John Richard Hicks
1904–1989

John Hicks was for many years, from the 1930s, a major figure in the development of economics. He was a prolific writer and the first British economist to be awarded a Nobel Prize, in 1972. His contributions covered an unusually broad range of economic problems, to an extent that must seem staggering to modern academics who are encouraged, indeed forced, to plough a much narrower furrow. And while his work often involved highly technical material, he wrote in a style that attracted a wide audience at a time when most economists did not have his mathematical training.

The period when Hicks came to maturity as an economist—the 1930s—has been described as ‘the years of high theory’ which saw many new developments and innovations (following the deaths, mainly in the mid-1920s, of the major pioneers of neoclassical economics). Hicks was himself at the forefront of that change, which must have seemed extremely exciting to its participants. As Coase later remarked, ‘what was done by the economists at LSE, principally by Robbins, Hayek and Hicks, was to play a leading role in what we can now see was an international

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1 He gave his Nobel Prize money to London School of Economics Library Appeal in 1973. Strictly it is the Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel.
2 In later years Hicks's style became somewhat prolix as he took it for granted that his readers were interested in knowing every twist and turn in his own developing understanding of a subject. The present writer’s experience of Hicks in discussion is largely from the magnificent graduate seminars on welfare economics held in Nuffield College, which were led by Max Corden. In response to a question, Hicks would take several different paths in turn, each time stopping mid-way with a long silence, until producing his final eloquent preferred response.
movement which brought into being, for good or ill, the modern age in economics.\(^3\)

Hicks was not interested in making policy recommendations, which he stressed needed detailed factual knowledge, but was drawn to fundamental theoretical challenges. As Baumol has stressed, ‘much of the Hicksian contribution resides not in the theorems that are derived but in the methods by which the results are reached, the logic and power of these methods and their transferability to other investigations… much of his contribution lies in the paths he has opened up to others’.\(^4\)

The basic outlines of a career dedicated to scholarship are easily sketched. His first teaching position was as an assistant, subsequently a lecturer, at the London School of Economics (LSE) from 1926 to 1935. He then, encouraged by Pigou, obtained a Fellowship at Gonville and Caius College in Cambridge, which he held until 1938 when he obtained his first Chair, at the University of Manchester. In 1946 he moved to a Fellowship at Nuffield College, Oxford. Finally, in 1952 he was appointed to the Drummond Chair of Political Economy at All Souls College, a position he held until taking early retirement in 1965, becoming a research fellow of All Souls College until 1971. He was also an honorary fellow of Linacre College. Hicks was knighted in 1964. He was active in retirement until his death. Indeed, a substantial proportion of his publications come from this time, working quietly at home in the country, in the Cotswold (Gloucestershire) village of Blockley, except for his numerous overseas journeys. In 1935 Hicks married Ursula Kathleen Webb, who (as R. C. O. Matthews in his *Oxford Dictionary of National Biography* entry states) ‘protected him and organized their lives’ during their fifty years of marriage.\(^5\) Their life together

\(^3\)From p. 214 of R. H. Coase, *Essays on Economics and Economists* (Chicago, 1994). Coase (p. 213) also alluded to a problem which evidently irritated some of Hicks’s readers (including Samuelson) when he wrote that, ‘The main new ideas came from America and the continent. Not that their provenance mattered. Ideas were quickly absorbed and they became the basis for further work without much regard for their source.’


may be described in terms of a partnership, resulting in a number of joint publications in addition to shared enthusiasms. He died at home on 20 May 1989.

A considerable amount is known about the evolution of John Hicks’s economics. In a series of interviews, recollections and commentaries on reprints of his work, he was apparently eager to explain the genesis of his views and the way they changed over the years. Yet little has previously been known about his family background. Hicks himself published no information, except to state that he had a good general education, and only brief details are given by R. C. O. Matthews. There is nevertheless much that is of interest in Hicks’s background. It reveals information about how he made the decision to go to the London School of Economics and thus turn to serious study of economics, and how he earlier acquired a solid mathematics training. It also reveals influences on his long and deep interest in history.

Hicks was born in Leamington Spa on 8 April 1904. His father, Edward Hicks (1878–1952), was born in St Columb in Cornwall and in 1903 married, in the Birmingham suburb of Kings Norton, Dorothy Catherine Stephens (1874–1925). On their marriage Edward became a Baptist, and John Hicks was brought up in that religion. By the time of the 1911 census, Edward and Dorothy were living in 17 Claremont Road, Leamington Spa, with John, his sister Phyllis Dorothy (then aged 5), and...
Dorothy’s mother (Catherine Stephens, then a widow aged 68). Another sister, Mary, was born later in 1914. After beginning his journalistic career in 1885 with the *Warwick Advertiser*, in 1909 Edward became editor of the *Leamington Spa Courier*. It seems likely that he helped John obtain a job with the *Manchester Guardian* after completing his degree at Oxford, but this lasted only a matter of months and Matthews reports, not surprisingly, that it was ‘not congenial’.

