

## **The Uses of Biography and the History of Economics**

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### **1. Introduction**

I was asked to speak at this year's [2012] HETSA meetings because my biography of Lionel Robbins was published late last year. I shall indeed talk about some of my experiences in researching and writing this biography. Since the theme of the conference is the future of the history of economics, I shall also try to illustrate just how useful archival sources can be for historians of economics - not just in writing an economist's biography but in the study of the history of economics more generally. In the last decade there have become available the personal and professional papers of many other important 20th-century economists. These should provide a rich resource for historians of economics interested in the development of economics in the twentieth century for many years to come.

When I was first asked to write the biography of Lionel Robbins by his family, I declined. But I was later persuaded when Robbins's family - his widow Iris, his daughter Anne and son-in-law Christopher Johnson (also an economist, and his literary executor) and his son Richard - showed me some of the papers they had in their possession. They were wondering whether there were unpublished manuscripts which might be worth publishing. As far as I could see there were not but there was a lot of fascinating correspondence: for instance, letters to Robbins in the 1930s from Cannan, Durbin, Haberler, Harrod, Hayek, Keynes,

Knight, Machlup, Mises, Pigou, Robertson and Viner. So the next morning I phoned Anne and Christopher Johnson and said I would have a go at a biography.

I tell this story for two reasons. One is the attraction of the papers. The other is that I agreed to try to write the biography without having previously ever thought of working on Lionel Robbins. I did not have any 'ulterior motives' in the sense of wanting to put forward a particular view of his life and work or even of wanting to focus on particular aspects of that life and work. I obviously knew something about his career and writings, but not all that much. One of the things I want to do today is to tell you how my views of Robbins were changed by the results of my research in his papers (and in other archival sources).

What I first knew about Lionel Robbins goes back to my days as an undergraduate and then a graduate student at the London School of Economics in the 1960s. He was no longer the Professor of Economics he had been since 1929, and was lecturing parttime, having given up his professorship in 1961 to become chairman of the *Financial Times* newspaper. But he was famous for the 'Robbins report' on *Higher Education*, published in October 1963, which encouraged the expansion of the universities in Britain in the 1960s and 1970s. At the School his undergraduate teaching consisted of the lectures on the History of Economic Thought intended primarily for third year students who had to take a paper in that subject in the final examinations. As far as his published work was concerned, we undergraduates knew him as the author of the

notorious *Essay on the Nature and Significance of Economic Science*, which we read in the 1962 reprint of the second edition of 1935. I think I also read his *The Theory of Economic Policy in English Classical Political Economy* (1952) but none of his other work in economics or the history of economic thought. I say the *Essay* was 'notorious' because Karl Popper was head of the Philosophy Department at LSE in those years and we were taught that Robbins's book was all wrong, his methodology purely deductive and anti-empirical, allowing no role for empirical testing let alone the falsificationism espoused by the Popperians. But we did have to read it.

The late 1960s were also the years of the 'troubles' at LSE. Robbins was only a critical observer of the events of the first round of troubles in 1966/7, which were precipitated by the announcement of Walter Adams, then principal of the University College of Rhodesia and Nyasaland, as the next director of the School. But Robbins was heavily involved in the second, more serious round of 1968/9. He had become chairman of the Court of Governors and we - moderate as well as 'revolting' students - were disturbed when he usurped the role of the director (Adams) whom we thought should be the one responding to the students' demands - which this time had their origins in the anti-Vietnam war protests. When he came to a meeting in the Old Theatre in January 1969 and proceeded to tell us of his long connections with the School, it sounded to some of us as though he thought the School was *his* School and not that of the current students who were destroying it. This was seven days before LSE was closed for three weeks.

In the ensuing years Robbins also acquired a reputation as a right-wing figure, associated with Friedrich Hayek and with the Institute for Economic Affairs which had been founded in 1957. He was sometimes said to have been associated with the Conservative Party and an unofficial adviser to its governments (to which he objected in his autobiography). As well as being lumped with Hayek et al. as a free-market economist he was often portrayed as at best unenthusiastic about Keynesian-type macroeconomic policy (demand management). It was claimed that he had never really become a Keynesian or that it had been a temporary conversion at best and he reverted to more classical economic ideas after Keynes's death. His Austrian connections were remembered: not his sustained efforts to help Jewish economists to get out of Austria and Germany in and after 1933, but the influence of Mises and Hayek on his economics, both his methodological stance in the *Essay* and his policy stance, especially that in his book on *The Great Depression* (which he had explicitly disowned in his autobiography).<sup>1</sup>

By the time I came to be asked, some twenty years later, to write Robbins's biography I knew much more about Robbins's career. But the 'much more' related to only two aspects of his career - though they were very important aspects. These were: his row with Keynes in October 1930; and his wartime government service in the Second World War. With respect to the former Donald Winch and I had written a study of the Economic Advisory Council set up by the second Labour government in Britain in 1929. This devoted many pages to the famous

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1. I read Robbins's *Autobiography of an Economist* (1971) soon after I left LSE for Cambridge - but only because a friend gave me a proof copy which he had found, clearly marked 'not for sale', for sale in a Bloomsbury bookshop.

