

Johannes de Villiers Graaff¹

Johannes de Villiers Graaff, known more simply as Jan Graaff, shared with that other great son of the Boland, JM Coetzee, the somewhat terrifying power of silent authority which comes from that mixture of brilliant intelligence combined with surprising shyness. Small talk was not part of his character and he could be a highly intimidating presence to those who met him. But for those, family and friends, who got to know him, he was a warm and wonderful human being and could be a great storyteller.

Once, when he was trapped in a window seat on a flight to London and I was in the aisle, I was able to ask him a lot of questions which he could not escape, so I learnt a good deal. Why, for example, was he (whom we lesser mortals all knew to be the greatest economist that South Africa had produced and who loved his discipline) not willing to join the faculty of one of our universities to teach students? His answer was that he had tried teaching in Cambridge and in Harvard but had decided that the internecine departmental politics that he encountered was so offensive that he resolved never to spend his working life in such an environment.

And so, Paul Samuelson from MIT, writing in the pages of the *Economic Journal* in September 1958 when Jannie Graaff was only 30 but had already decided to leave academia, lamented that “economics has lost so able a mind”. Joan Robinson said that he was the brightest PhD student that Cambridge had ever had. Evidence for this ability came not only from his slim masterpiece, *Theoretical Welfare Economics*, which was written as a PhD thesis and completed when he was 23, but also from the numerous articles he had published in the top theoretical journals of the discipline.² This record, by the age of 30, is one that any economist would be happy to have achieved by the age of 70. In fact, his first article, analysing changes in income distribution in South Africa, particularly among the rich, was published when he was 18.³

He was also a teacher. Revisiting Cambridge for a year in his mid-30s to “find out what had happened in economics since he left some ten years earlier”, he was assigned to tutor a student who had just switched to the Economics Tripos. And so, in weekly seminars, he trained the young Tony Atkinson, who was to become Britain’s leading economist in the field of inequality studies and himself a mentor of, and collaborator with, Thomas Piketty, as is duly acknowledged in the introduction to *Capital in the Twenty-First Century*.

¹ Citation delivered at the graduation ceremony at the University of Cape Town where an honorary doctorate in economic sciences was awarded posthumously to Johann de Villiers Graaff on Saturday, 19 December 2015.

² By the time he was 21, Graaff had published three articles in the *Review of Economic Studies*, two in *Economica* and in the next decade had added not only his book, which is still in print more than 50 years later, but also articles in three more top British journals.

³ ‘Fluctuations in Income Concentration, with Special Reference to Changes in the Concentration of Supertaxable Incomes in South Africa: July, 1915–June, 1943’, *South African Journal of Economics*, vol 14 (1), 1946.

So, who was this young man from the colonies who had matriculated at the age of 15, obtained his first degree from UCT at the age of 18, so that by 21 he had written a thesis in theoretical economics which, after publication, was to be described as “the single greatest book on modern welfare economics”?⁴ Where did he come from? And what did he do for the rest of his life?

His mother, Magdalena [Eileen] van Heerden, was the daughter of the dominee in Cape Town’s Grootte Kerk. His father (born in 1859), who came from Villiersdorp, became a successful businessman and a significant politician. He was mayor of Cape Town at 31 and did much to improve the city’s lighting, water and drains. He went on to found the Imperial Cold Storage, which used the new technology of refrigeration⁵ to ship meat from the southern to the northern hemisphere.

But Jan was to travel on a different road, having been much influenced by his time in Cambridge. For there he met and married Clare Thompson, who is here today to receive the posthumous award on his behalf. She is the daughter of Sir George Thompson, who won the Nobel prize for discovering the wave properties of the electron while he, in turn, was the son of JJ Thompson, who won the Nobel prize for discovering the existence of the electron. JJ himself had become director of the Cavendish laboratory at 28 and was to number among his students⁶ such luminaries as Niels Bohr and Ernest Rutherford. Marrying into a family like this, it is not surprising that Jan Graaff’s writings have all the hallmarks – logical rigour, brevity and coherence – of a physicist rather than the often long-winded meanderings of many social scientists.