John’s mother was born in Ecclesall Bierlow, which is part of Sheffield. She died in 1925, the year in which John Hicks took his final examinations in Oxford. In discussing his disappointing degree performance, the illness and death of his mother were never mentioned. A very important influence on John was his mother’s eldest sister, Sophia Charlotte Winifred (1870–1944), who was known as Winifred.

The correspondence between John and Ursula Webb, dating from shortly before their marriage and edited by Marcuzzo and Sanfilippo, makes it clear that he was very close to his Aunt Winifred. Indeed, John and Ursula’s wedding reception in 1935 was held at 27 Pont Street in London, the home of Winifred. By that time Winifred was the widow of George Whale (1849–1925), whom she married in 1923. Following schooling in Provence (in a ‘remote Cevennes community’), she had a long and distinguished career as a translator, biographer, historian and editor. It is easy to imagine her broad interests and international sympathies affecting the young John Hicks.

Winifred’s list of publications is too long to give here, but includes translations, biographies and histories. These display wide international sympathies, exemplified by her editing of *The Book of France*, published in 1915 ‘in aid of the French Parliamentary Committee’s Fund for the Relief of the Invaded Departments’. The list of committee members

(1747–1810), a nephew of Josiah Wedgwood (and a partner after returning in 1775 from America, where he was a schoolteacher in New York). A famous pupil of the school was the great novelist, Elizabeth Gaskell.

Also living in the house was a ‘companion’, Ethel Wilmer (aged 24), and a servant, Ellen Philpot (aged 17). The same address is given as the place of death of John’s mother in 1925.

Marcuzzo and San Filippo, ‘The letters between John Hicks and Ursula Webb’.

This is just south of Hyde Park, not far from the famous department store, Harrods.

At the time of George Whale’s death in 1925, the address was given as 49 York Terrace, Regents Park.


W. Whale (ed.), *The Book of France* (London, 1915). Her introduction states that the aims are ‘to raise money for French sufferers from German barbarity’ and to forge ‘a new link’ between France and England.
makes interesting reading, and includes among others A. J. Balfour, Austen Chamberlain, Winston Churchill, Lady Randolph Churchill and novelists such as Thomas Hardy, Henry James, Rudyard Kipling and H. G. Wells, along with her future husband George Whale. Her love of France is expressed in her moving personal memoir, *The France I Know* (London, 1918).  

Winifred’s range of contacts was clearly extremely wide. In addition to her publishing activities, she was a member (and secretary) of the English Committee which selected a short list of books for the Femina Vie Heureuse literary prize. The committee members included, among others, the writers Rebecca West, Rosamond Lehmann and Kate O’Brien.

Winifred’s husband George Whale also had a very wide range of friends. He had a highly successful career as a solicitor and was an eager book collector. A good indication of George’s character and range of friends can be obtained from the book *George Whale 1849–1925* (London, 1926), jointly edited by Winifred with Edward Clodd and Clement King Shorter. All the contributors to this volume mention Whale’s sociability:

Winifred wrote that ‘he early became a well-known figure in London literary circles. In his house on Shooter’s Hill, later at Blackheath, and recently in Regent’s Park, he delighted to gather friends far too numerous to mention’ (p. 50). George Whale served as Mayor of Woolwich and was a

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16 In this book, she discusses ‘seven visits to France in War-time: three in the winter, spring, and summer of 1915, two in 1916, one in the autumn of 1917 and one in the spring of 1918’ (Whale, *The France I Know*, p. vii).

17 The prize was named from the titles of two French magazines, *Femina* and *La Vie Heureuse*, whose publishers in 1904 established an annual prize for a French work of fiction, chosen by a committee of literary women. This was extended in 1919 to English works, and the English Committee submitted a short-list of three works to the French Committee, which decided the winner. The prize continued until 1939.

18 H. G. Wells has already been mentioned in connection with Winifred Whale’s *The Book of France*, and is discussed further below. It is well known that one of Wells’s many affairs was with Rebecca West, who bore their son.