Committee of Economists of 1930 chaired by Keynes. Robbins, who had been appointed professor of economics at LSE the year before, was one of the economists invited to join the committee of five. Keynes's intention was to provide the Prime Minister, James Ramsay MacDonald, with 'an agreed diagnosis' of - and agreed remedies for - Britain's unemployment problem. He was thwarted by the 'young professor' who would not go along with Keynes's suggestions of public works and protection as possible remedies for unemployment. As for his wartime government service, I had helped to edit the four diaries that Robbins and James Meade kept of their missions to North America on behalf of the British government in 1943, 1944 and 1945. I had also edited Meade's *Collected Papers* (1988), in which I included some of the major memoranda he wrote while he was working for the Economic Section of the UK government in 1940-7 and therefore knew of Robbins's role in fostering Meade's work including that on employment policy.

Let me say a little more about Robbins's reputation as an economist and public figure because it is relevant to a significant part of what I discovered in working on his biography. In 1969 Donald Winch wrote in his *Economics and Policy* (1969: 190-2): 'The two most prominent spokesmen for this position [the orthodox viewpoint] in the 'thirties were Professors Hayek and Robbins ... At a time when Keynes was stressing the disagreements within the academic community ... Robbins and Hayek were engaged in an effort to close the ranks and protect the authority of economics from attacks from within and without. Robbins's ... *Nature and Significance* ... typifies this attitude.' He added (p. 193): 'To appreciate the ... position taken up by Hayek and Robbins it

seems important to mention the Austrian influence on both, the one by birth and education, the other by intellectual influence.'<sup>2</sup> Others have gone further. One of the editors of the *Collected Works of F.A. Hayek* wrote (Caldwell 1995: 20-1): 'The youthful Lionel Robbins was battling on a number of fronts and he was looking for allies. ... He ... needed someone who might serve as a counterweight to J.M. Keynes. Friedrich Hayek certainly seemed to fit the bill. Though he could not get permission for Hayek to appear before the Committee of Economists, he was able as department head to invite him to give a series of lectures at LSE. And that is exactly what Robbins did.'<sup>3</sup> (I shall be explaining later why I know that is *not* exactly what Robbins did.)

## 2. The Robbins Papers

Now let me talk about the **Robbins Papers**. In the end, when they went to the archives at LSE last year, they amounted to some 40 boxes, mostly large 'bankers' boxes'. The contents extend from personal notebooks and poems dating from the First World War and the years before he first arrived at the London School of Economics in 1920, his student lecture notes, his professional correspondence and his own lecture notes from the 1920s to the end of his long life, notes for the many speeches and talks he gave outside the School, and papers relating to his chairmanship of the LSE governors, the 'troubles' and

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2. I was amused to read Donald's comments on his book in his talk at these meetings three years ago (2009: 6): 'Since my sympathies were clearly pro-Keynesian I would have difficulty in denying that *Economics and Policy* showed signs of what I would later regret as undue partisanship, with uncomfortable traces of Whig triumphalism added.'

3. The most recent retelling of this story is that of Nicholas Wapshott (2012) which adds numerous other errors.

the Library Appeal (for funds to rehouse the LSE library in a former warehouse now known as the Lionel Robbins Building). There was an 'Arts box' reflecting a small amount of his activities on behalf of the arts in Britain: Robbins was for many years the chairman of the Committee of Management of the Courtauld Institute of Art, a trustee of the National Gallery (and for two terms the chairman of the trustees) and of the Tate Gallery and a member of the board of the Royal Opera House Covent Garden. (There were two more boxes relating to the Opera House alone.) There was also an Education box and a 'Torrens' box of material gathered for his study of *Robert Torrens* (1958).

But I did not know there was so much material when I first started work on the biography. When we collected the papers from the family, who were lending them to me, they amounted to the equivalent of 16 boxes. Although there was some 1930s material including the letters from economists already mentioned, the bulk of the files came from the period 1946-64. There was also plenty of material, less well organized, for later years (including three whole boxes of material relating to his chairmanship of the LSE governors, the troubles and the Library Appeal).

Once I had been through these papers and also the collections in the archives at LSE, which holds the papers of William Beveridge (director of the School 1919-37), Cannan, Dalton, Durbin, Meade, Arnold Plant and the Royal Economic Society as well as the School's own archives,<sup>4</sup> I began to explore archives

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4. The archives at LSE also already held two sets of Robbins Papers: his papers from the 1930 Committee of Economists, which he deposited there in the 1950s, and his files from the 1945 Loan Negotiations - the notoriously difficult Anglo-American negotiations, led by Keynes on the British side, for

further afield: in Britain, Canada and the United States, Switzerland and (later) Australia. I also went to Austria to look at places Robbins had stayed: despite his Austrian connections he only visited Vienna twice, in 1922 and 1933, and there were two family holidays by Austrian lakes in 1933 and 1935. I started writing in January 1997, shortly before Iris Robbins died. A few months later, when I was writing a third chapter, the family began to find more papers. This find was the first of several in the next four years. So not only did I have to stop writing to look at all the new stuff but I also had to rewrite my early chapters. The 'new finds' included his undergraduate notebooks and much of the material relating to his 1930s articles and books. At the bottom of a box of books were found the letters Robbins had written to his father, from when he was a small boy until his father's death in 1960. At about the same time the family found the almost daily letters Robbins wrote to his fiancée in 1923-4 - the year from his final examinations until his first job in Oxford. I already had copies of the letters he wrote to his sister in the States (the American historian Caroline Robbins) between 1932 and 1982.

