



TOM WILSON

# Thomas Wilson

## 1916–2001

TOM WILSON was born on 23 June 1916 and educated in Northern Ireland. Although most of his life was spent elsewhere, he always retained a loyalty to it, devoted energy and intellectual effort trying to help its economy, and ended by writing what was perhaps his best book on its problems. His long career as an economist took him from Belfast to the London School of Economics, Whitehall (during the Second World War), Oxford, Glasgow, and finally Bristol; and the subjects which interested him ranged as widely. His *method*, however, in addressing them followed a pattern. It was eclectic: the different sides of the argument were fairly set out and criticised. Tom could usually find some virtue in each, and took the trouble to inform himself about them. He assessed their probable importance, soon dismissing the true but unimportant. He strove to be independent of fashion, never fearing to be in a minority, or of stating what he saw as commonsense against an opinion which had, for the moment, captured others' imagination. His economic analysis was not mathematical or econometric, and seldom even diagrammatic. The topics he chose to examine did not lend themselves easily to that. As it was often the policy implications of economic problems which interested him, he could not stop at simplified models of reality which left out some of the relevant variety and complexity of experience. His books on macroeconomics, regional policy, planning, the welfare state, and competition policy, drew on these strengths, and they shine forth most clearly in two written towards the end of his life: on Lord Cherwell's advice to Churchill during the war and on the Ulster tragedy. Tom enjoyed discussion. As in his

writings, he was honest, fair, reasonable and moderate. There was a hesitancy in his speech, and he was conciliatory, but none of this came from timidity or lack of self-confidence. He had a dry sense of humour and a dislike of humbug.

### Early life, 1916–1938

The Wilsons had come over from Scotland in the seventeenth century and had been farmers in County Antrim with land holdings of 30–40 acres typical of Ulster. The Ellisons, Tom's mother's family, were similar, but from County Down. Tom's father dealt in grain and had a grocery business, while continuing with the farm. Eventually Tom inherited it, passing it at once to his children, who sold it on his advice. Tom's parents were Methodists. The family went to church twice on Sundays, and his father read them part of the Bible every evening. They lived in Belfast which, in the early 1920s, was torn by civil strife. As a child he was in a tram caught in a fusillade of bullets from the IRA. The terrorists on both sides often picked on respected persons, who had taken no part in the violence, to be shot, and Tom's father was at risk. Decent families on both sides tried to shelter those on the other believed to be in danger, and Tom's family sheltered some Catholics who were old friends. After 1923, when civil war developed in the South, the energies of the IRA were diverted there and Belfast became peaceful, apart from sporadic outbreaks.

Just before he was six, Tom was forced to spend a year in bed as treatment for a suspected tubercular hip, followed by a year on crutches. He learned to read, and was read to a great deal by his father, but his schooling was delayed. After a church school, he went to Methodist College ('Methody'), a large co-educational grammar school, strong at rugby, which Tom was not allowed to play because of his leg. The school was not especially religious, despite its name. Tom did best in history and English, but described his school career as 'undistinguished' (despite winning prizes and being made a prefect). At all events, it enabled him to proceed to a four-year Honours degree (along Scottish lines) at Queen's University. Tom chose to read economics from the second year because he was concerned by the unemployment and poverty caused by the 1930s depression. Not being allowed to specialise entirely in that, he combined it with economic history and political science, but regretted not having stayed with straight history, where there was a strong department. The lecturer in economic history had lost interest in it, and Tom found it very

boring, especially Clapham's great volumes. The professor of economics was H. O. Meredith, a Cambridge first in classics and economics, who had been a Fellow of King's slightly senior to Pigou, and an Apostle and friend of E. M. Forster. Why he had gone to Queen's University Belfast just before the First World War Tom never discovered. From him, Tom learned much about Keynes's *Treatise* and also, as soon as it came out, *The General Theory*, for this was a part of economics in which Meredith's interest was well maintained. Otherwise, he occupied himself in translating Euripides into blank verse. In his finals, Tom did well in theory, with John Hicks as his external examiner, but not in economic history or political science. So he got a top second, not a first, despite having previously won prizes and a gold medal. There was then no chance of winning a studentship for post-graduate work.