So what happened after Paul Samuelson bade farewell to Jan Graaff in 1958? He may have left the northern hemisphere, but he did not disappear from theoretical economics as many of his articles, published often in the *South African Journal of Economics*, testify. Having started in 1946, when he was only 18, with one of the earliest studies on changes in income inequality in South Africa using income tax records,⁷ he published throughout the 1960s and 1970s. His obituary in 1984 of HM Robertson, head of UCT’s Department of Economics for 20 years, is a wise and generous – as well as meticulously researched – assessment of one of our more hidden scholars.

But like Maynard Keynes, also a Cambridge economist, Jan Graaff was not content to be bound within the confines of academia. He needed to spread his wings and, like Keynes, made a significant impact both in business and as an advisor on public policy. In business there were three main activities: he was a farmer, he was one of

⁴ Ian Steedman, cited in the *South African Journal of Economics*, vol 83 (1), March 2015, p 156.

⁵ It is nice to note that more than a century later, here at UCT in a research unit led by the person who at the time was also the university orator, refrigeration was to be further developed – in a process known as Eutectic Freeze Crystallization – as an effective and economically viable technique for purifying contaminated water, particularly within the mining industry.

⁶ No fewer than seven of whom were awarded a Nobel prize.

⁷ ‘Fluctuations in Income Concentration, with Special Reference to Changes in the Concentration of Supertaxable Incomes in South Africa: July, 1915–June, 1943’, *South African Journal of Economics*, vol 14 (1), 1946.

the founding directors and shareholders of Table Bay Spinners⁸ and he managed investments on behalf of a large family trust. There is not space (alas) to expound on these activities here, but there is no evidence that he ever got into the kind of financial difficulties that caused Lord Keynes, so it is said, to approach the dean of King's College in Cambridge with a request to use the chapel to store (briefly, he hoped) a huge consignment of wheat that he had bought on the futures market when he thought the price would go the other way!

In public affairs, Jan Graaff worked largely in the field of tax policy. In 2002 the then minister of finance, Trevor Manuel, reflecting on South Africa's tax reform experience since 1994,⁹ drew attention to what he called "the huge contributions" of the tax commission, appointed by the new democratic government within one month of taking office in 1994, and which worked through the 1990s issuing no fewer than nine reports. Jan Graaff – with his unique combination of theoretical insight and deep knowledge of the South African tax system¹⁰ – was a key member of this commission, which was chaired by Professor Michael Katz.

Nor was it all work. He and his wife were internationally renowned mountaineers, and they were as well known on the Matterhorn as in the Cederberg.

So, Samuelson was wrong: Jan Graaff never ceased to be an economist. He made his major theoretical contribution and wrote his enduring book almost before he was out of his teens but then decided to continue working outside the ivory tower. "I must", he once said, "be the only one in the world who has read all of Meade's *Trade and Welfare* [a highly theoretical work]. I did so while overseeing sheep-shearing in a shed on the farm."¹¹

Vice-Chancellor, I have the honour to request you to confer the degree of Doctor of Economic Sciences (posthumously) on Johannes de Villiers Graaff and to invite his widow, Clare, to accept the degree on his behalf.

Emeritus Professor Francis Wilson

⁸ Begun in the early 1950s, it spun woollen and other yarns from waste. Jannie Roussouw on past presidents of the Economic Society of South Africa (ESSA) in the *South African Journal of Economics*.

⁹ Hon Trevor A Manuel, address to the Annual Conference of the International Bar Association, 24 October 2002.

¹⁰ Graaff had been a member of an earlier tax commission, which was chaired by Mr Justice Margo.

¹¹ *South African Journal of Economics*, vol 83 (1) March 2015, p 157.