The other collections I used included papers of individual economists, including William Baumol (who was a close friend of Robbins from the late 1940s on), Colin Clark, John Bell Condliffe, Luigi Einaudi, Milton Friedman, Hugh Gaitskell, Haberler, Harrod, Hawtrey, Hayek, Henderson, Harry Johnson, Kaldor, Keynes, Knight, Machlup, Robertson, Austin Robinson, Schumpeter, Sraffa, Viner (who was a staunch friend from as early as 1927 to the end of Viner's life) and Allyn Young, and institutional archives such as those of the

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a postwar American loan to Britain.



Institute of Economic Affairs and the Mont Pelerin Society, the Graduate Institute of International Studies in Geneva, New College Oxford, the Treasury records in the UK National Archives, the Bank of England, the Bank of Canada and the Reserve Bank of Australia, and the Courtauld Institute, National Gallery, Tate Gallery and Royal Opera House.<sup>5</sup>

I shall now talk about what I found out from these sources about Robbins. I shall concentrate on the aspects of his life that are of most relevance to the history of economics and that illustrate the utility of archival sources in the history of economics.

### **3. The 1920s**

Robbins arrived at LSE in October 1920 to read for the Bachelor of Science (Economics) degree. He was twenty-one years old, having served in the First World War as an artillery officer on the Western front in 1917-18 where he was wounded and invalided home. He had started an arts degree at University College London on leaving school in 1915 but had not stayed long, concealing his age to get into the army in January 1916. At the beginning of my work on the biography I had very little source material on his early life besides his autobiography. But very helpfully he had there provided the number of the Army brigade he served with in France, which meant I could locate the War Diary of his unit in the National Archives. I wrote a chapter of which I was quite proud using this scanty information and some of his poetry which survives in

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5. Some of these were unusually enjoyable to work in: for an opera lover it was a delight to be listen to rehearsals while making notes of Robbins's contributions of the ROH board from the minutes of the meetings.

his papers - but that was the first of the chapters that had to be thrown away when the letters to his father turned up. On the basis of those letters and also letters to three or four close friends which are in the Robbins Papers, most of what I found confirms his own account of his life before LSE, although I did find that it took him longer completely to shed his religious beliefs than his autobiography implies. As he admitted in his autobiography he left the army as a socialist. He was still a socialist when he began his studies at LSE, in spite of some disillusionment with the Labour movement after working in it for a year.

Once Robbins gets to the School the sources for his life there become very rich, including his own papers, those of some of his student contemporaries and the School archives. His own papers include a sort of diary he kept intermittently, the notes he took of lectures and of books he read, a few of his undergraduate essays (the ones he was proud of) and some letters to his friends outside LSE. Robbins wrote his reading and lecture notes in Student's Notebooks, as he was to do later when preparing notes for his own lectures. He used different coloured covers for different subjects: orange for economics, dark green for currency and banking, pale green for history, buff for public administration and pink for political science. (All BSc(Econ) students in their first year had to take economics, currency and banking, history and politics; in the next two years they could specialize in one of a range of subjects in economics or political science but they still had to take some economics, history and public administration as well.) Robbins chose to specialize in the History of Political Ideas (reflecting his continuing

interest in socialism) and thus became a student of Harold Laski (who increased his disillusionment with it). But he also took more economics courses than those required, including Cannan's seminar-style class in economic theory (for which he wrote some of his surviving essays).<sup>6</sup> The School archives record the courses he took by choice. They also give the results of the first year and final examinations. There are also Students' Union records and the student magazine *Clare Market Review*. It emerges that Robbins was a much more social student than his autobiography suggests: speaking in the Union, editing the magazine and, in his first year, helping to revive the Socialist Society.

Robbins's orange student notebooks cover Hugh Dalton's year long Elements of Economics (ie introductory economics) given in 1919/20 and his shorter Theory of Public Finance in 1922/3, and Edwin Cannan's two year long course on Principles of Economics in 1921/2-1922/3 (of which one year was devoted to Productivity and Value the other to Distribution; Robbins heard the latter first). Robbins's and Arnold Plant's notes of Dalton's Elements lectures confirm that he was an excellent lecturer, who used plenty of diagrams, and that he was a Marshallian, having read economics at Cambridge in 1906-10. And although Cannan's idiosyncratic and historically oriented lectures (with no diagrams) were consistently critical of Marshall, Robbins and his fellow students had to get to know Marshall's *Principles* very well to understand

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6. Three that can be certainly dated to his final year are: 'The Theory of Land Taxation and its place in the Structure of Contemporary Economic Doctrine', 'The Place of Land in Economic Theory' and 'The Causes of Unemployment'. A year later he told his fiancée that he thought the last 'one of my best scientific efforts' (Howson 2011: 99).

Cannan. Robbins in the 1930s thought that Marshall's *Principles* was 'still incomparably [the] best general introduction to all problems' (Howson 2011: 249). Robbins's **dark green notebooks** record Theodore Gregory's lectures on currency and banking and finance and trade in 1919/20, which were topical and largely descriptive, covering a good deal of recent monetary history as well as the organization of the UK financial system, and his advanced and more analytical courses on money and finance in 1922/3.