His four years at Queen's had transformed Tom from a schoolboy into a young man with expertise, energy, and growing self-confidence. Besides his success in academic economics, he shone in other activities. After failing in sport at school, he became a leader of opinion at Queen's, an editor of *The New Northman*, an active participant in debates at the Literary and Scientific Society—the 'Literific'—and a chosen delegate to a debate at the University of Glasgow (where he had to oppose Conor Cruse O'Brien), and to the Zimmern Summer School of International Relations at Geneva (both of these in 1937). Then, in 1938, as representative of the churches of Northern Ireland, he attended a world youth peace conference at New York. Tom was at this time a socialist and anti-Unionist, as his writings for the *New Northman* show. However, his experiences at these meetings shook his faith, guiding him towards the eclecticism referred to above. Queen's was avowedly non-sectarian, and several of Tom's friends were Catholics, but for him a new and unpleasant aspect of that religion was revealed by the Vatican's support of the Franco regime in Spain, as well as by the vituperation he met when he accompanied a Labour candidate canvassing in the poorer Catholic streets of Belfast. The New York conference's proceedings and resolutions were, he came to realise, entirely controlled by the communists, with no effective input from any other of the numerous delegations. The hard face of reality made him less confident of youthful ideals, but he became more confident of his own ability to go beyond them.

## The London School of Economics, 1938–1940

Tom's father suggested he should read law, but, when it was clear that Tom wanted to continue with economics, generously gave him an allowance sufficient to go to the LSE in October 1938. He shared a basement flat in Paddington for 30 shillings a week with a fellow-student from Queen's. The landlady was a large cheerful woman living above them with a spotted dog, with whom she held noisy conversations. The LSE was an exciting place to be then. Tom attended Lionel Robbins's seminar, where Hayek and Kaldor argued about macroeconomic theory and policy. Others there were Durbin, Lewis, Paish, Radomysler, Scitovsky, and Weintraub. Tom disliked the deflationary views of Hayek and Robbins and departed from custom in asking for neither of these professors to be his supervisor. Instead, he requested either Kaldor or Durbin, and was rewarded with both (who were barely on speaking terms). After a false start in choosing a topic for his thesis, he settled on a review of trade-cycle theories, followed by an attempt to use them to explain economic fluctuations in the USA in the 1920s and 1930s, thus drawing on the strengths of his supervisors in theory and empiricism, respectively.

The outcome of this work is discussed below, after a brief account of his non-academic activities. Tom's talent for making acquaintances, 'networking', already developing at Queen's, blossomed in London. Several were Americans with whom he maintained contact later. Many, including himself, were left-wing, belonged to the Left Book Club, and accepted explanations of the international situation in terms of a struggle between capitalists and workers. Hitler should be resisted by joining forces with Russia, but rearmament was wrong. When war broke out in September 1939, Tom was in Northern Ireland on vacation. As he was domiciled there he was not liable for conscription. He would have liked to join the Navy, but would have had to wait a year or more before being called up, if he had enlisted. So he kept his options open by not enlisting, and returned to the LSE which was evacuated to Cambridge. There he met Dorothy Parry, a sociology student in her final year whom he was to marry in 1943.

Tom made the most of his opportunity by finishing his thesis in this, his second year at the School. Durbin had disappeared to Whitehall, but Tom saw more of Kaldor and engaged in his controversy with Hayek on capital theory and the trade cycle. This resulted in Tom's first published economics article in the *Review of Economic Studies* for 1940, as well as forming a chapter of his thesis. The latter was accepted for a Ph.D. in July

1940, and, with the support of the School, was published as *Fluctuations in Income and Employment* (Pitman, 1942), despite wartime restrictions. It was widely noticed in the financial press and favourably reviewed in the *Economic Journal* (by Joan Robinson) and the *Journal of Political Economy* (by Benjamin Higgins). His clarity and eclecticism were remarked with approval. A second edition appeared in 1945 and a third in 1948. The book achieved its well-deserved success by providing a succinct summary and critique of relevant modern macroeconomic theories, and, which was unusual, showing how these could, or could not, be used to explain inter-war fluctuations in the US economy. It did this by means of a historical description of these fluctuations, not by econometric modelling. One of Tom's main points was that each fluctuation needed its own explanation as technical progress proceeded and patterns of investment, consumption, government and banking behaviour changed. Tom anticipated the permanent income hypothesis, and controverted Keynes's assumption of a declining trend in the propensity to consume as real incomes rose. There are few doctoral theses completed so successfully in two years.

### Whitehall, 1940–1946

Tom's eyesight was deemed insufficiently good for the Navy, and when he applied at the Cambridge University Recruiting Board, with a view to joining the artillery, he was offered the choice of the Royal Army Service Corps or the post of economist in the Ministry of Economic Warfare. He thought the latter would prove more interesting and make better use of his expertise, and went to work at its offices in Berkley Square. On his fire-fighting duties at the top of the building he had a grandstand view of the blitz, with St Paul's silhouetted against the flames. However, his work on raw materials was unexciting, and he took the offer of a transfer to the Ministry of Aircraft Production. MAP had the best planning division in the government, headed by John Jewkes, with Ely Devons, David Champowne and Brian Tew. Tom worked in a parallel division estimating manpower requirements under Ronnie Edwards, learning two lessons which convinced him of the inadvisability of planning in peacetime (a view shared by Jewkes). One was that, despite all the expertise, and despite the battery of wartime controls, planning was very much guesswork. The other was that each government department fought its own corner, jealously guarding its own information and exaggerating its

requirements in the knowledge that they would inevitably be cut down—an early lesson in ‘public choice’.

