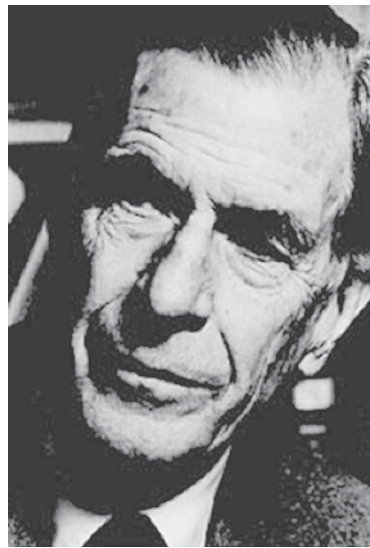


A M E R I C A N A G R I C U L T U R A L E C O N O M I C S A S S O C I A T I O N



*The John Kenneth Galbraith
Forum and Award*

JKG F&A



John Kenneth Galbraith was born October 15, 1908. Educated at the Ontario Agricultural College and the University of California, Berkeley, he joined the faculty of Harvard University in 1934. During World War II he administered price controls for the United States. Afterward he became the most celebrated economist-statesman of the age, whose classic works include *The Great Crash*, *The Affluent Society*, and *The New Industrial State*. An Advisor to many Presidents and a leading advocate for peace, Galbraith served as U.S. Ambassador to India under John F. Kennedy. He holds the Medal of Freedom and the Order of Canada.



"Economics is a subject profoundly conducive to cliché, resonant with boredom. On few topics is an American audience so practiced in turning off its ears and minds. And none can say that the response is ill advised."

"In economics, the majority is always wrong."

"If all else fails, immortality can always be assured by spectacular error."

"Economics is extremely useful as a form of employment for economists."



~John Kenneth Galbraith~

Dear Potential John Kenneth Galbraith Forum Donor:

Agricultural economists from around the world gathered at the 2003 Annual Meeting of the American Agricultural Economics Association (AAEA) in Montreal, Canada, to witness the birth of the John Kenneth Galbraith Forum and Award (JKG F&A). The Forum was created to honor John Kenneth Galbraith, an internationally renowned economist, social philosopher, and statesman whose writings and contributions to policymaking have changed the way people think and how governments operate. It is our intention to fundraise \$500,000 in order to make the JKG F&A Event an annual highlight of the economics profession at the AAEA summer conference.

John Kenneth Galbraith is one of the intellectual leaders of the second half of the 20th century. He received his Ph.D. in agricultural economics from the University of California at Berkeley. After graduation, he taught at UC Berkeley and UC Davis, and then moved to the East Coast, and had a long and distinguished career teaching economics at Harvard and Princeton Universities. He has played an important public service and policy role in the Office of Price Administration in the National Defense Advisory Committee, in the US Strategic Bombing Survey, and as an ambassador to India. He served as the editor of *Fortune* magazine from 1943-1948, and was a prolific and lucid writer, writing influential books, including *American Capitalism* (1951) and *The Affluent Society* (1958).

The Annual JKG F&A Event will honor a distinguished professional with a Galbraith Award for continuing Galbraith's tradition of outstanding research and major social contributions. During the 2004 Annual Meeting of the AAEA in Denver, Colorado, the first Galbraith Award was given to Joseph Stiglitz, a Nobel Prize winner and one of the foremost economists and thinkers of our times. The annual event will include presentations by distinguished professionals, including the Award recipient.

We would like to ask for your assistance in inspiring and informing the agricultural economics profession, economists in general, and the public, as well as in recognizing scholars who are following in Galbraith's footsteps and whose work and writing affect policy and public thinking in issues concerning agriculture, development, economics, and business. Your donations will pay for the venue, travel and accommodation expenses of the Galbraith Award recipients, the award itself, publication fees, and the cost to design and maintain a Web site devoted to the John Kenneth Galbraith Forum and Award of the AAEA Foundation.

Thank you for your continued support to, and interest in, agricultural economics and those who have advanced this professional field with their research and writing.

Sincerely,



David Zilberman,

Chair
Galbraith Initiative Committee

American Agricultural Economics Association

The American Agricultural Economics Association (AAEA) is the professional association of scientists who use economic tools to analyze issues and solve problems in the areas of agriculture, food, rural communities, and natural resources. More than 2,700 professionals and students from across the world make up AAEA's membership.

VISION

AAEA will be the leading organization for professional development and information related to the economics and business of food, agriculture, resources, environment, development, and allied fields.