Robbins spent another year at LSE, six months of it working as research assistant to Beveridge on the revision of Beveridge's book on *Unemployment*, before he got his first teaching job, a temporary lectureship in economics at New College Oxford. He returned to LSE as an assistant lecturer in 1925/6 (promoted to lecturer 1926/7) but went back to Oxford in 1927/9 as a Fellow of New College. Again his papers, now the notebooks with his own lecture notes, shed a good deal of light on the teaching of economics, both in Oxford and at LSE, in the 1920s: given his teaching assignments, in the areas of introductory economics, currency and banking, economic theory and the history of economics; with Robbins's interests the last two overlapped. He lectured on currency, banking and trade at LSE in 1925/6 and again in 1926/7 when he also took on Dalton's introductory economics course, taking over also Dalton's syllabus and reading list. Dalton took over Cannan's *Principles* course but only as a one year course while Robbins offered a complementary course, *Comparative Economic Theory*, which dealt 'historically and comparatively' with the same material. At Oxford in 1927-9 he had a freer hand in choosing what to lecture on: in addition to a one term *Elements of Economics* in 1927/8 he

offered an Introduction to the History of Economic Theory with special reference to the influence of Adam Smith and Ricardo; in 1928/9 he offered three short courses: the distribution half of his Comparative Economic Theory, Unsettled Problems in Theoretical Economics and Ricardo. He also continued to give the Comparative Theory lectures at LSE on one day a week. (One of those who heard them there was Nicky Kaldor whose notes survive in his papers.)

Robbins's notebooks, now all orange ones (except for one yellow one), also tell us what he was reading and thinking in his own research in these years. I am going to single out four: 'Cyclical Fluctuation. Theories' (the yellow one); 'Method etc. Early flounderings 1923---'; 'Capital & Interest'; and one on the cover of which is written:

'Notes of a course of lectures delivered in 1929-30 which were first draft of final form of N & S. The Notes headed Unsettled Problems were earlier lectures at New College.'

The first of these is a record of the reading on trade cycle theory he did while he was working for Beveridge in 1924, with notes on the books of Pigou, Wesley Mitchell, Robertson, Frederic Lavington, etc (including J.A. Hobson and William Trufant Foster and Waddill Catchings). But it also contains notes on 'Hayek Deficiencies of the Non Monetary Theories' which he must have written on reading *Geldtheorie und Konjunkturtheorie* (*Monetary Theory and the Trade Cycle*), which was published in 1928. There are also notes on that book, on 'Hayek on Wicksell & Mises' and on 'Mises on Prices & the Rate of Interest' written in 1929/30 in the Capital & Interest notebook.

The Method notebook contains numerous notes of the views on the subject matter and/or the definition of economics of many different writers and other notes on method with references to J.N. Keynes, Pigou, Henry Sidgwick, Philip Wicksteed and Mises. And the fourth notebook contains not only the notes for (some of) his lectures on Unsettled Problems of Theoretical Economics in Oxford in 1928/9 but also for the slightly later lectures at LSE which became his *Essay on the Nature and Significance of Economic Science*.

I wrote an article (2004) on the origins of the *Essay* pointing out that the Oxford lectures show that Robbins had found his famous definition of economics - 'Economics is the science which studies human behaviour as a relationship between ends and scarce resources which have alternative uses' (1932: 15) - by the end of 1928, that the LSE lectures, which he gave in the Summer Term 1930, show that in the next eighteen months he formulated his own views on methodology and that comparison between the LSE lectures, which were entitled 'The Nature & Significance of Economic Science', and the published book show that the many references to Austrian works were added in the winter of 1930/1 when Hayek was a colleague at LSE.

#### **4. The 1930s**

The Robbins Papers also tell us how and where Robbins met Hayek and Mises. The evidence is mainly in the interwar correspondence although there are only a few letters from each of them.<sup>7</sup> We know from the notebooks that Robbins read

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7. There are even fewer letters from Robbins in the Hayek Papers; as for Mises, his papers were thought to have been lost, taken by the Nazis from his apartment in Vienna in 1938, until they were found in Moscow in the 1990s.

in German both Mises's *Theory of Money and Credit* in 1925 and his *Gemeinwirtschaft* (translated as *Socialism*) a year or two earlier. He began to translate Part II of the latter, as Mises told his publisher in 1924, and probably met Mises in London in 1924 or 1926 as a result (Hülsmann 2007). As Mises's letters to Robbins in the 1930s show they became friends when Mises visited London again in September 1931. But Robbins had not met Hayek until he gave his public lectures on *Prices and Production* at LSE on 27-30 January 1931. The first letter from Hayek in the Robbins Papers is dated 20 August 1930 *after* Hayek had accepted an invitation to give the University of London Advanced Lectures in Economics for 1930/1 (and the dates settled) and *before* Robbins had the quarrel with Keynes in October 1930.

There is, of course, no doubt that Robbins had been impressed by Hayek's work. He and Theodore Gregory, who had known Hayek for some time, probably suggested his name for the lectures. Robbins also suggested - on 31 August - that some foreign economists might be consulted by Keynes's Committee of Economists: 'Viner for America, Röpke for Germany, Ohlin for Scandinavia and Hayek for Central Europe' (Howson 2011: 180). (Keynes was interested only in talking to Viner.) So Robbins cannot have invited Hayek to give his lectures *because* he could not get him to talk to the Committee of Economists, let alone because he clashed with Keynes in that committee six weeks later.

