PORTRAIT: Roy Harrod

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PORTRAIT

Roy Harrod

In March 1937, Maynard Keynes wrote to Joan Robinson, "I have just finished reading Roy's book carefully *(The Trade Cycle,* Oxford University Press, 1936). . . . I think he has got hold of some good and important ideas. But if I am right, there is one fatal mistake which largely upsets his main theory." He wrote to Roy Harrod himself, ". . . I think that your theory in the form in which you finally enunciate it is not correct, being fatally affected by a logical slip in the argument." Roy Harrod replied devastatingly: "There is no slip. This is a matter to which I gave very long thought and reached my conclusions after much trial and error. The consequence of my reflections was the elaboration of this technique of dynamic analysis. . . . The fact is that you in your criticism are still thinking of *once over* changes and that is what I regard as a static problem. My technique relates to steady growth."

Roy Harrod's "slip" was in fact the invention of growth theory. What became the Harrod-Domar equation with all its ramifications now seems so simple that it is impossible to think of a world where these things were not known, but anyone familiar with the complexities involved in Marx's nineteenth-century attempt to move from a simple reproduction scheme to extended reproduction will be aware of the inestimable value of the concept of steady growth. Roy Harrod published the first version of his complete growth model in 1939, while Domar published his version after the Second World War, so Harrod always found it a little odd that his discovery should be described as the Harrod-Domar theory. But there is no doubt about the immense influence of Harrod's contribution.

It was not Roy Harrod's only important original contribution to economics. He was the first to invent the marginal revenue curve in 1928, and the *Economic Journal* sent it to a referee (Frank Ramsey) who was on this occasion obtuse, which held up publication until 1930, thus destroying Roy Harrod's claim to published originality. His work on decreasing marginal revenue and some of its consequences for the equilibrium of the firm predates that of Joan Robinson and Chamberlin. The foreign trade multiplier is another discovery where he can claim priority.

I first met Roy Harrod in 1956 when I went to his rooms in Christ Church, Oxford, as one of his graduate students. He had the distinguished title, "Student of Christ Church," and this was his principal academic position until his retirement in 1967. Like Keynes, he was not a Professor, a title that Oxford reserved in Roy Harrod's first twenty years for D. H. Macgregor and H. D. Henderson (and who on earth were they, readers might indeed ask). By 1956 he had been editor of the *Economic Journal* for eleven years, and his most recent graduate student asked him hopefully if a thesis chapter might be publishable as an article. "Yes indeed," replied Roy Harrod with the greatest courtesy, "there are several articles in this chapter." He went on to explain that articles had to follow through just *one* line of argument, and that writing them was a knack that came easily in the end. Three hundred and thirty-one are listed in the bibliography of his publications. Another example of his courtesy was that he never told his pupils that they were talking nonsense. When he invited his graduate students to dine at Christ Church, his response to their silliest statements was, "That is a paradox. That is certainly a paradox."

As a teacher he stimulated by provoking opposition. On inflation he insisted in 1957 to the bewilderment of one recently graduated from Cambridge that wage increases could not possibly be inflationary. They must be deflationary in a non-Keynesian model, and neutral in a Keynesian one, for were not wages the unit in which everything was measured, and how could a change in the unit be inflationary?

As well as making a very large number of contributions to academic economics, Roy Harrod always took a great interest in national and international economic problems. He wrote an unending stream of letters and articles for newspapers, and as recently as July 1976 he wrote to the London *Times* from Norfolk to insist that the British trade unions (which wanted the British government to increase its spending, unemployment being one-and-a-half million) understood far more economics than the Treasury (which wishes to cut spending). One of his most notable newspaper articles was written in 1959 during that year's British election campaign and entitled, "Why I shall vote Conservative." His startlingly unfashionable reason was that the Conservatives would allow more money to the better off who had most to contribute to the future of Britain. He explained privately that what lay behind the argument was a belief in the importance of the quality of the country's population stock, and that it should not decline. The quality of the population stock was no less important than the quality of the capital stock, and it must deteriorate if, as was then happening, the middle classes continued to have fewer children than the poor. He was a strong believer in the inheritance of all kinds of ability. A provocative conversational conclusion he drew from this was that in an ideal world, one-third of Christ Church's muchsought-after undergraduate places would be sold to the rich. Their children often had too little academic ability to do well in examinations, but they had inherited abilities of other kinds which would take them to leading positions, so they should go to Oxford first. Roy Harrod's reasoning on the inheritance of ability and its implications is set out in detail in the memorandum he submitted to the Royal Commission on Population in 1944. It makes strange reading in the 1970s, but who is to say what its eventual reputation will be? Future generations may find it odd that our generation ridiculed the Russians for destroying their agriculture as a result of the theory that plant characteristics are not inherited, and at the same time based its own educational policies on the assumption that human abilities are not inherited. As a true scholar, Roy Harrod always carried his arguments to their limits, and went where his reasoning took him, irrespective of the predictable reactions of others.

His scholarly contributions were by no means confined to economics. He wrote two extremely well-reviewed biographies (of Maynard Keynes and of his Christ Church colleague, Lord Cherwell) and he believes that *Foundations of Inductive Logic* may prove to be his most important book. In his opinion, economics, which only started two hundred and fifty years ago, may be gone again in another two hundred. But the problem of induction has been recognized for two thousand five hundred years and people will continue to consider it of vital importance for so long as intelligent life remains. So it is as a philosopher that Roy Harrod expects to be remembered. But it will be a century or two before his contributions to growth theory are forgotten.

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