MISSION

To enhance the skills, knowledge and professional contribution of those economists who help society to solve problems related to agriculture, food, resources, and economic development.

GOALS

- Provide leadership and stimulation for innovative thinking about emerging societal needs and issues embodied in the AAEA mission statement.
- Promote and recognize high standards of professional accomplishment in both the public and private sectors, including economic analysis, classroom teaching, outreach activities, research, management and administration, consulting and other relevant endeavors.
- Encourage analysis and dialogue on a broad range of relevant issues and subject matter affecting production agriculture, the food system, natural resources, the environment, and rural people and places.
- Facilitate communication and cooperation among AAEA members, scientists in other fields, decision makers, and the public.
- Enhance public understanding, appreciation, and support for economists working on problems related to agriculture, food, resources, and economic development.
- Encourage and facilitate professional growth and development opportunities for AAEA members, and others, including special activities and learning opportunities for emerging professionals (e.g., undergraduate and graduate students).

American Agricultural Economics Association Foundation

The American Agricultural Economics Association Foundation, established in 1985, is a nonprofit, 501(c)3 tax-exempt, fund-raising, gift-repository, and capital-accumulating subsidiary of the American Agricultural Economics Association, authorized under Article XII of the AAEA Constitution. Its purpose is to solicit, collect, invest, and disperse funds other than membership dues and other fees collected by the AAEA for its services and products.

Funds are to be used to: (a) enhance the quality and usefulness of the work done by agricultural economists, (b) expand the range of clientele for whom the economic intelligence produced may be useful, and (c) otherwise enhance the abilities and outreach of agricultural economists.

AAEA members have special interests and expertise in economic issues relative to production agriculture, the food industry, natural resources, rural communities and institutions, environmental quality and economic development. Their understanding of the special nature of the food and fiber system and the world's natural resource base enables them to contribute to the analysis and development of knowledge useful in public policies and private sector decisions.

The Foundation will fund projects to support professional excellence in teaching, economic education, research and communication.

Donor Proposal

DESCRIPTION

The John Kenneth Galbraith Forum will be held annually at the summer meeting of the American Agricultural Economics Association (AAEA). The Galbraith Award will be presented at this session to outstanding scholars who embody Galbraith's tradition of outstanding research and major social contributions, and they will be the featured speakers in a plenary session at the AAEA Annual Meeting.

PURPOSE

The JKG F&A aims to:

- Honor John Kenneth Galbraith, an international renowned economist, social philosopher, and statesman whose writings and contributions to policymaking have changed the way people think and how governments operate.
- Inspire and inform the agricultural economics profession, economists in general, and the public through presentations at the Annual Meeting, publications of the proceedings in one of the Association's journals, and a dedicated Web site.
- Recognize scholars who are following in Galbraith's footsteps and whose work and writing affect policy and public thinking on issues concerning agriculture, development, economics, and business.

SELECTION PROCEDURE

The Galbraith Forum and Award Committee, whose members will be selected by the AAEA Foundation's Board, will select the recipient(s) of the Galbraith Award. The committee will have six members appointed to a three-year rotating term, with two new members each year.

SELECTION CRITERIA

- Scholarly contributions
- Policy and social impacts
- Public service
- Availability

Although we expect recipients to be agricultural economists or economists, some may include policymakers and outstanding individuals in government, private sector, and the media.

FUNDING

The earnings of the JKG F&A fund of the AAEA Foundation will finance the annual event. It will pay for the venue, travel and accommodation expenses of the recipients, the award itself, publication fees, and the cost to design and maintain a Web site devoted to JKG F&A.

The target for capitalization of the JKG F&A fund is \$500,000.

John Kenneth Galbraith's response to the letter sent on the First Forum in honor of Dr. Galbraith.

**John Kenneth Galbraith
Harvard University
Cambridge, Massachusetts**

May 3, 2003

Professor David Zilberman
Department of Agricultural and Resource Economics
207 Giannini Hall
University of California, Berkeley
Berkeley, CA 94720

Dear Professor Zilberman:

I have your most engaging letter and you should not doubt my pleasure. For more than a generation, I have been the only member of the Department of Economics at Harvard without a degree in Economics. Mine is in Agricultural Economics. There are several matters in your letter, particularly concerning Montreal, to which I must give more thought. I would love to be with you. There could be a problem, however, as to my physical mobility. That has been greatly restricted in recent months and much would depend on the speed and certainty of my recovery. If I am forbidden such travel, I will endorse and contribute to the personal delights of that day; possibly I could persuade James Galbraith, who at Texas holds the most distinguished professorship south of the Mason Dixon, to be the voice for my contribution.