It is also not true that Robbins offered Hayek the visiting professorship at LSE for 1931/2. What is true that after Viner had given some very successful lectures at LSE in December 1930 Robbins suggested to Beveridge that Viner be

offered the vacant Tooke Chair in Economic Science and Statistics. A few days after Hayek's lectures Beveridge wrote to Viner. Viner was keen but, as he told Robbins on 16 February, by a 'strange ... coincidence' the University of Chicago offered him a substantial pay rise. When Hayek's lectures were equally successful Beveridge came up with the idea of offering him the chair for a year. Robbins consulted Gregory and then asked Hayek if he would be interested. When Hayek said he was Beveridge sent the official letter of invitation on 27 April.

So what is the source of the usual story? It is Hayek himself. He recalled (1994: 77): 'Robbins could read German. ... [H]e pounced on my subject: This is the thing we need at the moment, to fight Keynes. So I was called in for this purpose ... ' At the time, however, before Hayek went to London to give his lectures he went to Cambridge (staying with Dennis Robertson at Trinity) where he attacked Keynes's theories at the Marshall Society and Keynes's Monday Club.<sup>8</sup> After his LSE lectures he continued *his* fight in his review of Keynes's *Treatise on Money* for *Economica* while Robbins was arguing publicly against Keynes's tariff proposals (which Keynes published in March 1931), the major issue on which they had clashed in the Committee of Economists. But this was not planned before Hayek met Robbins for the first time at LSE.

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8. In a letter from Cambridge on 23 January Hayek wrote that he wanted to attend Keynes's Monday Club 'because I would like to have an opportunity to fight Keynes on the subject of his recent broadcast [on 'Saving and Spending'] which, to say it frankly, horrified me' and that 'I had prepared my lecture for the Marshall Society so as to denounce as an extremely dangerous popular delusion the very same doctrines that Keynes has now put forward' (quoted with permission of the Estate of F.A. Hayek).



The LSE Archives are important and informative about Robbins's activities as Professor of Economics - including the editing of *Economica*; the appointments of his colleagues, senior and junior; and the achievements of the students (some of whom quickly became junior colleagues). When Robbins became the de facto head of the economics department the 'department' consisted of Hugh Dalton - who was on leave of absence to serve in the second Labour government - and two assistants John Hicks and Harold Batson who was also away. It is no wonder Robbins's first professorial task was to build up the department. When one adds in Beveridge's correspondence and that of some of the colleagues it is possible to construct a pretty clear picture of what was going on in economics at LSE in the 1930s, including what was being taught to undergraduates by Hayek and Robbins and their younger colleagues up to the end of the interwar period. As already mentioned, Robbins's notes for his 1930s lectures survive in his papers; so do Kaldor's in his. Another good source, especially for LSE gossip, is Hayek's letters to his friends Haberler and Machlup (in their papers at the Hoover Institution in Stanford) which begin in 1931 and 1933. He wrote to them in German (until 1939) but I managed to translate the typewritten ones. (Hayek's handwriting is hard enough to decipher in English.)<sup>9</sup>

As professor Robbins taught introductory economics again for six years, the main Principles course throughout (1929/30 to 1939/40) and a short introduction to the history of economics for second year students for a couple

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9. Some of what I learned I reported in a short article on 'Why didn't Hayek review Keynes's *General Theory*? A partial answer' (2001).

of years. He taught other short courses in some years (including the Nature & Significance course in the first three years and the Economic Causes of War and Theories of Economic Policy in the last). In his visiting year Hayek gave Gregory's Principles of Currency as Gregory was away; for the rest of the decade he taught capital theory and trade cycle theory; from 1935/6 he taught a history of economic thought course on English classical economics. He joined Robbins in running the weekly graduate seminar and later started one of his own as well. As for younger colleagues, Robbins introduced mathematical economics to LSE by asking Hicks, and Roy Allen, who was an assistant in statistics, to teach advanced economic theory (at both undergraduate and graduate levels). Later he had difficulty with Beveridge over the teaching of economic theory - too theoretical for Beveridge's empiricist taste - with Beveridge objecting to the appointment of Abba Lerner and the promotion of Nicholas Kaldor and needing considerable persuasion to agree to that of Hicks in 1935 (which did not take place because Hicks went to Cambridge). It was the younger economists who started lecturing on Keynesian economics in the later 1930s; Hayek and Robbins in their teaching stayed away from the controversies, Robbins by concentrating on microeconomics in his Principles lectures. Robbins tacked Hicks's IS-LM article on at the very end of his *Principles* reading list for 1938/9 but he did not talk about it. Hayek did not include any of Keynes's writings in the reading lists for his courses on Capital and Interest and Industrial Fluctuations (Howson 2008, Klausinger 2011).