19 George Whale had earlier married, in 1874, Matilda Mary Ann Lawson (1850–1922). They had three children, Matilda Winifred (born in 1875), George Harold Lawson (1876–1944) and Dorothy Lawson (born 1880). G. H. L. Whale was educated at Bradfield College, Jesus College Cambridge and St Bartholomew’s Hospital, becoming an eminent surgeon for diseases of the ear, nose and throat, on which he published several books.

20 On p. 48 Winifred writes that ‘By the time he was twenty-three, his library numbered one thousand volumes; at the time of his death, sixty thousand’. It is not known what became of this library.

21 When writing his book, *The Pretty Lady* (London, 1918), Arnold Bennett consulted George Whale. He wrote in his journal: ‘Dined with George Whale at the N.L.C. [National Liberal Club] and in his great ugly sitting room took what I wanted from his large collection of notes on war superstitions for my novel. His notes were extremely interesting.’
founder member of the Omar Khayyam and Pepys Clubs.\textsuperscript{22} He was Chairman (1922–5) of the Rationalist Press Association, which began in 1899 with the aim of publishing literature that was too anti-religious to be handled by mainstream publishers.\textsuperscript{23} George died suddenly of a heart attack while drawing a meeting of the Association to its close.

In his \textit{Oxford Dictionary of National Biography} entry on John Hicks, Matthews states that ‘there was a connection with the political scientist Graham Wallas’, but the nature of the connection is not explained. John made only one reference to Wallas, and that was in his 1973 paper on ‘Recollections and documents’ (written shortly before the announcement of his Nobel Prize).\textsuperscript{24} He wrote in the first footnote that ‘I turned to economics after I had taken my degree, through a fortunate contact I had with Graham Wallas, and through him with LSE.’ It is perhaps surprising that such an important event was mentioned only once and in such a ‘low key’ way.

Wallas (1858–1932) was one of the four founders of the LSE, where he was lecturer (1895–1914) and then Professor of Political Science (1914–23). In the present context an important point is that Wallas was President of the Rationalist Press Association, of which, as mentioned above, George Whale was Chairman. He frequently gave lectures to the Association. Hence Wallas and Whale obviously knew each other and worked together in the Association, and it is therefore most likely that John Hicks’s crucial meeting with Wallas arose from the George Whale connection.\textsuperscript{25}

In addition, a further indirect link may be mentioned. Wallas was for many years a friend and mentor of H. G. Wells,\textsuperscript{26} who was a good friend of George Whale, as Wells himself makes clear in his contribution to \textit{George Whale 1849–1925}. He writes that, ‘I was delighted to go and dine with

\textsuperscript{22}The Omar Khayyam Club was started, at a dinner at Pagani’s Restaurant on 13 September 1892, by Frederic Hudson, Clement Shorter and George Whale. The Pepys club was formed following a dinner at the Garrick Club on 26 May 1903, by George Whale, Sir Frederick Bridge, Sir D’Arcy Power and Henry Wheatley (editor of the third edition of Pepys’s diary).

\textsuperscript{23}It began as the Propagandist Press Committee in 1890, started by Charles Watts and George Jacob Holyoake. In 2002 the name was again changed to The Rationalist Association.

\textsuperscript{24}J. Hicks, ‘Recollections and documents’, \textit{Economica}, 40 (1973), 2–11. This was an issue devoted to papers presented at a 1972 conference convened at Merton College to honour John.

\textsuperscript{25}Hamouda, \textit{John R. Hicks}, p. 7, mentions briefly that, ‘Graham Wallace [sic] . . . to whom Hicks had been introduced by his Aunt Winifred in her home in London, urged Hicks to read economics.’ However, as suggested above, it seems clear that the association between Winifred and Wallas arose through George Whale.

Whale in that happy home in Regent’s Park whither he went after his second marriage . . . It was a very graceful, pleasant, bookish home’ (p. 45).

Hicks’s appointment to the LSE therefore owes much to his family connection. His education is also of interest, and on this subject Hicks simply mentions that he had a very good general schooling. Matthews states only that he ‘received much stimulus from the head of his preparatory school, Grey Friars [sic], near Leamington Spa—more stimulus, probably, than he received from his public school, Clifton College’.

After early tuition from his parents at home, John was sent to Warwick School between the ages of 9 and 11, and then to Greyfriars for the next two years, where he became a favourite of the headmaster, Alfred Beaven.27 Beaven had been a student at Exeter and then Pembroke College, Oxford. Before being headmaster at Greyfriars he was an assistant master at King’s School Bruton in 1871, and then a master at Worcester Cathedral School 1872–4, before becoming headmaster of Preston Grammar School in 1874. At Preston he appears to have acquired a reputation for producing excellent examination results with an ‘extremely rigorous’ regime. But a dwindling number of students seems to have led to his resignation in 1898.