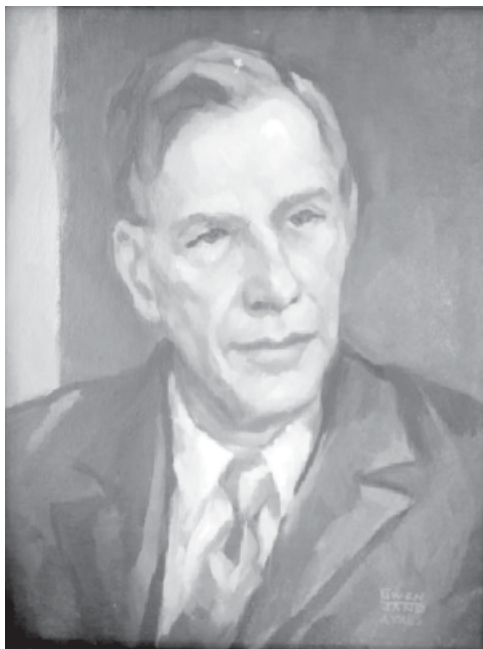
This letter is to tell of my pleasure and, of course, full acceptance of this award and honor. I will be back in touch with you as soon as I can be reasonably certain as to personal mobility. Again, my very great pleasure. Some surviving colleagues, remembering John D. Black, will be delighted that Harvard has again an identity, however slight, with the Economics of Agriculture.

Yours faithfully,



John Kenneth Galbraith

JKG/sb



John Schnittker read this statement from Willard W. Cochrane at the John Kenneth Galbraith Forum at Le Palais des congrès de Montréal Convention Center at the American Agricultural Economics Association Annual Meeting on Monday, July 28, 2003. Dr. Cochrane served with John Kenneth Galbraith on the staff of Senator Kennedy in 1960 during his run for the Presidency. Dr. Cochrane is Professor Emeritus at the University of Minnesota.

The accompanying photograph is a painted portrait of John Kenneth Galbraith by Gwen Ayers.

Remembering John Kenneth Galbraith from the 1950s and '60s
by
Willard W. Cochrane

John Kenneth Galbraith made one of his rare appearances at an annual meeting of the American Farm Economics Association at the Penn State Meetings in the summer of 1954. I remember vividly what he had to say on two different occasions at those Meetings. First, in his address to members in the opening session, he argued that given the difference between the market structures of farming and industry, the terms of trade turn sharply against farm producers with a general decline in demand as occurs in an economic depression. Thus, it is reasonable and appropriate for government in such circumstances to assist farm producers to manage supplies by controlling production and thereby gain market power. This presentation by Galbraith gave intellectual support for the policy proposals that I was making at the time for mandatory sales quotas on individual farms, as a means of managing supplies coming on the market.

Second, perhaps to tone down my aggressiveness in the farm policy debates that were occurring at that time, in a private conversation he said to me - "Willard, if you weren't so damned abrasive, you might amount to something." Looking back over my career, perhaps I should have been more heedful of his admonition to me. But one could also say that this is a good example of the pot calling the kettle black.

Ken Galbraith was involved in other ways with agricultural economics in this period. Two years earlier he had spearheaded a letter-writing campaign to save the Bureau of Agricultural Economics, the BAE, from dismemberment. But the forces seeking its demise were too strong for us: Ezra Taft Benson did not need "help" from the BAE, but received his economic guidance directly from God; and senior Congressmen from the "Deep South" were determined to get rid of the BAE because of its revelations regarding the plight of "sharecroppers," particularly black "sharecroppers," in that area. But Galbraith remained determined, as did I, to return the BAE to its former glory.

Both Ken Galbraith and I served on the personal staff of Senator Kennedy in 1960 in his run for the Presidency—although I wish to be completely clear on this; he circulated at a much more rarefied atmosphere than I. As I observed, he served as a personal advisor to the candidate on everything, while I was the lowly advisor on agriculture. Nonetheless, Ken was a big help to me and agriculture in two ways.

