Austrian Remembrances of John M. Virgo

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Friendships usually do not arise immediately but evolve gradually over time. This was also the case in my relationship with John M. Virgo, which started more than 30 years ago, at the first International Conference of the Atlantic Economic Society, which took place in Austria in 1979. As the AES (now IAES) was John's most important and enduring lifetime achievement, I will relate my memories of him in the context of the history of the Society and, in particular, its and John's relationship to Austria. Perhaps John had some special feeling for Austria, especially Vienna, the former capital of the multinational Habsburg Empire, and Salzburg, a tourist hotspot not only because of the Trapp family/Sound of Music but also because of its famous festival. In any case, so far the Society has held its meeting five times in that country, and I have been lucky enough to attend all of them; indeed, my relationship with their main organizer, John Virgo, grew from respect to friendship during that time.

I was still a young post-doc at the Vienna University of Economics and Business Administration in 1978 when I heard that there was a relatively new international economics society which called itself Atlantic and which had just announced that its next meeting was to be held in Austria. At that time, the famous Austrian School of Economics was a mere historical fact and most economists in Austria (including myself) had just become acquainted with modern mathematical economics as was practiced in the Anglo-Saxon world. However, a revival of the Austrian School was also underway, not in Austria but in the United States. A special issue of the *Atlantic Economic Journal* on the Austrian School was instrumental in re-firing interest in this intellectual movement which has by now become a respected and politically influential heterodox current in economics in the U.S.A. For an Austrian, it was tempting to study this school and its U.S. developments, and the AES seemed to me to be the appropriate platform to exchange ideas about them. So I participated in the 7th International Atlantic Conference (IAEC) in Austria in May 1979.

Many years later John told me how difficult and challenging the organization of that meeting had been. Most participants came from the U.S.A., and the entire conference was organized like a tourist trip, with a lot of sightseeing and stops in Salzburg and Vienna, among other cities, where the academic program was taking

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place. Along with his very small team, John was responsible for all the logistic details. He didn't have a single free minute, as he had to take care of the special needs of so many travelers. As an Austrian, I only participated in the academic part in the beautiful "Österreichischer Hof" hotel in Salzburg and the Intercontinental Hotel in Vienna, and I was amazed by the variety and quality of the conference sessions. I still remember the impressive lectures by Nobel Laureate James E. Meade and Abba Lerner, both on the then pressing problem of how to deal with stagflation.

My own presentation at this conference was about an early approach to the theory of economic policy on the basis of the economics of the Austrian School as presented in a book by Martha Stefanie Braun in the 1920s. I was lucky enough to have Clarence C. Morrison and Anghel N. Rugina as discussants and learned a lot from both, about economic theory from the former and methodology from the latter. Both died in 2008 and will be remembered as role models for economists who provided guidance and support to young colleagues. As a reaction to the publication of the abstract of my paper, I later received a letter from Martha (now) Steffy Browne, which opened up the opportunity for fruitful conversations on her work. She had been the first woman to obtain a Ph.D. in political science and economics in Austria in 1921, was Professor at several U.S. universities after having had to emigrate from Nazi occupied Austria, became Honorary President of the Austrian Economic Association, and received an honorary doctorate from the University of Vienna. After her death, a street was named after her in the Austrian capital. These are just examples of how John managed to get people together to facilitate contacts across the Atlantic, as was and still is the mission of the IAES. Without him and his collaborators, a lot of cross-fertilization between Austrian and U.S. economists would not have occurred.

In the late 1980s and early 1990s, economic policy debates in Europe were dominated by the fall of the Iron Curtain, the creation of the Single Market by the European Union and the preparation of the Economic and Monetary Union in Europe. John's keen interest in these developments can be seen in a paper he wrote together with Kathy S. Virgo, which provided an overview of the economic policy issues of 1992 Europe and served as an introduction to a special issue of the *Atlantic Economic Journal* (no. 3, September 1990) on that topic. He brought together authors from both sides of the Atlantic to provide (mainly U.S.) readers with a balanced and comprehensive picture of what to expect from the new political and economic architecture of Europe. I took up the idea of presenting aspects of European economic integration by organizing sessions at the 31st IAEC in Rome in 1991 on Austria and the EU, from which a few papers were taken for the Best Papers Proceedings of that conference and a book (in German) was published on that topic. John was very helpful in supporting that project. Later on, the Best Paper Proceedings was transformed into a new journal, the "second child" of the IAES, *International Advances in Economic Research*, which due to John and Kathy's energetic leadership, is now well established as a forum for the exchange of ideas with an emphasis on economic policy and applied economics.