Beaven was a Fellow of the Royal Historical Society and displayed a taste for compiling various historical lists and biographies.28 However, he must have attached considerable importance not only to historical studies but also to mathematics. He had five sons, all of whom had careers as mathematicians. One of them, Harold Castlereagh Beaven, went on to teach John mathematics at Clifton College. Another son, Alfred Disraeli Park Beaven, became senior maths master at Wakefield School.29

The hard work and rigorous training at Greyfriars clearly helped John to obtain a scholarship to Clifton College.30 This school had then, and continues to have, an outstanding academic reputation. At the time, it was most unusual in stressing training in sciences and mathematics. A number of its teachers had been top Cambridge Wranglers. The school can boast three Nobel prizewinners. In addition to John Hicks, there is John

27 See Hamouda, John R. Hicks, p. 4, who reports that the move to Greyfriars, despite the high cost, was encouraged by Winifred.

28 His publications include: A. B. Beaven, The Aldermen of the City of London (London, 1908–13) and A. B. Beaven, Bristol Lists: Municipal and Miscellaneous (Bristol, 1899).

29 A. D. P. Beaven died in Burma, at the prisoner of war camp at Thanbyuz, and was buried at the Ayat War Cemetery. Two other sons were Cecil Livingston Beaven and Murray L. R. Beaven.

30 The Clifton College headmaster over the period 1909–23 was John David King. Field Marshal Douglas Haig was an Old Cliftonian who went on to command the British armed forces in the First World War. In the Second World War some of the college’s buildings were used as the main HQ where the D-Day landings were planned.
Kendrew (chemistry) and Nevill Francis Mott (physics). Mott (1905–96) was obviously a contemporary of Hicks and became Master of Gonville and Caius College (also John’s college during his brief time at Cambridge in the late 1930s), before obtaining his Nobel prize in 1977.

Historians of economics will know that Alfred Marshall, also a mathematics Wrangler at Cambridge, taught mathematics at Clifton College for a short time on an informal basis. A mathematics teacher during John Hicks’s time at Clifton, William Proctor Milne (1881–1967), went on to a chair of mathematics at Leeds University in 1919. The transition from teaching at Clifton to university professor was indeed not uncommon for that school, but in a wider context it is remarkable. An earlier headmaster during the period 1879 to 1890 was Edward Pears Wilson (1836–1931), who served as President of the UK Mathematics Association in 1921, and wrote a number of introductory mathematics texts.

With such strong coaching in mathematics over the whole of his time at school, John was able to win the Robert Sebag-Montefiore Scholarship to Balliol, which he entered in 1922, to study mathematics. Hamouda reports that John found the maths in his first year in Oxford to be mainly a repetition of material covered at Clifton and, after winning an essay prize for a paper on Shakespeare, was told that he need not continue with mathematics. This is despite the fact, as Matthews reports, that he obtained a first in moderations in 1923. Hence, he changed subjects to the recently created degree course in Philosophy, Politics and Economics (PPE). He reported that he ‘had interests in literature and in history which I needed to satisfy’, but he was advised that his mathematics background would be useful for the study of economics and, as economics was an expanding subject, he would have better chances of employment.

Another teacher was H. S. Hall, who wrote bestselling mathematics texts. Also overlapping with Hicks at Clifton was the famous statistician Frank Yates (1902–94), who worked with R. A. Fisher. Yates won his scholarship in 1916. For further details of the development of science teaching at (among other schools) Clifton College, and attempts to improve science teaching in general, see B. Pippard, ‘Schoolmaster-fellows and the campaign for science education’, *Notes and Records of the Royal Society*, 56 (2002), 63–81.


This advice contrasts sharply with that given to Henry Phelps Brown, who in the early 1920s won a history scholarship at Wadham College. The economic historian, R. V. Lennard, suggested to Henry that it would be wise to study history rather than PPE because the latter was not well organised. Indeed, some idea of the nature of PPE at that time may be obtained from Robbins, who had to teach on the course. Writing in his autobiography, Robbins commented that he thought the conception was good, but ‘the realization was truly lamentable. There was virtually no organization, no co-ordination to present a balanced course of teaching … It was quite possible for the university lecture list to present two or three courses covering the same subject, while other equally important fields remained without any coverage at all.’ Robbins went on to say that the course was dominated by philosophy and ‘amateurishness and superficiality in the other subjects’.