Early in 1942 the chance came for another move—to the Prime Minister’s Statistical Branch under Lord Cherwell (the Prof), who, as well as being Churchill’s scientific adviser, had a brief to record and comment on the strength and state of readiness of the armed forces in the various theatres of war, on shipping, manpower, munitions production, and other aspects of the war economy. The Branch was quite small, consisting at any one time of half-a-dozen economists, one scientist, Cherwell’s private secretary (John Clarke) and some chartists and typists. Roy Harrod had been responsible for recruiting the economists, and remained as the Branch’s nominal chief until he resigned in mid-1942, when Donald MacDougall took his place. In fact, MacDougall had become Cherwell’s right-hand man since Harrod had recruited him at the outset. The work was governed by Churchill’s desire for independent advice on the conduct of the war effort (but excluding military strategy), and in particular its quantitative aspects. Cherwell and MacDougall both had a flair for seeing what was quantitatively important and could handle and manipulate figures with ease. One kind of output of the Branch consisted of volumes of charts recording the progress of the war from many different aspects, of which Churchill (and Roosevelt) was an avid reader. Another kind of output consisted of succinct minutes to Churchill (averaging about one a day) on any matter where his intervention might improve the war effort. They could originate with a question from Churchill, or an idea of Cherwell’s, or of a member of the Branch. The main task of the members of the Branch was obtaining the information both for the charts and for the minutes. Whereas the charts could be routinised, for the minutes it was often necessary to persuade departments to provide facts which, they were aware, could be used to criticise their own actions. It required a tremendous investment in tact and perseverance to develop and maintain good relations. Tom’s talents in ‘networking’ were put to good use and strengthened, as also was his ability to sift the important and sensible from the welter of available information. Each member of the Branch had his speciality, and Tom’s was manpower planning; but he also worked on post-war employment policy (leading to the famous 1944 White Paper) and on the reform of social insurance (following the Beveridge report of 1942). He returned to both topics after the war. He remained in the Branch until the war in Europe was over and Churchill was defeated in the 1945 summer election, when the Branch was disbanded. His success there can be gauged from two events. Just three members of the Branch

accompanied Cherwell to the Potsdam Conference in July 1945: MacDougall, Clarke and Tom. Just three members of the Branch were decorated at the end, of which Tom was one, receiving the OBE.

In later years Tom expressed dissatisfaction with his war career. This was not because his work was uninteresting or unimportant, nor even because he was less exposed to danger as a civilian than as a member of the armed forces. On the contrary, he knew that he had made a more important contribution than a great many servicemen, and had been in greater danger in London in the blitz. What he regretted was not having shared the experiences of so many of his generation. His initial self-satisfaction with his OBE turned to self-reproach 'when I thought about the thousands of men who had given life and limb to the struggle against the Axis with their sacrifices unacknowledged and often unobserved, whereas I had been sitting in comfort in Whitehall'. Tom's modesty is abundantly displayed. He hardly ever talked about his wartime role. Nor about an experience resulting from his restless dissatisfaction. With the Normandy invasion imminent in the Spring of 1944, and Churchill pre-occupied with it, work in the Branch died down. Tom made contact with a shipowner working in the Ministry of Transport through Dorothy, also working there, to see if he could get into the Merchant Navy to play a part in the landings. After getting (reluctant) permission from Cherwell, he was taken on as part of the larger crew required for a Thames estuary tug which towed parts of the Mulberry harbours across the Channel. Two other members of the Branch (Charles Kennedy and Jack Parkinson) were allowed to join him.

On the disbandment of the Branch, Tom went to the Economic Section of the Cabinet Office, then headed by James Meade. He found the work there more academic than in the Branch, and himself less in sympathy with it. One hot topic was the control of nationalised industries, with Meade and Fleming advocating marginal cost pricing even where this involved making losses. Tom wrote an article, published in the *Economic Journal* (55, 1945), criticising their views. He looked around for alternative employment and found an *embarras de richesses*, with offers from Queen's University, Belfast, Manchester (John Jewkes), Bristol, the LSE (Lionel Robbins), and Cambridge (Richard Stone), amongst seven. The LSE was the most tempting, and Tom later felt it would have been better for his development as an economist than his final choice which was a Fellowship at University College, Oxford (as successor to Harold Wilson). However, at that stage he had had enough of London and longed for the country.



Tom thought this point was the peak of his career, the rest being a gradual decline. The success of his book on *Fluctuations*, in the USA as well as in Britain, and the many offers he received, seemed to show this. But this again illustrates his modesty. Two of his best books were yet to come, and much besides.