First, he supported my hard advice to Senator Kennedy that we must control production; runaway agricultural production in 1960 was killing us in terms of the federal budget, the physical handling of the burgeoning surpluses and the anger of our not-so-friendly competitors. This was not an easy sell. It may surprise some of you to learn that the typical Democratic politician does not like production controls in agriculture any more than do conservative farm economists, then or now. Elected politicians from both parties love giving money to farmers, particularly to big influential farmers in the name of helping family farmers, "but for God's sake, let's not impose mandatory production controls on farmers." Galbraith supported my position, and we had some success controlling farm production when we took office in 1961. But where was Ken Galbraith when we desperately needed him in 1962 and '63? He was off in India studying Mogul art.

Second, Ken Galbraith was still pushing the idea that we should re-establish a functioning BAE in the USDA. And during the campaign he thoroughly indoctrinated Candidate Kennedy with the need to do just that. When Governor Freeman was named Secretary of Agriculture, Galbraith made sure that Freeman was on board with regard to a resuscitated BAE, although I had already convinced Freeman of the need to create a strong economic staff unit in the USDA. Thus it was, that soon after we took office, I, along with such bureaucratic stalwarts as Charles Kiefer, Nathan Koffsky and Harry Trelogan, began putting together two agencies: the Economic Research Service and the Statistical Reporting Service. As you can imagine, this task was not accomplished without considerable pain on the part of some people. The screams of established bureaucrats losing people and units could be heard across town (we did not revive the name of Bureau of Agricultural Economics, because some of the Congressmen who were instrumental in abolishing the Agency were still active in Congress.) This time we got the job done, because we had the necessary political support.

Once we had the paper work done, and the two new agencies up and running, it became my lot to go up on the Hill and tell Congressman Jamie Whitten, chairman of the Sub-Committee on Agriculture of the House Appropriations Committee what we had done. (Incidentally, Jamie Whitten was from Mississippi.) Of course, he already knew what we had done; his spies had kept him fully informed. For some of you younger people who have never heard of Jamie Whitten, let me tell you that he was the most powerful man in Washington on agricultural matters at that time, since he controlled the purse strings to the Department of Agriculture, and had for some 20 years. Around town he was known as the Permanent Secretary of Agriculture. Still I had to officially tell him what he already knew. When I had completed my presentation and had stopped shaking, here is what he said to me: "Putting all you economists together in one agency is a mistake; this can only lead to trouble. But the President wants it, and what the President wants, the President shall have." I will remember those last eight words as long as I live.

Now why would President Kennedy, a nautical person, from Hyannis Port, Massachusetts, with little or no interest in agricultural matters, want an economic research unit re-established in the Department of Agriculture? The President wanted a strong, functioning economic research unit established in the USDA, because he had been convinced during the course of the Campaign that the effective functioning of the USDA was absolutely dependent upon good economic intelligence analysis to be provided by a strong economic staff agency—by a revived, revitalized BAE. This convincing of the Presidential Candidate, of course, was done by John Kenneth Galbraith.

The program from the First Forum held in 2003.

John Kenneth Galbraith Forum

Monday, July 28, 4:00-6:00 p.m.

Le Palais des congrès de Montréal Convention Center

Introductions

Alan Randall, *President, AAEA Foundation*..... Host

Susan Offutt, *President, AAEA* Welcome

John Schnittker, *President of Schnittker Associates* Statement from Willard Cochrane

Presentations

The following distinguished professionals will be presenting during the John Kenneth Galbraith Forum.

Derek Bok

Bok is a former lawyer, Professor of Law, Dean of the Law School, and President of Harvard University. He will discuss Galbraith's contributions to academy, science, and politics.

James Galbraith

Son of John Kenneth Galbraith, James Galbraith is the Lloyd M. Bentsen Jr. Chair in Government/Business Relations and Professor of Government at the Lyndon B. Johnson School of Public Affairs at the University of Texas in Austin. James Galbraith will share the legacy of John Kenneth Galbraith with attendees.

Gordon Rausser

The former Dean of the College of Natural Resources at the University of California at Berkeley, Rausser is also a Robert Gordon Sproul Distinguished Professor. Galbraith's contributions to agricultural economics will be the topic of Rausser's address.

A Special Thanks

Special thanks to the sponsors of today's event,
without whose support this would not be possible:

- The Canadian Pork Board • The Farm Foundation •
- The Giannini Foundation • The AAEA Foundation •

John Kenneth Galbraith's response to the second letter sent on the First Forum in honor of Dr. Galbraith.