Whatever the causes, John’s failure to obtain a first class degree in 1925 was a clear disappointment. Matthews also reports that he unsuccessfully sat a fellowship examination for All Souls. Hicks returned to Oxford to complete a B.Litt. on ‘Skill differentials in the building and engineering trades’, a topic in labour history. The topic, along with the encouragement to study economics, mentioned above, was suggested by Graham Wallas. It was after this postgraduate year, and several months as a junior reporter on the *Manchester Guardian*, that Hicks applied for a temporary teaching position, as assistant lecturer, to the LSE. It seems likely that he owed this position, which was regularly renewed until he was given a lectureship, to the influence of Graham Wallas.

His research on skill differences involved very little economics, so that his serious education in economics surprisingly did not really begin until he moved to the LSE in 1926. To the modern academic economist, it is
startling that anyone would be appointed to a lectureship (though it was initially temporary) with such a thin background in the subject. And it is no wonder that Hicks made a slow start in publishing, after what must have been an intense period of self-education. After publishing two economic history pieces in *Economica* which probably came from his B.Litt. thesis, Hicks published his first economics paper in 1930, on ‘Edgeworth, Marshall and the indeterminateness of wages’, in the *Economic Journal* (40: 215–31). However, this consists of a summary of the separate contributions, rather than containing new analysis.\(^{39}\)

The environment at the LSE during Hicks’s time there was, as he often acknowledged, crucial to his development as an economist. He was never again to experience that fertile and lively interaction with stimulating colleagues. A crucial turning point was the advice given by Hugh Dalton (then head of department) who, like Hicks, read Italian, to look at Pareto, whose works Dalton had investigated after his time in an Italian hospital at the end of the First World War.\(^{40}\) Then, after Lionel Robbins’s arrival and the consequent appointment of Hayek, the department became a hotbed of debate or, ‘a sort of social process which went on among the people who were working there, at that time, under the leadership of Professor Robbins’.\(^{41}\)

The first main contribution with which Hicks made his mark as a theorist was his *Theory of Wages* (London, 1932). This contained his introduction of the important concept of the elasticity of substitution between factors of production which enabled Hicks both to extend and formalise Alfred Marshall’s earlier treatment of the derived demand for labour (producing a formula that continues to be quoted in labour economics texts), and to analyse changes in the shares of different factors of production in aggregate income. However, he later came to think badly of this book.

\(^{39}\) However, the point at issue, the fact that Marshall ruled out income effects when discussing the implications of trading at disequilibrium prices, became important in his later discussion of price determination, and the debate was again discussed in J. R. Hicks, *Value and Capital: an Inquiry into some Fundamental Principles of Economic Theory* (Oxford, 1939; 2nd edn. 1946), pp. 127–9.

\(^{40}\) Hicks (‘The formation of an economist’) stated in 1979 that his Italian ‘is still, I fear, little more than a reading knowledge’.

\(^{41}\) (Preface to Hicks, *Value and Capital*). Hicks was proud of being elected FBA in the same year, 1942, as Robbins.
The study of Pareto was, however, to have much more far-reaching consequences, leading to the famous work—particularly the jointly authored papers with R. G. D. Allen—on the theory of value. The main influence was Pareto’s attempt to avoid a cardinal concept of utility by focusing on indifference curves, in particular their slope, as measured by the marginal rate of substitution (of one good for another, while maintaining indifference between commodity bundles), instead of marginal utility. This work led to explorations of the concepts of complements and substitutes, first discussed by Edgeworth, and (initially in ignorance of the work of Slutsky) the decomposition of the consequences of a price change (for an individual’s demand) into income and substitution effects. The aim of eliminating cardinal utility was continued in his later contribution to the measurement of welfare changes (discussed below). The same period, the mid-1930s, also saw surveys of the work of Walras, along with the theory of monopoly, as well as the beginnings of his contributions to the theory of money.

The move to Cambridge in 1935, the year of his marriage to Ursula Webb, marked a substantial change. The sociable atmosphere of the LSE was replaced by one in which ‘people are terribly prone to quarrelling with each other. At that time the Cambridge faculty was divided into parties which wouldn’t talk to each other. I didn’t enjoy that at all.’ Working much more in isolation than before, the major product was the consolidation of his earlier work into his most famous book, Value and Capital: an Inquiry into Some Fundamental Principles of Economic Theory, published in 1939 (Oxford: 2nd edn. 1946).

