I cannot pretend to objectivity in writing about George Stigler. For sixty years, he was one of my closest friends. My debt to him, both personal and professional, is beyond measure. Despite deep sadness at his death, I cannot recall him without a smile rising to my lips. He was as quick of wit as of mind. His wit always had a point, and was never mean or nasty — though some of the objects of his wit no doubt felt its sting. His occasional humorous articles — such as “The History of Truth in Teaching” — have become classics and demonstrate that had he chosen to become a professional humorist rather than a professional economist, he would have achieved no less fame in the one field than he did in the other. His death has left the world a far less joyful place for Rose and me, as for so many others.

George was a great economist, a great teacher, a great human being with a gift for writing matched among economists in the twentieth century only by Keynes. He always pretended that he never worked — to have been playing golf or tennis or bridge — never appeared to be in a hurry. Yet this was a facade. He was an incredibly fast and hard worker, who could master complex literature and write sophisticated and elegant articles at a pace few can match. His contributions to economics cover an amazingly wide range: from his first and lasting love, the history of economic thought, to linear programming, industrial organization, the economics of information and the economic analysis of policy. And the list is far from complete. He reshaped every field he touched and left a legacy that has inspired a host of other economists to expand on his contribution.

I need not dwell on his scientific accomplishments for a Mont Pèlerin audience. You are familiar with them and have all learned from them. Instead, I shall reminisce a bit about our joint trip in 1947 to the founding meeting of our Society.

Aaron Director (Rose’s brother), George, and I went together. It was George’s and my first trip outside of North America. Aaron, some ten years older, had been to Europe before the war, had met Hayek at the London School of Economics, and played a major role in persuading the University of Chicago Press to publish The Road to Serfdom. Like George, he was a disciple of Frank Knight’s. Aaron and Knight were responsible for our being invited (the two of us and Maurice Allais of Paris were the youngest active participants).

We went over on Cunard’s Queen Elizabeth (the first, of course, not the elegant QEII), refitted from its wartime service. (That was long before trans-Atlantic travel by air had become commonplace though George did return by plane.) We disembarked at Southampton and proceeded to London where we stayed for several days. Britain was still in a sad way two years after the war. Food was rationed and poor (when George gave some paid lectures at the London School of Economics a year later, he commented in a letter, “So here I am losing weight and gaining pounds”). Price, wage, and exchange controls were extensive and rigid, and appeared to
be widely accepted and respected. There doubtless were black markets but they were small and well hidden.

The situation was very different in Paris, our next stop. The food was incomparably better and while wartime destruction was plainly evident there was a feeling of vigor and movement absent in Britain. George loved to tell the story, as he did in his Memoirs, “of approaching the clerk at the Grand Hotel, where we were staying, ‘Could you direct me to the closest outlet for the black market in currency?’ I asked.

‘Go no further, gentlemen,’ was the response as he extracted a wallet from his jacket.”

As we left Paris, George summarized his impressions: “I now know the difference between Britain, France, and the United States. The British obey all laws, the French obey no laws, the Americans obey only the good laws.” This was his succinct summary of our having observed Britain being strangled by law obedience (remember this was forty-five years ago; the British have since learned better or degenerated — take your choice), while France was being saved by the black market.

Interesting as George and I found our first sight of Europe, the real payoff was Mont Pèlerin — as I wrote to Rose, “the place is unbelievably wonderful.” As to the conference, “we’ve been meeting three times a day — morning, afternoon, and night…. It’s pretty wearing, but also very stimulating.” Here we were, young naive provincial Americans, meeting people from all over the world, all dedicated to the same liberal principles as we were; all beleaguered in their own countries, yet among them scholars, some already internationally famous, others destined to be; making friendships which were to enrich our lives and last a lifetime; and participating in founding a society destined to play a major role in preserving and strengthening liberal ideas. And also learning how much people with the same basic philosophy can differ about its implementation. One incident above all impressed George and me. In the course of a spirited discussion of policies about the distribution of income among a group that included Hayek, Machlup, Knight, Robbins, and Jewkes among others, Ludwig von Mises suddenly rose to his feet, remarked, “You’re all a bunch of socialists,” and stomped out of the room.

Neither George nor I ever recovered from our introduction to so rich and varied a world.