### Oxford, 1946–1958

In 1946 fashionable opinion, especially amongst economists, was socialist. The country had returned an unprecedented Labour majority government, rejecting its victorious wartime leader. Tom had voted Labour, but, despite that, in reaction to prevailing opinion was turning away from socialism, central economic planning, and public ownership of industry. In December 1945 he had resigned from the Fabian Society following a meeting at which he had raised the question of which industries should be publicly owned and which private. The chairman, G. D. H. Cole, turned on him in a fury and said ‘Either you’re a socialist and believe in public ownership or you’re not. If you raise questions like that you shouldn’t be here.’ His former LSE supervisor, Evan Durbin, now a Labour MP and Attlee’s personal assistant, told him he should not have taken Cole seriously. He thought highly of Tom, as a surviving reference he wrote for him shows, and regretfully remarked when he learned that Tom was moving away from socialism ‘You’re like the Vicar of Bray but with this difference. You’re changing sides but it won’t be to your advantage, for now we’re in power we could have done something for you.’ But Tom could not have been less like the Vicar of Bray. He pursued the truth as he saw it, *coute que coute*.

His first post-war book, *Modern Capitalism and Economic Progress* (Macmillan, 1950), was a defence of private ownership and the market, and an attack on ‘physical planning’ (central government economic planning backed by controls) in peacetime and on the nationalisation of industries. These were a threat to democracy and freedom, but were widely regarded as necessary for economic efficiency and full employment. There appeared to be a dilemma. Unless one was prepared to sacrifice freedom one could not attain economic progress. His book sought to demonstrate that this dilemma was false, that physical planning was inefficient, and that full employment could be attained without it. More state intervention than before the war might well be required, such as more active macroeconomic policies, but it would be more efficient to

leave industry in private hands, with the allocation of resources determined by market forces. Tom backed his argument with statistics showing the growth of real incomes under capitalism in the UK and the USA, and by comparison with the USSR. He drew on his own experience of wartime planning to reveal its problems and shortcomings in contrast to the rosier view which had been presented in influential lectures by another wartime planner Oliver Franks (later Lord Franks), which made a case for physical planning in peace as well as war. He used statistics of the distribution of income in the UK and the USA to refute some of the myths propounded by left-wing writers as well as to make some telling comparisons with the USSR. Most of the book would now be regarded as uncontroversial, but the climate of opinion was different then, and the book provided a needed corrective. Many well-meaning persons failed, in particular, to realise the true state of affairs in the Soviet Union. Solzhenitsyn's writings were not generally available. Tom's politics colleague at University College, Hugh Seton-Watson, had no illusions, and nor had Tom, and he drew attention to the slave labour camps in the book. It met with considerable hostility from an anonymous reviewer in *The Economist* and from some left-wing colleagues. It was noticed on the Continent, and translated into German. Its timing matched the drive to liberalisation under Ludwig Erhard. Its English publisher was Harold Macmillan, who strongly favoured it, as did some others as the reaction against nationalisation and controls gathered force.

Tom's interest in the theory of the firm had been reawakened by the marginal cost controversy, mentioned above, and this led to his article on 'The inadequacy of the theory of the firm as a branch of welfare economics', *Oxford Economic Papers* (4, 1952). The 1930s theories of imperfect competition, which he had imbibed as an undergraduate, seemed to imply widespread inefficiency and waste, and were thus part of the case against private ownership and the market system which his book strove to counter. The main weakness of these theories was their static nature. Tom believed that efficiency consisted much more in pressing for managerial and technical improvements than in finding the optimum point on a given cost curve. He was influenced by the views of a colleague at Nuffield College, Oxford (where he was elected an unpaid Faculty Fellow in 1950), Philip Andrews, who was even more scornful of orthodox theory, and who stressed the importance of *potential competition* as an influence on firms' behaviour. This was later rediscovered by Baumol and called *contestable markets*. The concept of *X-efficiency* (Leibenstein) also encapsulated part of Tom's argument. As he ruefully remarked, a striking name

made a big difference. He followed up the subject later by an unpublished paper with C. V. Brown on 'Price competition under oligopoly' (1969) and, finally, by a survey 'The microeconomic foundations of microeconomic policy' in his collection of essays *Inflation, Unemployment, and the Market* (Clarendon Press, Oxford, 1984). The closely related topic of competition policy was examined in two reviews of British experience (Department of Trade and Industry, *International Conference on Monopolies, Mergers and Restrictive Practices* (HMSO, 1971), and in a Danish publication). Tom also edited, with Andrews, a collection of articles that had appeared in *Oxford Economic Papers* entitled *Oxford Studies in the Price Mechanism* (Clarendon Press, Oxford, 1951), of which the most famous was one by Hall and Hitch which originated the idea of the kinked demand curve under oligopoly.