There is no doubt that, of all his books, Value and Capital has had the greatest influence and longevity. It was cited in his award of the Nobel Prize.

43 Curiously, Hicks mentions in Value and Capital (1946, p. 5) that ‘my work on this subject began with the endeavour to supply a needed theoretical foundation for statistical demand studies’. Yet his only reference to the important book on Family Expenditure: a Study of its Variation by R. G. D. Allen and A. L. Bowley (London, 1935) is to their discussion of inferior goods.
44 His attempt to eliminate value judgements from the criterion for evaluating a change, encapsulated in the Hicks–Kaldor compensation test, and involving potential Pareto improvements, proved to be less successful.
46 Hicks was not aware of the impact of this book in the US until after Second World War, when he was able to travel and met Samuelson and others. It seems that his fame in Japan arose from the fact that the Japanese confiscated a shipment of Value and Capital in Singapore (see Klamer, ‘An accountant among economists’, p. 174 n. 9).
Prize in economics. The earlier chapters on the theory of value continue to provide the models for textbook expositions. These chapters provide, in characteristic style, the essence of his work with R. G. D. Allen. The exposition owed more to Marshall than modern works, in that the technical material was all moved into appendices and the text communicated the results in a much more accessible form. Furthermore, the book shares with Marshall the property of conveying considerably more to those who are already familiar with the broad literature on which it draws, while being sufficiently clear to the newcomer. It is thus the kind of book that repays rereading.

The later sections of the book stem from his work on Walrasian general-equilibrium modelling, in particular the attempt to introduce dynamics into the model. This involves concepts such as the elasticity of expectations, the temporary equilibrium, and the Hicksian concept of income (equivalent to the ‘permanent income’ concept later used by Friedman). Considerable attention was given by Hicks to examining the stability properties of the model and here the important distinction between ex ante and ex post concepts, influenced by Wicksell, played a significant part.

There is, however, a curious feature of this book in that, despite Hicks’s wide reading and his sincere attachment to the history of the subject, he does not display the historian’s respect for sources (a point to which allusion was made above in the quotation from Coase). The reader will search in vain for any reference to Irving Fisher, W. E. Johnson, W. Launhardt, Henry Moore, Henry Schultz, or A. L. Bowley (particularly his The Mathematical Groundwork of Economics: Oxford, 1924), or the early work of Hotelling. Wicksteed is briefly mentioned in discussing excess demand curves, but no reference is given, and even Edgeworth is mentioned only in passing three times. In discussing general equilibrium modelling, the failure to refer to writers such as Wold, or even Cassell, was particularly annoying to Oscar Morgenstern when reviewing the book. Yet appropriate references to these influential writers would not have reduced the reception or long-term admiration for this book in any way.

47 Shortly after moving to Cambridge, John wrote to Ursula that he had ‘been feeling that I might feel horribly lost at times without Douglas Allen’; see Marcuzzo et al., ‘The letters between John Hicks and Ursula Webb’, p. 18. Hicks was unusual in writing Douglas rather than Roy Allen.

The move to Cambridge also led to his being chosen, as an ‘outsider’, to review Keynes’s *General Theory*, something he long regarded as a great honour. Following his review, Hicks produced, in his 1937 article on ‘Mr Keynes and the “classics”’ (*Econometrica*, 5, 147–59), his famous translation of Keynes’s analysis into a convenient model and diagram. This diagram, with the rate of interest and aggregate income on vertical and horizontal axes respectively, contains two curves. The first downward-sloping curve (labelled IS) shows combinations for which investment and savings are equalised: there is equilibrium in the goods market. The second upward-sloping curve (which Hicks labelled LL, but this soon became LM) shows combinations giving equilibrium in money markets. The intersection of these curves gives simultaneous equilibrium in both markets, and an interesting variety of comparative-static results arise from shifts in these curves, depending on their shape (particularly over different ranges of the LM curve). Hicks was modest about his contribution, stating that ‘even if it may claim to be a slight extension of Mr. Keynes’ [sic] similar skeleton, it remains a terribly rough and ready sort of affair’ (p. 158). He was subsequently highly critical, arguing for example that the two curves cannot be moved independently because of the role of expectations.

Yet this ‘IS-LM’ apparatus rapidly became a central focus of Keynesian analyses, a starting point for various extensions, and it continues to be a valuable pedagogic device.