The Robbins Papers contain a good deal of material relating to Robbins's 1930s books after *Nature and Significance*, which all originated in public lectures,

the *Great Depression* in London in 1933, *Economic Planning and International Order* and *The Economic Causes of War* in Geneva in 1935 and 1939. In his notes for these lectures and for the many talks he gave on economic policy issues one can trace the increasing influence of Hayek from 1931/2 and then the waning of that influence, which first becomes clearly visible in Robbins's correspondence in December 1936. He wrote to the Polish translator of *The Great Depression*: 'I think it might be inferred [from your preface] that I hold rigidly to the so-called Austrian view as an explanation of all economic fluctuations. This is in fact not the case. ... I do not hold that it is not possible to conceive other causes of depression ... I believe, for instance, that in the [absence] of re-armament expenditure the building boom in Great Britain might have expired. ... [Also] so far as policy is concerned, I have the feeling that you associate me a little too intimately with the advocates of the policy of neutral money' (Howson 2011: 310-11). A few weeks later he gave a talk at Toynbee Hall on 'How to mitigate the next slump', Keynes having just published his 'How to avoid a slump'. While he did not agree with Keynes that interest rates could be kept down in a boom he did argue that the government should be preparing public works projects to be implemented when a slump arrived. When he republished the paper in a collection of essays in 1939 he drew attention to the 'slightly more hopeful view' he now took of the effects of government expenditure (1939a: 213n).

## **5. The Second World War**

In many ways I enjoyed writing the chapters of my biography devoted to Robbins's wartime government service the most. This was probably because the

things he was involved in were fascinating in themselves: the creation of the war economy in 1940-1 and then postwar planning - domestic employment policy and international monetary and commercial policy - from 1942 onwards. The archives I used were inevitably mainly National Archives, British, American and Canadian; there is little in the Robbins Papers for the war years, *except* for some personal letters, the wartime diaries, which have been published, and his Loan Negotiations files. But putting all these together one discovers just how important Robbins's achievements were. I shall try and summarize them briefly.

Robbins joined what became the Economic Section of the Cabinet Offices in June 1940; a little over a year later he became its director. In his first year of government service he initiated the discussions, wrote the memoranda and persuaded ministers and civil servants in the process that led to points rationing for food in 1941 - 'one of [the] big home front successes of the war' (Hancock and Gowing 1949: 332). He had already backed Keynes's proposals on how to pay for the war and helped persuade the Treasury to allow the preparation of national income and expenditure estimates by James Meade and Richard Stone needed to implement the proposals. He actively supported Meade's work on postwar employment policy from late 1941 onwards; his support was crucial in getting this work out of the Section and into wider circulation and discussion at the highest levels of government; he defended the Section's proposals against formidable opposition from the most senior civil servants in 1943. The result was the 1944 white paper on *Employment Policy*. As one Treasury official put it (Howson 2011: 1083), 'It is a very great triumph and

we all owe you a lot - more, I suppose, than anyone is ever likely to know. In fact the story of Points Rationing over again writ large.'

Robbins became one of Keynes's most influential allies in Whitehall, especially on international economic policy.

Robbins's internationalism had led him before the war to argue for a federal international economic order and in 1939-40 for an Anglo-French union. After the fall of France Robbins's hopes centred on Anglo-American cooperation to bring about a multilateral postwar international order based on fixed exchange rates and relatively free trade. He was, therefore, strongly attracted by Keynes's clearing union plan in October 1941 and fought hard and persistently for it and for Meade's complementary plan for an international commercial union. It was not just a matter of persuading officials and ministers in London that these schemes offered the best hope of Britain's postwar prosperity but also of trying to persuade economists in the US administration that these would fit with American requirements for the postwar settlement. His personal contributions were vitally important at the first UN conference at Hot Springs and in discussions with American officials in Washington in 1943 and at the UN Monetary and Financial Conference at Bretton Woods in 1944 (which created the IMF and the World Bank).<sup>10</sup>

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10. Robbins encountered Leslie Melville at Bretton Woods and at Dominions talks in London earlier that year. In his Bretton Woods Diary he made such disparaging remarks about Melville that I came to Australia to look in the Reserve Bank archives in search of comments by Melville about Robbins, rather hoping to find some critical ones - which I didn't. But I did learn a lot more about the Australian position at Bretton Woods which was useful.

Robbins's most important contribution to the postwar settlement came with the Anglo-American loan negotiations in September-December 1945. On his last mission to Washington he and Percivale Liesching of the Board of Trade succeeded in finally obtaining an agreement with the US administration on postwar commercial policy, in the form of *Proposals for Consideration by an International Conference on Trade and Employment*, whose principles were incorporated in GATT in 1947. With such an agreement required as the 'consideration' for the receipt of wartime lend-lease, it was an essential prerequisite for a postwar loan from the US government: without the commercial policy agreement there would have been no financial agreement. He also joined the more difficult negotiations led by Keynes for the financial agreement, where his diplomacy and tact were often crucial in keeping the negotiations going. Without his interventions there might well have been no American loan.

## 6. 1946-1961

On returning to LSE in 1946 Robbins had to rebuild the Economics Department, short of staff and facing an influx of ex-soldier students. In the next four years there were further losses, including Kaldor in 1947 and Hayek in 1950. Robbins's files reveal his attempts to entice senior economists to the School, including James Meade, Marcus Fleming, Roy Harrod, Henry Phelps Brown, Ronald Coase and Donald MacDougall. Robbins succeeded in 1947 with Phelps Brown - to a new chair in labour economics - and, on the second time of trying, Meade. (It is in his ten years at the School, before he succeeded Robertson as the Professor of Political Economy at Cambridge, that Meade did the work in international economics that earned him a Nobel Memorial Prize.) The files are

also informative on the long run of junior appointments in the late 1940s and the 1950s and on the attempts made to keep the best when they were offered senior positions elsewhere. Robbins's life in 1946-61 is the history of the Economics Department at LSE - or rather would have been had he not become deeply involved in the administration of the arts, especially the National Gallery, in the 1950s.