*Oxford Economic Papers*, which had been occasional pre-war, became a regular journal from 1949, with Tom as editor. He had a heavy burden of tutorials, initially twenty hours a week, and became, successively, domestic and estates bursar of his college. Despite all this he found time to edit *Ulster under Home Rule* (Oxford University Press, 1955), to write a book on inflation (see below), and to have published a dozen journal articles and two chapters in different books before leaving Oxford in 1958.

One of his concerns was monetary policy and inflation, and here, as often, he swam against the tide of fashion. This was that changes in short-term interest rates were not a good way of influencing domestic demand for a variety of reasons: it was dangerous to put them high (say 10 per cent or more), and small changes had little effect; their effects were on industrial investment and housing, which was undesirable; they were unquantifiable and so unsuitable for the fine tuning of the economy then in vogue; and higher rates would increase the cost of servicing the national debt, including that held by foreigners. The Bank of England largely accepted these views, and monetary policy relied on persuading the bank cartel to restrict advances and on controls on hire-purchase. By contrast, in an article in *Oxford Economic Papers* in 1957 and in evidence to the Radcliffe Committee on the Working of the Monetary System in 1958, Tom proposed a revival of the old Currency School doctrine that there should be statutory limits to the fiduciary issue (he proposed a growing limit). He argued that the velocity of circulation of the note issue varied less than that of more widely defined stocks of money, and that limits of this kind would constrain the government to keep inflation within reasonable bounds, and would reassure foreign opinion. This proposal (which had support from Lord Robbins and E. V. Morgan) was

given short shrift by the Radcliffe Committee and derided by Tom's colleague, Charles Kennedy, who likened it to asking the doctor to treat the rise of the column of mercury in the thermometer instead of the causes of the rise of temperature in the patient—a misunderstanding, to put it mildly, of the argument. Tom also argued the case for a more active monetary policy against another colleague, Dick Ross, who had served in the Economic Section, in *Bulletin of the Oxford University Institute of Statistics*, 19 (1957), and in an unpublished address on wage inflation given to several audiences, including one at the Bank of England in 1957. He stressed the need to reduce demand and accept some increase in the then very low rates of unemployment (below 2 per cent). He was sceptical of 'sermons and appeals to the trade union leaders for moderation in their demands'. All this, and more, came together in a book on *Inflation* (Blackwell, 1961) completed after leaving Oxford, but mainly written there. It was one of the first post-war books on the subject and attracted an unfavourable review from Friedman, lukewarm from Robertson, but enthusiastic from *The Banker*. It was to take about 20 years before the wheel of fashion in Britain would turn round to, and beyond, Tom's position.

### Glasgow, 1958–1984

In 1958 Tom was appointed to the Adam Smith Chair of Political Economy at the University of Glasgow, where he remained, rejecting invitations to move elsewhere, until he retired. He felt that 'Political Economy' suited him. He wanted a change from Oxford, expected to find more time for his own writing and research, and welcomed the opportunity provided by his position as head of department to shape the courses. He succeeded A. L. Macfie, who was an expert on the history of economic thought, and who had been in the teaching tradition which followed through the classical writers Smith, Ricardo, Mill, and so on. While courses on the history of economic thought were retained, the main course was modernised. Tom's department was responsible for single-year courses in economics taken by about 1,200 students of accountancy, law, engineering and science, as well as for the last two years in the four-year honours course in economics, with about a hundred students. Following tradition, Tom gave lectures to the large audiences of the one-year courses, although he did not enjoy doing so. He decided to abolish signing-in attendance at these lectures, but when he announced this he

was disconcerted by the students' way of welcoming this reform by drumming their feet. Tom introduced a requirement that his lecturers should speak for only half the time, the rest being used for discussion with the class, assisted by an additional member of staff. This suffered, at least initially, from the reluctance of Scottish students to speak. Tom's friendly and informal relations with the staff of the department, his enjoyment in discussing a wide range of topics with them, his many contacts outside Glasgow which enabled him to invite interesting and famous economists to give lectures and seminars, and which he was ready to use when graduates or staff wanted to move elsewhere, are all well remembered. His arrival appeared to many as a breath of fresh air. He believed in 'horses for courses'. Although continually writing articles and books himself, that was not essential for everyone—administration and teaching were honourable activities in which excellence could be achieved. He thought the Scottish general degree was probably more useful in later life for many students than the narrower honours degree courses insisted on in English universities.

The department Tom inherited was a lively one, benefiting from close relations with the applied economics research department headed by Alec Cairncross. As it was a time of great expansion post-Robbins, Tom confronted the problem of recruiting more staff. He succeeded in attracting a number from outside Scotland, including a future Permanent Secretary in the Treasury (Gus O'Donnell) and an American from Berkeley (Diane Dawson). He also instigated the appointment of Alec Nove to a new chair with responsibility both for Soviet economic studies, in which he was an acknowledged authority, and for the administration of work on development economics. Tom had long maintained an interest in the former, and his interest in the latter began in 1962 with a term as Nuffield Visiting Professor at the University of Ibadan in Nigeria, and continued with several visits to Kenya, following an arrangement under which economists from Glasgow were seconded for a term to the University of Nairobi.