After his move to Manchester, Hicks produced his highly influential work on individual welfare changes, as an extension of the earlier work on consumer demand (using only an ordinal concept of utility) and the distinction between income and substitution effects of price changes. Hicks produced welfare changes, measured in money terms by the changes in total expenditure (or ‘income’) needed to remain on specified indifference curves as prices change. The money measures obtained along pre- and post-change indifference curves are referred to respectively as

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50 This followed his first presentation of the ideas, stimulated by a paper by Harrod, at an Econometric Society conference in Oxford in 1936. Hicks’s last sentence of his paper reads, ‘The *General Theory* … is a useful book; but it is neither the beginning nor the end of dynamic economics.’

51 Of particular importance is his article on ‘The four consumer’s surpluses’, *Review of Economic Studies*, 11 (1943), 31–40. The work was consolidated and extended in his later book, *A Revision of Demand Theory* (Oxford, 1956). During the Manchester period, Hicks also wrote his famous text book, *The Social Framework: an Introduction to Economics* (Oxford, 1942), which takes a national income accounting perspective as the starting point. This successful text has gone through numerous editions.
‘compensating’ and ‘equivalent’ variations. These reduce to changes in the Marshallian ‘consumer’s surplus’ measures only when income effects are absent. Hicks showed that the welfare changes can in fact be expressed in similar terms to Marshall’s, but using Hicksian or ‘compensated’ demand curves (obtained by moving along a specified indifference curve) rather than the conventional or Marshallian demand curves, along which money income is held constant.

This analysis provided the starting point of a huge and continuing literature on the measurement of welfare changes. It received a further stimulus with the introduction in the 1970s of duality theory into economics, enabling the welfare changes to be expressed in terms of ‘expenditure functions’, the growing number of empirical applications made possible by access to large individual datasets, and numerical integration methods which allow the Hicksian measures to be obtained given only empirical estimates of Marshallian demand curves.

It may be said that following this period of intense work on basic theoretical issues Hicks moved, with some exceptions, largely towards policy and applied work on public finance and development economics. Much of this was in partnership with Ursula, and involved much overseas travel. Indeed, Hicks’s contacts with other economists for many years seem largely to have been through overseas travel and correspondence. He never again experienced the friendly and yet critical atmosphere provided by his brilliant colleagues at the London School of Economics.

One exception to his applied work that warrants mention is his book A Contribution to the Theory of the Trade Cycle (Oxford, 1950), in which the distinction between fixed- and flexible-price markets played a role (as in some of his later work). This book seems to have made relatively little impact, perhaps partly as a result of its timing. Macroeconomists began shortly afterwards to devote much more attention either to formal growth models or to the econometric examination of the various components of Keynesian models, such as consumption, investment and money demand functions.

Following his retirement from the Drummond Chair in the mid-1960s, he returned to concentration on ‘fundamentals’. This third period saw a large output, including two substantial books on capital theory, and a book on causality in economics. His books also included A Theory of Economic History (Oxford, 1969) which, despite its generally negative reception, he continued to regard as ‘one of my better books’. While this

later body of work cannot fail to interest the serious reader, there is no
doubt that it has not had the same impact as his earlier contributions.
Of course, by that age—and Hicks continued writing into his eighties—
the vast majority of economists have long seen their best work behind
them and have ceased to produce any original work. It may even be said
that Hicks was moving in a different direction from the mainstream,
particularly as reflected in the work by US economists.

Over this period he also arranged many of his papers into books of
collected works, with extensive commentaries on their genesis and subse-
quent developments. Here reference may be made to Hicks’s contacts with
his publisher, Oxford University Press, which extended over fifty years. For
twenty of those, until 1971 when new rules limited terms of office, he was
a Delegate and member of the Finance Committee (a subcommittee of
Delegates). Six of his books were published during his period as a Delegate.
His former student, G. B. Richardson, replaced John as a Delegate, and
became Secretary, that is chief executive, in 1974.53

After John and Ursula moved to Oxford in 1946, and John took up the
Nuffield College fellowship, their main residence was Porch House in the
Cotswold village of Blockley, although they also maintained a flat in
Oxford. The house was previously owned by George and Winifred Whale,
and was left to John by Winifred.54 Porch House was subsequently bought
by Ursula, who bequeathed it to Linacre College, where Ursula was a
Foundation Fellow, ‘after John’s life tenancy expired’.55 Her hope was that
the house would be used as a quiet environment for students to work in
the country. But Linacre subsequently sold Porch House and named one
of their buildings, 105 Banbury Road, after Lady Ursula Hicks.56

53 See A. L. Schuller, ‘Hicks and his publishers’, in Scazzieri, Sen and Zamagni, Markets, Money
and Capital, pp. 92–108. Schuller comments that ‘Hicks’s relations with his main publisher were
considerably closer and more complex than normal’. However, some of his later books were
published by Blackwells who were, under the influence of René Olivieri, more dynamic and
aggressive at that time.