**John Kenneth Galbraith
Harvard University
Cambridge, Massachusetts**

August 12, 2003

Professor David Zilberman
Department of Agricultural and Resource Economics
207 Giannini Hall
University of California, Berkeley
Berkeley, CA 94720

Dear Professor Zilberman:

I never thought that I would be charmed to see a paper by a speaker at an economic association meeting -- events of academic obligation as distinct from pleasure. But your letter on the Montreal meeting was a delight. Certainly, I wish I could have been there. My years in economics now turning around sixty and more have accustomed me to correction: I yearn as always for agreeable comment.

I was particularly delighted by the reference to the Kennedy years and to Willard Cochrane. Alas, missing, and to me a most impressive of the Kennedy comments was, word for word: "I don't want to hear about agriculture from anybody but you Ken, and I don't want to hear about it from you either." He also was prone to add a comment on his own background: "Just remember where I grew up we were taken by a school bus to see a cow."

Again my thanks for a delightful letter.

Yours faithfully,



John Kenneth Galbraith

JKG/sb

John Kenneth Galbraith Forum

Tuesday, August 3, 2004, Noon - 1:30 p.m.

Adam's Mark Hotel, Tower Building/Second Floor, Grand Ballroom, Section I

Mechel Paggi, President, AAEA Foundation..... Host
Jon Brandt, President, AAEA Welcome
David Zilberman Introduction of Featured Speaker
Joseph E. Stiglitz Featured Speaker
Jon Brandt, President, AAEA Presentation of Award

Joseph E. Stiglitz was born in Gary, Indiana in 1943. A graduate of Amherst College, he received his Ph.D. from MIT in 1967, became a full professor at Yale in 1970, and in 1979 was awarded the John Bates Clark Award, given biennially by the American Economic Association to the economist under 40 who has made the most significant contribution to the field. He has taught at Princeton, Stanford, MIT and was the Drummond Professor and a Fellow of All Souls College, Oxford. He is now University Professor at Columbia University in New York. In 2001, he was awarded the Nobel Prize in economics.

He was a member of the Council of Economic Advisors from 1993-95, during the Clinton administration, and served as CEA chairman from 1995-97. He then became Chief Economist and Senior Vice-President of the World Bank from 1997-2000.

Stiglitz helped create a new branch of economics, "The Economics of Information," exploring the consequences of information asymmetries and pioneering such pivotal concepts as adverse selection and moral hazard, which have now become standard tools not only of theorists, but of policy analysts. He has made major contributions to macro-economics and monetary theory, to development economics and trade theory, to public and corporate finance, to the theories of industrial organization and rural organization, and to the theories of welfare economics and of income and wealth distribution. In the 1980s, he helped revive interest in the economics of R&D.

His work has helped explain the circumstances in which markets do not work well, and how selective government intervention can improve their performance.

Recognized around the world as a leading economic educator, he has written textbooks that have been translated into more than a dozen languages. He founded one of the leading economics journals, *The Journal of Economic Perspectives*. He has recently come out with a new book, *The Roaring Nineties* (W.W. Norton). His book *Globalization and Its Discontents* (W.W. Norton June 2001) has been translated into 20 languages and is an international bestseller.

A Special Thanks

Special thanks to the sponsor of today's event,
 without whose support this would not be possible:

- The AAEA Foundation •

Letter sent to John Kenneth Galbraith on the Second Forum in honor of Dr. Galbraith.

September 16, 2004

Dear Professor Galbraith,

I hope this letter finds you in good health. I am pleased to inform you that we held the **2nd Annual John Kenneth Galbraith Forum & Luncheon** last week during the annual meeting of American Agricultural Economics Association in Denver. This year we awarded the **1st John Kenneth Galbraith Award** to Professor Joseph Stiglitz during a special luncheon session on Tuesday, August 3rd. Two hundred people were present, and it was an outstanding session. The session program and some photographs from the event are attached.

I introduced Professor Stiglitz emphasizing that he was awarded this plaque because, like you, he started his career as an outstanding scholar, becoming an influential policymaker and later a social critic. Professor Stiglitz arrived to the luncheon after a six-week stay in China and Tibet. We had been worried that he wouldn't make it in time, but things worked out beautifully. His hour-long talk was full of humor and referred to current events—for example, the basic flaws of solving economic ills by providing tax breaks to the rich. He spoke about your career and emphasized that your agricultural economic roots allowed him to develop economic thinking grounded in reality. Unlike many people in the 1930s, you understood that the Great Depression was real and that people hadn't suddenly developed new tastes for leisure. Stiglitz later emphasized that, like you, he was always aspiring to develop theories grounded in reality. He spoke about the role of an academician as a social critic. As an academician, he always tried to develop new insight, inform, and sometimes had not only to choose, but to protest. Then, he gave examples of issues concerning him about subsidies to agriculture in developed countries that stifle developing countries. He spoke about U.S. policies that are based on the assumption that markets are perfect, while modern economics suggest that information problems and other reasons cause market forces to be imperfect. In his world, "the invisible hand is sometimes invisible, because it is not there."