The history of the Department is also the history of its students, of whom as in the 1930s the best often became junior members of the staff,<sup>11</sup> and what they were taught. One could easily trace the history of our discipline from the 1940s to the 1960s from the surviving papers of Robbins and other members of the staff, which in Robbins's case include the papers given at his famous **seminar** which he revived first with Viner when he was visiting the School for the Summer Term of 1946 and with Ronald Coase in 1946/7. (One can gather quite a lot of information about the seminar in the 1930s from archival sources (Howson 2011: 250-6) but the circulated papers of which Robbins used to keep copies were lost during or soon after the war.)

Robbins's notes for his postwar lectures reveal his views on macroeconomics and economic policy after his wartime experiences. In 1946/7 and 1947/8 he gave a course on the Theory of Economic Policy or 'the application of economic principles to the main problems of public policy'. The lectures (which he described to his colleagues as 'a simplified Economics of Welfare plus a

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11. To mention only a few: William Baumol, Ralph Turvey, Jack Wiseman, Bill Phillips, Kelvin Lancaster, Dick Lipsey, Chris Archibald and Bernard Corry (who had been Robbins's research assistant on *Torrens*).

little Theory of Public Finance) are notable for the pragmatic Pigovian viewpoint he took. Pigou's welfare economics was - to quote Robbins's notes - 'a magnificent system, shall use it much. Most of results acceptable even if methodological framework shaky.' Yes, it required the 'arbitrary assumption [of] comparability of satisfactions'. 'You can't talk about effect on total welfare of transfers unless you assume comparability.' But he then said: 'I have no objection to this assumption' as long as it is recognized to be 'an ethical or political assumption'. Similarly, when he discussed the use of the price system he described its limitations and the resulting need for public goods (when the benefits were indiscriminate) and government controls such as town planning (when there were indiscriminate disbenefits). In the second half of the course he considered collectivism versus laissez faire and then employment policy since one of the shortcomings of laissez faire was the problem of inadequate aggregate demand with resulting involuntary unemployment. As he admitted a month later at the first meeting of what became the Mont Pelerin Society, 'There was a time when I thought Keynesian stabilisation schemes utterly reprehensible, but I have gradually been forced to believe that these ideas were not so wrong' (Howson 2011: 663). His support of Meade's work in government during the war bears out the explanation for this change of view that he gave in his Marshall Lectures that same spring (1947: 67-8). A crucial factor had been the development of national income and expenditure estimates which could be used to formulate the appropriate employment policy. He told his students in his Theory of Economic Policy lectures that because '[we] do know that deficiency of aggregate demand causes deflation [the] object [of] policy [should be] to avoid this - and inflation!'



The policy should include monetary policy (but not monetary policy alone) and budgetary policy including the planning of public investment; the control of private investment by interest rates and tax policy; and deficit finance, whose dangers could be avoided by using automatic stabilizers.

In 1946/7 Kaldor was giving the Principles of Economic Analysis course, which Hayek had been teaching during the war along with some history of economic thought. The next three years Robbins found himself lecturing on Principles again as a result of Kaldor's departure. In the early fifties he took over the main History of Economic Thought course (from Terence Hutchison who had taken it over from Hayek). But, partly because he wanted to write a Principles textbook, he lectured on Principles again in the late 1950s. About a third of the course was now devoted to macroeconomics.<sup>12</sup>

Robbins's view of macroeconomics after Keynes was that of the 'neoclassical synthesis' held by many Keynesians in the 1950s and 1960s. He greatly admired Don Patinkin's work (1956). Like Meade (and Robertson and Viner) he did not believe that the demand for money was a (highly elastic) function of interest rates alone and that therefore monetary policy was unimportant. As a result many of his public lectures and more popular articles in the 1940s, 1950s and 1960s warned that excess aggregate demand caused by unduly expansionary

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12. The microeconomic content was not much different from his later prewar lectures, including the innovations of Hicks-Allen, Lerner, Joan Robinson etc. The macroeconomics covered the quantity theory of money; savings and investment; classical and liquidity preference theories of interest; the consumption function and the multiplier; the IS-LM model; and economic fluctuations.

monetary policy would lead to balance-of-payments problems and that under fixed exchange rates monetary policy should be directed towards external balance. Unlike Meade (and Milton Friedman) he always preferred fixed exchange rates to floating exchange rates (largely because of the monetary discipline required by fixed rates) - there is a fascinating exchange between Friedman and Robbins on that issue in their correspondence in 1952 and another round in 1965 - and supported attempts to preserve the Bretton Woods system when it came under strain in the 1960s.

