

*Lucky Boy in the Lucky Country: The Autobiography of Max Corden, Economist*, by Werner Max Corden. Published by Palgrave Macmillan, 2017, 243 pages, ISBN: 978-331965165-1, AU\$ 149.00

In his foreword to this book, Martin Wolf describes the author as “Australia’s greatest living economist”, and indeed a case can be made for describing Max Corden as Australia’s greatest ever economist. A department at the ANU and a public lecture series at Melbourne University are named after him. He is an Honorary Foreign Member of the American Economic Association, a Fellow of the Academy of the Social Sciences in Australia, and a Fellow of the British Academy. He is also a Distinguished Fellow of the Economic Society in Australia, has been President of the Economic Society of Australia, and is a member of the Group of Thirty. In January 2001, he was appointed a Companion of the Order of Australia.<sup>1</sup>

But the life of a great modern academic economist seldom provides material for a biography, and, after a lifetime of writing for a specialist audience, very few people are capable of writing a readable autobiography. Max is a rare exception. His well-travelled life, his ability to write in a clear and engaging style, his wide sympathies, his self-knowledge and modesty all combine to make this autobiography fascinating reading. Above all, it is more than a narrative. Max characteristically searches for reasons, reflecting both on past events and his own personality. Interestingly, Max reflects on his position as a migrant, being grateful for a country that accepted him, while discussing the complex process of ‘assimilation’.

This book should appeal to a wide audience. It contains a great deal that is of interest to non-economists. Indeed, Part I (The Early Years) is concerned largely with the story of his family background, his escape from Nazi Germany, and the journey to, and early life in, Australia (with the change of name from Werner Max Cohn to Warner Max Corden). An uncle was Willy Cohn, who later became famous after his diaries were translated and published. These stand, along with the diaries of Victor Klemperer, as an important record of everyday Jewish life in Germany after 1933 until Willy’s deportation and murder in 1941. Melbournians may be amused to read that Max’s father, on first seeing St. Kilda Road in January 1939, remarked that, “this is the most beautiful street in the world”.<sup>2</sup>

Part II (Being an Academic Economist) describes his varied academic career, involving senior positions in Australia, the UK, and the US. This covers his time as a PhD student of James Meade at London School of Economics, and a researcher at the National Institute of Economic and Social Research in London in the 1950s; the years in Australia (Melbourne and Canberra) from the late 1950s to the late 1960s; his time in Nuffield College, Oxford, from 1967 to 1976 when he filled the Readership vacated by Roy Harrod; the second period at the Australian National University until 1986; and finally the years in the US at Harvard, the International Monetary Fund, and the School of Advanced International Studies at Johns Hopkins in Washington until 2002. Retirement brought a return to Melbourne where he continues to be a highly-valued Professorial Fellow.

Not surprisingly, Max provides interesting information about the conception and gestation of his major works, with useful economic history to provide the context. The relevance of his work to current important economic policy questions is indeed a strong feature of Max’s research, along with his ability to develop the necessary theoretical framework—often expressed diagrammatically—and

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<sup>1</sup> His Google Scholar page gives an h-index of 52 and an i10-index of 150. There is a wealth of further information from his personal web page, available at <http://www.maxcorden.com/>

<sup>2</sup> The road has of course changed substantially since that time. However, this reviewer’s grandparents migrated to Sydney some 17 years earlier, in 1922 (returning to England in the mid-1930s), and spent several days in Melbourne. My grandmother, in her 90s, retained a strong memory of St Kilda Road.

bring all-important and wonderful clarity to the exposition. The reader is left in no doubt about why the problem is important, why a particular approach is most useful, and the policy implications (and possible limitations) of the analysis. Max's articles and books are exemplars of how to write economics, ensuring that they continue to be read and cited years after they were written.

From a vast output, he leaves the reader in no doubt that his most important article is 'The Structure of a Tariff System and the Effective Protective Rate', published in the *Journal of Political Economy* in 1966. This seminal article led to a large subsequent literature, and (with his other writings on protection) had a valuable role in encouraging tariff reductions in Australia and elsewhere. Here, Harry Johnson played a valuable role in suggesting revisions, after it was initially rejected by the *Economic Journal*. Harry had been an associate editor of the *Review of Economic Studies* when Max's first article – written in Melbourne while working part time on a master's thesis (and submitted by Wilfred Prest, then the Truby Williams Professor, on Max's behalf). The importance of Harry Johnson to Max's 'international journey' is made clear, including his influence in helping to get Max appointed to the Readership at Nuffield College.