A major occasion in Tom's tenure of the Adam Smith Chair came in 1976 with the bicentenary of the publication of *The Wealth of Nations*. A new edition of Smith's works was prepared and published by Oxford University Press, accompanied by a substantial volume of *Essays on Adam Smith* (Clarendon Press, Oxford, 1975) edited by Andrew Skinner and Tom. A conference to which over two hundred guests were invited was organised and the papers presented there published in another volume, *The Market and the State* (Clarendon Press, Oxford, 1976) with the

same editors. Tom played the major part in making the invitations (networking again) and in planning the papers for this second volume. The first volume was more Skinner's responsibility, as he was expert on the subject. An accident also threw on his shoulders much of the 'nuts and bolts' organisation, as Tom suffered a heart attack just beforehand. He was a great hill walker, and had accompanied a group of much younger persons up a long and very steep slope from the glen of Balquhiddier. He had to be assisted down and taken to hospital. He recovered sufficiently to appear at the conference, but his paper for the second volume was read for him by Malcolm MacLennan. This paper, on 'Sympathy and Self-Interest', explored the proper role of sympathy and benevolence in market transactions, making the point that an efficient functioning of the market as a device for coordinating and informing economic activity required that those on each side of a transaction put aside the interests of the other—what Wicksteed called 'non-tuism'. Each side could be acting benevolently towards *other* persons, but market signals would be confused if they did so vis-à-vis each other. Much the same considerations applied to the behaviour of different units in a socialised economy, and even to different departments within a government. However, the larger the unit, the greater both the need and the ability to take a broader view of social interests, and in all cases there had to be a framework of rules within which behaviour was constrained. He made other interesting points, and this essay shows Tom as a political economist at his best. The volumes and the whole conference demonstrated the depth and durability of Smith's contributions to the social sciences. There were favourable reviews in the *Economic Journal* and the *New York Review of Books*.

Dorothy had shown the first signs of multiple sclerosis in 1952. In 1966 she had a severe attack. Her mobility then slowly declined and she had to use a wheelchair, although never completely confined to it. Before 1966 she looked after home and children and did some extra-mural teaching and voluntary work, but in that year she obtained a full-time lectureship at Glasgow University in social administration, which she held to retirement in 1982. She had published a short comparison of welfare provision in the USA, Canada, and the UK. ('America and the Welfare State', *Planning*, 26, 1960), and then became interested in Sweden, leading to her book *The Welfare State in Sweden* (Heinemann, 1979). Tom, whose earlier concern with the Beveridge Report has already been noted, became a director and later chairman of the Scottish Mutual Assurance Society, and wrote a number of articles and contributions to books on the welfare state. He edited *Pensions, Inflation and Growth* (Heinemann,

1974). This was a comparative study of state provision for the elderly in six continental European countries by four different authors (the chapter on Sweden by Dorothy), with an introduction and a substantial comparative analysis including the UK and the USA by Tom, the whole representing a major research project. He and Dorothy together wrote *The Political Economy of the Welfare State* (Allen & Unwin, 1982), a succinct but comprehensive description and analysis of the British system, with useful international comparisons. Together they organised a workshop at University College, Oxford in 1989 from which emerged a volume of essays on *The State and Social Welfare* (Longman, 1991), devoted to discussion of the principles underlying state provision of social benefits. His last published collaboration with Dorothy was 'Social Justice and the Reform of Social Security' in *Social Policy Administration*, 29 (1995), a critique of the Report of the Commission on Social Justice, set up by the Leader of the Opposition, John Smith.

In the early 1960s planning was attracting renewed interest in Britain with the setting up of the National Development Office in London and the attempt to increase the rate of economic growth. Tom wrote several papers and then a book on *Planning and Growth* (Macmillan, 1964). He also became involved in regional planning and development as vice-chairman of the Committee of Inquiry into the Scottish Economy appointed by the Scottish Council (Development and Industry), chaired by Sir John Toothill, whose Report was published in 1961. Subsequently he served on an advisory panel of academic economists consulted by the Scottish Office. In 1963 he was invited by the Prime Minister of Northern Ireland, Terence O'Neill, to prepare a development programme for the province. Tom had always maintained his interest in Ulster affairs. In rather more than a year of part-time work, and with the assistance of Jack Parkinson, a war-time colleague who had also been at Glasgow and was now a professor at Queen's University, Belfast, he produced what became known as the 'Wilson Plan', (Government of Northern Ireland, *Economic Development in Northern Ireland*, Cmd. 479, HMSO, 1965). It was not a comprehensive economic plan, for Tom was sceptical of planning, but rather a five year plan for public investment, designed to bring the infrastructure nearer to standards in the rest of the UK, and to improve training, thereby, with some financial assistance from the government, to encourage more private investment in the province. It was followed by some years of relative prosperity, and a reduction in unemployment, but hopes were dashed by the outbreak of the 'troubles' in 1969. Both Tom and Jack Parkinson supervised the production of a

second development programme for the years 1970–5, published in 1970, but it was overtaken by events.