Stiglitz's performance was inspiring, and we are really proud that he is our first Galbraith Award recipient. The AAEA is now committed to the fundraising effort and we will keep you informed. I'm attaching some pictures from the event.

Sincerely,



David Zilberman
Professor

**John Kenneth Galbraith
Harvard University
Cambridge, Massachusetts**

October 5, 2004

Professor David Zilberman
Department of Agricultural and Resource Economics
207 Giannini Hall
University of California, Berkeley
Berkeley, CA 94720

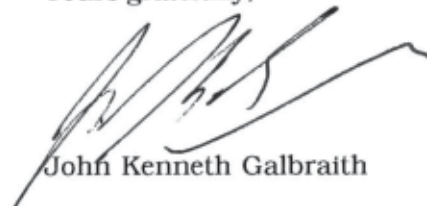
Dear Professor Zilberman:

What a very nice letter: good news for me has always come from Berkeley. And nothing gives me a deeper mood of rejoicing than word of the American Agricultural Economics Association and the first John Kenneth Galbraith Award. Equally pleasing was the selection of Joseph Stiglitz, a wonderful and, indeed, almost incredible figure in our time.

Only a resolute modesty, never before observed, has saved my character through these last months. A week before last a large international gathering of economic scholars assembled in Paris for a four-day discussion of Galbraith. Alas, my doctor forbade the journey. It would have been taxing to the enfeebled sense of modesty just mentioned.

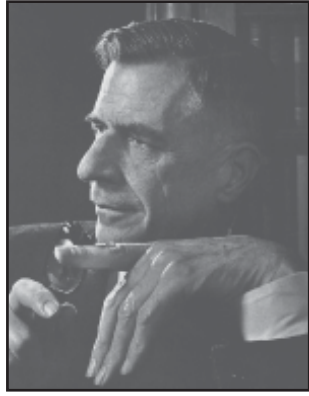
I am a little circumscribed as to movement, a matter not unrelated to age. Were some now unexpected recovery to occur, I would apply for permission to be present for the Forum and Luncheon and the celebration of the next candidate, whoever that may be. Again my thanks for a wonderfully rewarding and agreeable letter.

Yours gratefully,



John Kenneth Galbraith

John Kenneth Galbraith



John Kenneth Galbraith was born October 15, 1908 in Iona Station, Ontario. He was educated at the Ontario Agricultural College and the University of California, Berkeley. After receiving his Ph.D. in agricultural economics at California, Galbraith taught economics at Harvard University and Princeton University.

In 1941, he entered government service working in the Office of Price

Administration in the National Defense Advisory Committee. From 1943 to 1948, Galbraith was an editor for *Fortune* magazine, also serving on the U.S. Strategic Bombing Survey and in other advisory posts within the government.

Galbraith returned to Harvard in 1949, where he remained until his service as American Ambassador to India, from 1961 to 1963. Upon returning to the U.S., he rejoined the Harvard University faculty and continued his political activities. From 1967 to 1969, he served as chairman of Americans for Democratic Action.

A prolific and lucid writer on economics, Galbraith wrote *American Capitalism* (1951), a discussion of the balance of economic power among major U.S. companies, and *The Affluent Society* (1958), in which he held that the U.S. had reached a stage in its economic development that should enable it to direct its resources more toward providing better public services and less to the production of consumer goods. His other books include *The Great Crash: 1929* (1955), *The New Industrial State* (1967), *Ambassador's Journal: A Personal Account of the Kennedy Years* (1969), and *A China Passage* and *Economics and the Public Purpose* (both 1973). Among his novels is *A Tenured Professor* (1990).

Galbraith Initiative Committee

Walter Armbruster, Farm Foundation

James T. Bonnen, Michigan State University

Colin Carter, University of California at Davis

Joyce Cacho, Rabobank International

Willard W. Cochrane, University of Minnesota

Ralph Christy, Cornell University

Paul L. Farris, Purdue University

Ray A. Goldberg, AAEA Foundation Board, Harvard University

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David Zilberman, Chair of the Galbraith Initiative Committee, University of California at Berkeley