were sometimes ignored.

In the early 1960s, while serving as President John F. Kennedy's ambassador to India, Dr. Galbraith expressed grave doubts about increasing U.S. involvement in the cankerous conflict brewing in Southeast Asia that would erupt into the Vietnam War. Later that decade, he was chairman of the left-leaning Americans for Democratic Action, and he backed the unsuccessful antiwar presidential candidacy of Sen. Eugene J. McCarthy (D-Minn.) in 1968.

Regarded by admirers such as Sen. Edward M. Kennedy (D-Mass.) as a "true Renaissance man," Dr. Galbraith also wrote about the art of India and penned several novels. One work of fiction, "The Triumph" (1968), was about the final days of a

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Central American dictatorship and its relationship to what the author called "an uncontrollably funny institution" -- the U.S. State Department.

On national political commentary and journalistic punditry, Dr. Galbraith observed: "Nearly all of our political comment originates in Washington. Washington politicians, after talking things over with each other, relay misinformation to Washington journalists who, after further intramural discussion, print it where it is thoughtfully read by the same politicians. It is the only completely closed system for the recycling of garbage that has yet been devised."

He was no less caustic about his own profession.

"Economists," he once said, "are most economical about ideas. They make the ones they learned in graduate school last a lifetime." An agricultural economist early in his career, he would describe himself as "without rival as the nation's first expert on the price of hogs." And although he rated himself as "barely average" as a professor, his Harvard lectures routinely drew standing-room-only audiences.

Despite periodic self-deprecation, Dr. Galbraith was widely said to have been arrogant and was described as such in a 1961 profile in the New York Times. When he complained to President Kennedy, "I didn't see why they had to call me arrogant," the president answered: "I don't see why not. Everybody else does."

At 6 feet 8 inches tall, it was often said of him -- as it was of French leader Charles de Gaulle -- that it was difficult for a tall man to avoid looking down on others. A framed needlepoint in his Cambridge home near Harvard Yard proclaimed, "Galbraith's First Law: Modesty is a Vastly Overrated Virtue."

Long overlooked for a Nobel Prize, he received from Clinton in 2000 the Presidential Medal of Freedom, the U.S. government's highest civilian honor.

"With clarity, wit and a keen social conscience, he has made complex economic theories and processes comprehensible to a wide audience and highlighted the social and ethical impacts of economic policies," the award citation said. "A tireless reformer of the free enterprise system, he has resolutely promoted social justice and challenged conventional assumptions in his Harvard classroom and in the public arena."

Father's Inspiration

John Kenneth Galbraith was born Oct. 15, 1908, on a small farm near Iona Station in Ontario, Canada.

From his father, a leading figure in the local branch of the Canadian Liberal Party, he inherited his politics, his wit and his height. As a child he accompanied his father to political rallies. At one such gathering, the elder Galbraith climbed atop a pile of manure to address the crowd. "He apologized with ill-concealed sincerity for speaking from the Tory platform," Dr. Galbraith later remembered.

"I congratulated him on the brilliance of the sally. He said, 'It was good, but it didn't change any votes.' "

He studied animal husbandry at Ontario Agricultural College at Guelph and later received a doctorate in agricultural economics at the University of California at Berkeley.

In 1934, Dr. Galbraith joined the Harvard faculty, where he would serve with several interruptions until he retired in 1975. He became a U.S. citizen in 1937, then left the country on a year-long sabbatical as a research fellow at Cambridge University in England, where he became a disciple of Keynesian economics.

He served a year on the economics faculty at Princeton University in 1939, then came to Washington to work with the National Defense Advisory Committee, established to prepare the U.S. economy for war.

His mentor in the federal bureaucracy was Leon Henderson, a leading New Dealer. Henderson put Dr. Galbraith in charge of the price division in the Office of Price Administration, which was arguably the most powerful civilian post in the management of the wartime economy.

After two years, Dr. Galbraith and his staff had placed virtually all goods and services in the country under his control. But he had "reached the point that all price fixers reach -- my enemies outnumbered my friends."

In the midterm elections of 1942, the Democrats lost seats in Congress, and business interests were demanding a clipping

of Dr. Galbraith's economic wings.