Other studies of regional policy and fiscal federalism included *Financial Assistance with Regional Development* (Fredericton, NB, 1964), for the Atlantic Provinces Research Board of Canada; ‘The Regional Multiplier—A Critique’, *Oxford Economic Papers*, 20 (1968); a chapter on ‘Economic Sovereignty’ in John Vaizey (ed.) *Economic Sovereignty and Regional Policy* (Gill and Macmillan, 1975); ‘Devolution and Public Finance’, *The Three Banks Review*, No. 112 (1976); a chapter on ‘Regional Policy and the National Interest’ in D. Maclellan and John Parr (eds.) *Regional Policy* (Martin Robertson, 1979); and ‘Issues Posed by Fiscal Transfers in the European Community’, *The World Economy*, 3 (1980).

His last foray into local finance concerned the poll tax, and exemplified his concern to express his view of the truth without fear or favour. Towards the end of 1984 he was invited by William Waldegrave, a Minister at the Department of the Environment, to be one of four assessors (the others being Lord Rothschild, (Lord) Hoffman and (Sir) Christopher Foster) of a project to reform local government. Although initially the project appeared to be wide in scope, it was narrowed to local government *finance*, then (and still) in an unsatisfactory state. At the first meeting of the group in early 1985 an elaborate scheme was tabled for which no papers had been circulated in advance. This proposed a combination of domestic rates with a *small* poll tax, to secure some contribution from non-ratepayers. As there was little time to digest the scheme, and as the poll-tax element was small, little objection was expressed. However, after further consultation within the government, the proposal became one of completely substituting the poll-tax for domestic rates. Tom received further departmental papers, but he was not informed by the Department of the Environment of the Chancellor’s (Lawson’s) opposition to the scheme, nor given a paper by Hoffman critical of it, nor was any further meeting of the assessors called. Hoffman resigned on becoming a judge, and Tom considered resigning, but decided to write to Rothschild asking for another meeting. This was held in August 1985 with Baker and Waldegrave, senior civil servants of the department, Rothschild and Foster. At this meeting, Tom’s was a lone voice in opposition to the poll-tax. He subsequently published his views in the *Economic Journal*, 101 (1991). The poll-tax was introduced with disastrous effects on the popularity of the government, proved difficult to collect, and has since been abandoned.



By the late 1960s monetarist doctrines were beginning their revival, although it was not until the 1980s that they would achieve their maximum power in the UK. They received attention in official circles largely as a result of borrowings from the IMF in 1968, when, as a *quid pro quo*, the IMF required that limits should be placed on domestic credit expansion. In academic circles there was Friedman's article in the *American Economic Review* of 1968, and Friedman expounded his views at a conference of economists in Sheffield in 1971, following which Harrod was the first respondent and Tom the second. Having argued the importance of the quantity of money in the 1950s, Tom now felt compelled to criticise those who seemed to think that little else mattered in the fight against inflation. His Keynes Lecture at the British Academy in 1975 had much to say about the problems of wage-push, and his contribution to a symposium on inflation in the *Scottish Journal of Political Economy* in 1976 criticised the concept of the natural rate of unemployment in monetarist theory. In *Inflation, Unemployment and the Market* (Clarendon Press, Oxford, 1984), which brought together some earlier articles (together with a useful bibliography of his writings), he added two substantial new essays which criticised monetarism and provided a balanced and eclectic analysis of macroeconomic policies and their effects on unemployment and inflation.

Dennis Robertson and Maynard Keynes were two economists for whose work he maintained an abiding interest and admiration. He felt that Robertson's method of analysing the determinants of the rate of interest through the supply and demand for loanable funds was preferable to Keynes's liquidity preference theory, and contributed a paper on 'Robertson, Money and Monetarism' to a meeting of the History of Economics Society at Harvard, which was published in the *Journal of Economic Literature*, 18 (1980). In the same year he attended a Keynes Seminar at the University of Kent, giving a paper, published in A. P. Thirlwall (ed.), *Keynes as a Policy Adviser* (Macmillan, 1982), on Keynes's policy recommendations, especially regarding domestic stabilisation and the famous White Paper of 1944. The myth had taken hold that Keynes had had to water down his proposals for running budget deficits in recessions, but the truth was, he pointed out, that Keynes's more cautious views had prevailed against more radical ones. Keynes thought the 'ordinary budget' should be balanced at all times and that countercyclical variations should be confined to the 'capital budget', which included, however, social security. Keynes also thought that unemployment could probably not be kept below about five per cent. Tom was anxious that

Keynes should not be regarded as an all-out expansionist whose policies were responsible for post-war inflation, although he accepted that Keynes stressed the desirability of low interest rates, and believed that in the medium to long run investment opportunities would be exhausted.