54 See Marcuzzo et al., ‘The letters between John Hicks and Ursula Webb’, who suggest that the
house, along with a magnificent library, was left to John by Winifred. Colin Simkin writes
incorrectly that it was left to John’s sister, from whom Ursula bought it; see C. Simkin, ‘John and
Ursula Hicks—a personal recollection’, in K. Puttaswamaiah, John Hicks: His Contributions to

55 Simkin repeats the suggestion, which appears in various sources, that Porch House was initially
a Bishop’s residence, but this suggestion is now discounted.

56 There is some uncertainty about the fate of Hicks’s library. For discussion of his papers, see
Marcuzzo et al., ‘The letters between John Hicks and Ursula Webb’, pp. 120–9. They mention
that the University of Hyogo holds something like 1,200 books, but this can only be a fraction of
the total number. Part of the library was left by John to All Souls College, while other books,
Except for their many overseas trips, Porch House provided their main home for forty years. It clearly provided a quiet haven for John and Ursula’s close partnership, and a perfect environment for an undisturbed working regime.\textsuperscript{57} John also encouraged the economic historian T. S. Ashton (1889–1968) to move to Blockley in retirement, where he lived in ‘Tredwells’. Similarly, he persuaded G. B. Richardson to return to Oxford and buy a house in Blockley. Klamer mentions that when he went to interview John in 1988 in Porch House, he approached the local shopkeeper for directions and reports that, ‘when he finally realized whom I was looking for, he exclaimed, “Oh, he is quite a recluse, you know. He got a Nobel Prize, eh? Isn’t that interesting!”’\textsuperscript{58} However, even after Ursula died in 1985, John travelled, with assistance, to overseas conferences. He was rather frail and had for some time been unsteady on his feet, commenting to Samuelson that ‘fortunately I am dying from my feet up rather than from my brain down’.\textsuperscript{59}

The house is a large Grade II listed property with a large garden, in which both John and Ursula took much interest.\textsuperscript{60} Wolfe reports that John was at one time responsible for laying out parts of Nuffield College gardens and ‘on one occasion he went directly from an important meeting to the gardens to supervise the planting of some new rose bushes. An eminent international trade theorist who happened to be present and who witnessed this operation earned the ire of Ursula Hicks by commenting upon the difficulty of reconciling this activity with the theory of comparative advantage.’\textsuperscript{61}

This memoir is somewhat unusual in that the author was not asked to write it until twenty-three years after the death of its subject. While this necessarily has some disadvantages, it does allow for a longer view to be

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along with his papers, were bequeathed to his former secretary, Patricia Utechin (1928–2008) who had also worked for Max Beloff and Isaiah Berlin. These were quickly sold. Access to material held by the John Hicks Foundation appears to be extremely difficult.\textsuperscript{57} The daily routine in Porch House is described on p. 319 of A. Lejonhufvud, ‘In memoriam: John Hicks’, in Puttaswamaiah, \textit{John Hicks: His Contributions to Economic Theory and Application}, pp. 317–21.\textsuperscript{58} See p. 176 in Klamer, ‘An accountant among economists’.\textsuperscript{59} See p. 4 of P. A. Samuelson, ‘My John Hicks’, in Puttaswamaiah, \textit{John Hicks: His Contributions to Economic Theory and Application}, pp. 1–4.\textsuperscript{60} For details of the history of Porch House, see Creedy ‘John and Ursula Hicks’. John and Ursula also owned the house next door to Porch House, which they called ‘Puffers’. It was once The Railway Inn, which was built in 1850 to accommodate the needs of ‘navvies’ working on the new railway line (the Oxford, Worcester and Wolverhampton Railway—popularly referred to as ‘Old Worse & Worse’). The navvies were not welcome in the other village inns.\textsuperscript{61} Wolfe, \textit{Value, Capital, and Growth}, p. x.
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taken. After such a period has elapsed, the vast majority of economists are forgotten or ignored, no matter how important they once were. A simple test of how many current graduates and younger lecturers have even heard of most Nobel Prize winners, or could name a contribution even if the name were not completely unknown, would be interesting. However, it is likely that the name of Hicks, and its association with numerous central concepts and building blocks of economics, remains alive and well. From the present perspective it remains clear that there is much to celebrate in Hicks’s long dedication to fundamental questions of economic theory.

JOHN CREEDY
University of Melbourne

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