Starting in 1943, he spent five years writing and editing at Fortune magazine and took leaves of absence for special assignments.

After Germany surrendered in 1945, he went to Europe to direct the U.S. Strategic Bombing Survey. From interviews with top Nazi leaders who had been taken into custody, he concluded that extensive bombing by the Allies had done little or nothing to shorten the war. Of much greater import, he found, was the fact that "in reality, German war management was for a long time half-hearted and incompetent." He would find a similar lack of strategic effectiveness in the bombing of Japan.

Seminal Works

After rejoining the Harvard faculty in 1949 as professor of economics, he wrote the books that brought him renown as an economic thinker. Besides "The Affluent Society," there was "American Capitalism" (1952), "The New Industrial State" (1967) and "Economics and the Public Purpose" (1973).

In "American Capitalism," he articulated his conception of "countervailing power" and new patterns of competition among big labor, big business and big government. The thrust of this theory is that the power of big producers is balanced against the strength of big unions and big purchasers, such as chain stores.

"The New Industrial State" theorized that the rise of giant multinational corporations had created a bureaucratic "technostructure" that exercised a powerful influence over the economy. In "Economics and the Public Purpose," he discussed a bureaucratic reciprocity between big government and big business that he said often worked against the public interest.

On the political front, Dr. Galbraith campaigned for John F. Kennedy in the 1960 presidential election. In 1961 he took a two-year leave from Harvard to serve as ambassador to India. Aside from the India-China border war of 1962, there was rarely a full day's work to be done, so the ambassador used the extra time to write more books.

Among them were "Indian Painting" (1968), an art book he wrote with Mohinder Singh Randhawa; and his first novel, "The McLandress Dimension" (1963), a satire written under the pseudonym Mark Epernay.

After leaving New Delhi, Dr. Galbraith wrote "Ambassador's Journal" (1969), a day-to-day account of his service in India for which he received a guaranteed fee of \$250,000 from Houghton Mifflin. "On this the federal taxes were sufficient to cover my ambassadorial salary of \$27,500 annually with around a hundred percent additional return," he wrote in his autobiography.

He had already established a practice of turning over to the Harvard economics department a share of the royalties he received for other books he had written.

Political Influence

As a longtime friend of Kennedy's vice president, Lyndon B. Johnson, Dr. Galbraith was said to have been under consideration for ambassador to the United Nations when Johnson became president. This never materialized, but Dr. Galbraith was among the president's advisers early in his administration.

As the U.S. military involvement in Vietnam escalated, the relationship between Dr. Galbraith and Johnson deteriorated and eventually dissolved. By 1967, Dr. Galbraith had become chairman of Americans for Democratic Action, a leading antiwar group. In 1968, he was a key figure in the presidential campaign of McCarthy, whose candidacy helped drive Johnson from office.

In retirement from Harvard, Dr. Galbraith continued to write, travel and speak to packed auditoriums. He wrote an autobiography, "A Life in Our Times" (1981). He was host of the British-made television series "The Age of Uncertainty" and author of a best-selling book by the same name. With Soviet economist Stanislav Menshikov, he wrote "Capitalism, Communism and Coexistence: From a Bitter Past to a Better Prospect." Published in 1988, the book was a compilation of informal discussions between the two men.

In 1999, Dr. Galbraith wrote "Name-Dropping," a collection of remembrances of famous figures he'd encountered, including Harry S. Truman and Jawaharlal Nehru. He divided his time between his home in Cambridge, summers at his

"unfarmed farm" in Newfane, Vt., and a chalet in Gstaad, Switzerland, where he spent winters skiing.

Dr. Galbraith was often at airports all over the world, waiting for connecting flights. Like F. Scott Fitzgerald, he enjoyed browsing bookshops for his work. Once at LaGuardia Airport in New York, he asked a clerk if she had a copy of "The Great Crash," his 1955 analysis of the 1929 stock market collapse. "Not an easy book to sell at an airport," said the clerk, looking sympathetic.

Survivors include his wife, Catherine Atwater Galbraith, whom he married in 1937; and three sons, Alan, Peter and James. Another son, Douglas, died of leukemia when he was 7.

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