Towards the end of his tenure at Glasgow, Tom was awarded several distinctions: Fellow of the British Academy in 1976; Honorary Fellow of the London School of Economics in 1979; Fellow of the Royal Society of Edinburgh in 1980; and an Honorary Degree by Stirling University in 1981.

### Bristol, 1984–2001

Tom retired from the Adam Smith Chair in 1982. He and Dorothy had lived at No. 8 Professors' Square, one of the large houses built in the 1860s when the university had occupied its greenfield site on the (then) western edge of the city. These houses were ultimately taken over as administrative offices, but there was no immediate demand for Tom's house, and so they remained there until 1984, when they found a flat at Bristol in which Dorothy could move about and which was also close to a daughter. Tom knew the head of the economics department at the University of Bristol, which was a further advantage. During their stay at Glasgow, they had bought a cottage just outside Callander, closer to Tom's beloved mountains and glens, and with a garden which they filled with flowers. This they retained, going up every summer, reviving old friendships and revisiting the places they loved. Many friends as well as family were invited to stay in the cottage when they were away. They had built up a collection of paintings, and Tom was a skilful painter himself. Most of these could still be displayed in the smaller Bristol flat or the cottage.

Tom continued to be very active. He had been energetic throughout his life, and this was sustained almost to his last days. Several of his post-Glasgow publications as well as the poll-tax episode have been mentioned. Two books, each requiring a substantial research effort, occupied much of his time, the first on Ulster and the second on Churchill and the Prof.

*Ulster: Conflict and Consent* (Blackwell, 1989), was perhaps his finest book. It rested on his virtues: his ability to understand, and set out fairly, conflicting viewpoints; his ability to assemble the important and relevant facts; and his no-nonsense approach. It gave enough Irish history to

enable one to understand Republican grievances, but also to puncture the myth that Ireland is, or ever has been, one nation, despite its being one island. It discussed the most important issues: demography, religion, political parties, discriminatory policies in employment, housing and education, and the problems of maintaining law and order. There is probably no better introduction for those who really want to understand the Ulster tragedy, and there was probably no-one better qualified to write it.

*Churchill and the Prof* (Cassell, 1995) was Tom's last book, but, remarkably since he was seventy-nine when it was published, among his best. His work in the Prime Minister's Statistical Branch during the last three years of the war has been described. This had given him first-hand knowledge of some of the Prof's (Lord Cherwell's) work for Churchill, but there was much more, both on scientific matters and on strategic concerns. The bomber offensive against Germany is one of the most controversial of the issues discussed. The Prof was a strong proponent of the bombing of German cities, but this has since been condemned as both brutal and futile, and as consuming a disproportionate share of the war effort. Tom showed that the share was not, in fact, as large as some (e.g. A. J. P. Taylor) had seemingly implied, and that, while the critics were right to point out that German war production rose despite the bombs, and German morale was not broken, the bombing nonetheless had serious effects on war output and led to its collapse after January 1945. There were other important gains: the Germans never resorted to chemical or biological warfare, they concentrated their aircraft production effort on producing fighters to ward off the attacks and neglected their own bombers, and, perhaps most important of all, a million men and a very large number of guns were kept to defend Germany and so not available for the Russian front. However, while these arguments could be used to justify the bombing offensive during most of the war, and while selective bombing of the transport system (for example) made sense until nearly its end, Tom concluded that it was hard to find any adequate defence for the severity of the attack on Dresden in February 1945. Once more, Tom's careful and balanced assessment of the arguments shows his concern for the truth and refusal to accept fashionable opinion.

In 1998 Dorothy died, thus ending over fifty years of a happy marriage which had produced a son, two daughters, and eight grandchildren. She and Tom had surmounted her multiple sclerosis with characteristic humour and stoicism. Tom went up every summer to the cottage near Callander (now driven by his children so that he had the use of his own car there), and still worked away on a book. This was an assessment of

the current state of macroeconomic theory in the light of post-war experience, which had, so it seemed, discredited one theory after another, leaving ‘pragmatism’ alone on the field. He died on 27 July before this could be finished on his last visit to the cottage in 2001, and his ashes lie with those of Dorothy in the cemetery of Balquhiddy, not far from the grave of Rob Roy.

M. FG. SCOTT

*Fellow of the Academy*

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