It took until March 1995 to bring the IAEC back to Vienna, this time (as in the next Vienna conferences) in the Hotel de France. Notable events, among others, included invited addresses by former IAES president Ralph W. Pfouts on economics and technology and Italian minister Giovanni Caravale (University of Rome) on economic theory and institutions, both very timely topics which are still of relevance today. This time I collaborated with John on organizing two sessions on public choice, from

which two papers in the newly established *IAER* (and several ones in other journals), a special issue of the journal *Public Choice*, and another German language book ensued. The 1995 conference showed that the Society had truly become international, with economists from many countries attending, and that it represented an intellectual power in economics which attracted the attention of scientists far beyond the original U.S. dominated group. Another feature was the increased participation of economists from former Communist countries who provided many a fresh perspective to the audience. For me, the 1990s meant taking up professorships in Germany (first Bielefeld, then Osnabruck), and a more intensive collaboration with the AES and hence with John.

The next IAEC in Vienna came only four years later, in March 1999. This time I organized sessions on various topics and proposed the grand old man of economics in Austria, Kurt W. Rothschild, as the invited speaker. Rothschild was one of the few European economists who had had direct contact with Keynes during World War II and who had contributed to top international journals during and after the dark years of the destruction of economic (and other) science by the Nazis in Germany and Austria. He suffered not only from having to emigrate in 1938 but also from the dominant provincialism in Austria after returning from exile in the UK which prevented him from becoming a professor until 1966 in spite of his great scientific achievements. His talk at the IAEC contrasted European and American-style economics from a broad historical perspective and conjectured that European economics would probably tend to become more homogenized in spite of language and cultural differences and come closer to the American mainstream, but would also influence the latter – a forecast that has largely been proved true since then.

After only four years, the Society returned to Austria in March 2003 for its 55th IAEC. As I had returned to Austria in the meantime, I could assume a more active role in preparing this conference. John and Kathy had now also become closer to my wife Elisabeth and me, so we had a lot of contact through email messages and a few phone calls in advance of that meeting. Together with John, Edi Hochreiter and I invited Ewald Nowotny, then Vice President of the European Investment Bank; Zdenek Tuma, Governor of the Czech National Bank; and Robert Holzmann from the World Bank, to present highlights of their work. Edi also organized a round table on the enlargement of the EU, which was to take place the year after. We also collaborated perfectly in organizing the social program, and I was particularly pleased that Elisabeth was the official speaker (on behalf of the City of Vienna, which she represented as a member of the City Council) welcoming the participants of the IAEC at the Mayor's reception in the City Hall.

Needless to say, we met John every year at the European conferences and I developed a close collaboration on several issues regarding the activities of the Society, including in years when the conference took place in countries other than Austria. I also organized a few sessions for the IAES together with him at the January Allied Social Science Associations (ASSA) meetings as long as the IAES was represented there; several of them resulted in books or special issues of academic journals. Therefore, it was quite natural that John and I met several times when the IAEC was planned to be held in Vienna again in 2013. Edi initiated arrangements for the AES to use the premises of the Juridicum building of the University of Vienna, and in July 2012, John came to Vienna and did all the "dirty work" required for making a conference a success, such as negotiating with the hotel and caterers, raising

sponsor money, and dealing with the university administration. I was glad to be able to persuade John to make a trip to Klagenfurt and to spend two days with us in that beautiful southern Austrian city where I have been teaching since 1997. I believe he enjoyed the stay and the sites we showed him; to our regret, Kathy could not make it this time.

So last year we were looking forward very optimistically to what promised to be a successful Vienna conference, on the occasion of the 40th anniversary of the IAES, only to be totally unprepared for the news that John had to undergo surgery to remove a brain tumor. This shock was multiplied when we heard the terrible news of his death on November 29, 2012, less than five months after we had sat together and enjoyed his company. It is particularly sad that the fifth Vienna IAEC in 2013 had to be held without the father and guiding spirit of the conferences and the journals and the International Atlantic Economic Society altogether. When a friend passes away, it is always a traumatic experience, but in the case of John we are particularly sad because we were deprived of his company, suddenly and unexpectedly, when he was still active and full of plans. We lost a true gentleman, a friend of Austria, and above all, a personal friend. The only consolation for us and all who loved John Virgo is the enduring nature of his achievements, the IAES, its journals and conferences, and the spirit of mutual understanding between economists regardless of differences in terms of scientific positions or national and cultural diversities. May his heritage bear fruit through future activities of the IAES community!