## **7. The 1960s and beyond**

Robbins never wrote the textbook he intended because of the Committee on Higher Education. There are drafts of only four introductory chapters written in 1958/9. These provide some hints of where his views of methodology had got to under Popper's influence: he still held fast to the ends/means distinction and his distinction between positive economics and normative political economy, but on method as such he allowed more role for the testing of hypotheses. When it came to the Committee on Higher Education he did indeed write (most of) the report himself. He wrote the first draft in the summer of 1962 and he revised it extensively to meet other members' criticisms over the winter of 1962/3.<sup>13</sup>

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13. The files in his papers solve the puzzle left by the official records in the National Archives, where there are no drafts of the report. The answer is that the secretary of the committee, who had wanted to do the drafting, made changes to Robbins's drafts and then destroyed the manuscripts and first typescripts (see Howson 2011: 880-81).

After the Robbins report Robbins began to speak more frequently in the House of Lords than he had when he was first made a life peer in 1959. His notes for his speeches (and the *Hansard* reports of them) show that he supported the Labour government of Harold Wilson in its attempts to prevent devaluation of the pound in 1965 and 1966 (though he suspected it would have to sooner or later), especially the Chancellor of the Exchequer's efforts to restrain aggregate demand; he also allowed that an incomes policy might play a small role in slowing down inflation. He also supported the Wilson government in its sanctions policy against the white minority governed Rhodesia. He was much more critical of the Edward Heath government in the 1970s. And although he had thought beforehand that Margaret Thatcher might make a good Prime Minister he was consistently critical of her government's conduct of financial policy which increased both inflation and unemployment. In his own words in 1975 he was a 'monetarist' only if that 'means simply that inflation, however initiated ... cannot go on if the rate of increase of money supply is held in check' but not a monetarist if that meant 'that all inflation is caused by monetary influences' (Robbins 1979: 86-7).

So I find it hard to go along with Denis O'Brien when he writes (1988: 14): 'Robbins in fact remained opposed to the vast majority of what were called "Keynesian" policies. ... His surrender to "Keynesianism" was strictly qualified ... His intellectual position did not shift so very far'.

O'Brien's examples are Robbins's criticisms of the use of fiscal policy for fine tuning, of Beveridge's (1944) advocacy of continuous full employment (rather than high employment) (which Meade and Robbins had both criticized

back in 1944) and of the 1959 report of the Radcliffe Committee on the Working of the Monetary System for its downplaying of the importance of the money supply. I suppose it does all depend on what you mean by 'Keynesian' but I don't think it is necessarily anti-Keynesian to criticize any of these positions (including the 'money does not matter' one).<sup>14</sup>

My views on Lionel Robbins and the 'troubles' at LSE have also changed as a result of reading the material in his papers (and talking to several of his senior colleagues who were also heavily involved in the administrative response to the events of 1968/9). It was indeed not the role of the chairman of the governors to intervene in running the School but Adams was, frankly, so incompetent - and Robbins, who had known him in the 1930s when Adams gave up his academic career to help academic refugees from Hitler, was so disappointed in him - that Robbins felt he had little choice. But it is true that having thought Adams's predecessor's response to the first round of troubles had been weak, he had intended to be an active chairman; there were indeed times when his colleagues had to hold him back. (For those who are interested there is a whole chapter on this in my book.)

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14. I am reminded of Max Corden's description of the position he had reached by the late 1970s (Coleman 2006: 391):

'I describe myself as a short-term Keynesian, and medium-term neoclassical. I still believe in demand management up to a point. There is a role for Keynesian demand management policies to moderate booms and recessions. But because of practical problems of timing or fine-tuning they can hardly be avoided completely.'

In his retirement Robbins was happy to be asked to attend conferences and seminars, and often to chair them, including those of the Institute of Economic Affairs in the 1970s. The directors of the IEA (Arthur Seldon and Ralph Harris) liked to claim that they learned their economic thinking from Robbins at LSE (and Robertson at Cambridge) (though Seldon admitted he had had more contact with Arnold Plant when he was a student) but when they asked him to become a trustee of the Institute he refused as he did not want to be labelled - one instance of a longstanding disinclination to be associated with any doctrinal school or political pressure group. (By the time he became a peer he had voted for all three major political parties; in the House of Lords he took his seat on the cross benches.) He began his opening remarks when chairing one seminar (on 'The Taming of Government' on 6 April 1979) by explicitly stating: 'I think I ought to say that I should repudiate a good many things which Arthur said I taught him, at that stage of my career. One lives and learns'.

## **8. Conclusions**

Let me conclude with some remarks on biography, archival sources and the history of economics. I am not going to claim that writing biographies of economists is the future of economics. Not every economist deserves a biography - at least not unless you can do what Robbins did with Robert Torrens (1958), namely, as he put it in a letter, 'attempt to make the story of the evolution of his economics a sort of mirror image of the parallel development of the classical system as a whole'. Robbins himself is worth a biography for three distinct reasons: his career as an economist; his

influence on economic policy, especially in the Second World War; and his contribution to the administration of the arts and higher education. So my book is a *biography* not a work in the history of economic thought.

What I do want to claim is that the sort of sources that you use for writing a biography are invaluable for describing and analyzing the history of our discipline. This is particularly true for the history of economics in the twentieth century, given the richness of the archival material including the personal and professional papers of academic economists.

But members of the History of Economic Thought Society know this very well: just think of the work of William Coleman, Selwyn Cornish and our president Alex Millmow.

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