The years at Nuffield represent the 'high point' of his career. Max suggests that, "perhaps these were the best, most memorable, nine years of our lives". The college provided both a congenial environment and his outstanding pedagogic skills benefited generations of graduate students. There is no doubt that every graduate with an interest in international economics or welfare economics who passed through Oxford during that period retains a strong memory of his stimulating and enjoyable lectures and seminars. His most-cited paper, on 'booming sector and de-industrialisation in a small open economy', was written (after his return to ANU) with a former student, Peter Neary. This also provides a further example of the way in which Max takes a specific contemporary economic problem and applies original analytical insights, extending the analysis to a wide range of possible cases.

His acknowledgement of Harry Johnson's role reflects a characteristic of the autobiography throughout – Max's generosity of spirit toward his many colleagues. While many economists, and indeed academics generally, waste a lot of energy on conflict, Max's cheerful and friendly demeanour is shown by his complimentary 'pen portraits' of numerous past colleagues and friends. This is associated with his constant quest to understand all different points of view. Those who look in this autobiography for acerbic comments or criticisms of various institutions will be disappointed.

Hence, while economists form the main audience for his autobiography, with perhaps a focus on those concerned with international economics and macroeconomic policy, all academics can learn from Max's career. His writings provide obvious models of clarity, but a feature that is worth stressing is that a strong international reputation can be obtained by examining specific policy questions relating to particular countries, by bringing to bear fresh analytical insights and bringing out the possible relevance to other cases. Anyone who has ever heard Max talk in a seminar or lecture context will carry a lasting memory of intellectual stimulation and clarity. It is perhaps surprising to learn in this autobiography that he initially had to overcome shyness. But he stresses that as a student he always examined those who lectured to him, learning what to avoid and what 'works' (such as making eye contact, not reading, and so on). The main lesson—the importance of preparation—is revealed in an interesting anecdote from an early lecture in Melbourne, when he took a blank page, rather than his lecture notes, from his pocket and simply spoke without any 'props'. The other important feature is that Max so palpably *cared* about his audience.

In looking back over any productive and well-travelled life, it is hard to avoid the feeling that luck plays an important role, and so it is interesting to see that Max not only acknowledges this in his title, but also devotes a final chapter to 'All About Luck'. A meeting with Prest in 1952, to discuss a draft of a paper, led both to its publication and the suggestion by Prest that Max should apply for a British Council Scholarship to study in England (he had planned simply to take a holiday in England at the time of the coronation of Queen Elizabeth II in 1953). This led to resignation from the Department of

National Development in Melbourne and the start of his academic career. However, the move to London was delayed by a broken leg, which resulted from being hit by a car while crossing Russell Street at the corner of Bourke Street. While waiting for the leg to heal, Max attended a play-reading at the Youth Hostel Association (in Flinders Street). The play was Wilde's *The Importance of Being Ernest*, and one of the readers was Dorothy, who was later to become Max's wife. Many years later, there was an allusion to this important event in the title of his 2002 book (*Too Sensational: On the Choice of Exchange Rate Regimes*).<sup>3</sup> But of course, serendipity favours the prepared mind and, as stressed above, Max always made sure he was prepared. Being supervised by James Meade is also attributed to luck, but Max was persistent in asking for Meade when he arrived at LSE.

On the role of luck, one may take issue with Max's last sentence, in which he emphasises: "*and it is just luck that I have this ability at exposition*". This actually comes from a strong desire to communicate clearly, which comes from caring about his audience, planning, and a lot of hard work. And while Max expresses his good fortune, or luck, in migrating to Australia, it might more appropriately be claimed that it was the country that was lucky to receive him.<sup>4</sup>

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<sup>3</sup> Miss Prism (in whose handbag the baby Ernest had been placed) gave the following instruction to Jack/Ernest's ward, Cecily: 'you will read your Political Economy in my absence. The chapter on the fall of the rupee you may omit. It is somewhat too sensational'.

<sup>4</sup> The expression 'the lucky country' actually comes from the title of the 1964 book by Donald Horne, in which he argued that Australia's prosperity was all due to luck, despite what he suggested was (among other things) a 'second rate' system, complacency, and a lack of innovation. However, it has come to be used favourably rather than in a pejorative sense, much to Horne's annoyance.