

Introduction

I have often been asked why I am writing a biography of Lionel Robbins. I usually reply, truthfully, ‘His family asked me to.’ But that is not the answer to the question I am being asked. The English economist Lionel Robbins (1898–1984) left his mark in several ways, in his own country and elsewhere. His legacy remains in at least three areas: the academic discipline of economics; UK domestic and international economic policy, especially in the Second World War; and the arts in Britain. He is most associated with the London School of Economics (‘LSE’ or ‘the School’ to its students and staff), whose Economics Department he headed for thirty years and built up to its preeminent position in British economics. To economists he is still known as the author of *An Essay on the Nature and Significance of Economic Science* (1932 and 1935), which is one of the three most important methodological statements on economics, and the source of its famous definition, ‘Economics is the science which studies human behaviour as a relationship between ends and scarce means which have alternative uses.’ But he was always as much interested in economic policy as in economic theory, in what he called political economy as distinct from economic science. During the Second World War, he entered government service in June 1940 and became (1941–5) the head of the group of economists advising the coalition government under Winston Churchill. As well as helping to create the British total war economy, he was decisively involved in the preparation of the white paper, *Employment Policy* (1944), and in the creation of the postwar international economy – a major figure in the process by which the visionary ideas of John Maynard Keynes in Britain and Harry Dexter White in the USA became the Bretton Woods institutions: the International Monetary Fund and the World Bank – and in the notoriously difficult Anglo-American loan negotiations at the end of the war, which allowed Britain to participate in the new postwar economic order. He was

also a lover of the visual and performing arts, who took advantage of his skills and opportunities to serve the arts in the management of the Courtauld Institute of Art, the National Gallery and the Royal Opera House in London. Although he became famous in the 1960s for the ‘Robbins Report’ of the Committee on Higher Education (1961–3), his contribution to the well-being of the arts in Britain has been longer lasting. According to the recent historian of the National Gallery (Conlin 2006, 184), ‘The economist Lionel Robbins was probably the greatest of the Trustees to serve in the last century’ and ‘arguably the most effective Trustee the Gallery ever had.’

Lionel Robbins did not intend to become an economist. His first intellectual love was English literature and he first entered university to study it. As he put it in his autobiography (1971a, 29), ‘my chief, indeed my only, real ambition in life was to be an effective poet.’ His father, a very successful farmer and a local magistrate in Middlesex near London, would have preferred him to become a lawyer: indeed he later paid for his son to read for the Bar. The first five chapters of this biography tell the story of Lionel Robbins’s early life and how he came to be offered and to accept his first academic position as a temporary lecturer in economics at New College Oxford in 1924, the sixth how within five years he became a professor of economics at LSE at the age of thirty. Chapters 1 to 4 describe his family background, his school and university education and the development of the close friendships that were to remain important to him for the rest of his life. They also describe his gradual loss of religious faith, his evolving political views – from the Liberalism of his parents to socialism – out of which began his interest in economics, and his growing love of art and music which came to replace religion in his emotional and intellectual life.

Like so many of his generation, the First World War interrupted Robbins’s education. After only one term reading Intermediate Arts at University College London (UCL) he entered the Royal Artillery as an officer cadet. He was commissioned in 1916, served on the Western Front in 1917–18 and was wounded and invalided home in April 1918. He returned from the war a socialist, and as a socialist he resumed his education, at LSE in 1920–3, after two years working in the labour movement. As an undergraduate he was a student of political science under Harold Laski. It was also during the Great War that he discovered the theatre, hitherto kept from him by his upbringing as a Strict Baptist, and ballet. At the same time it was from an artist friend, Clive Gardiner (whose younger sister he was to marry in 1924), that he learned to appreciate both Renaissance art and the Impressionists and Post-Impressionists, especially Cézanne. It was his desire to marry Iris Gardiner that prompted him, in his first postgraduate year, to decide to

become an economist, as Chapter 5 explains. By that time his study of economics had also completed his disillusionment with socialism.

After teaching at New College Oxford (1924–5 and 1927–9) and LSE (1925–7) Lionel Robbins found himself with the responsibility of running the Economics Department at LSE. His accomplishments there and outside the School in the 1930s are the subject of four chapters (7–10). He gathered together an outstanding group of young economists, including John Hicks, Nicholas Kaldor and Friedrich von Hayek. Hayek and Robbins first met when Hayek came from Vienna to deliver four public lectures in January 1931. They became close friends, and close colleagues when Hayek accepted the Tooke Chair of Economics and Statistics at LSE in 1932. Lionel himself went to Vienna in April 1933, for the first time since he was an undergraduate. He came back to establish, with the director of the School, William Beveridge, the Academic Freedom Committee which helped Jewish and liberal academics and students to escape Nazi Germany.

Meanwhile, his first opportunity to apply economic analysis to practical problems had been distinctly unsuccessful. When the Labour Prime Minister James Ramsay MacDonald asked J.M. Keynes in the summer of 1930 to chair a committee of economists to provide an ‘agreed diagnosis’ of and possible remedies for the unemployment problem in Britain, Keynes invited Robbins to serve. Keynes was incensed when the young professor refused to follow Keynes’s lead in contemplating protection and public works as means to reduce unemployment and insisted on a minority report of his own. Lionel came later to regret his negative attitude to public expenditure in depressed conditions and to reject the ‘Austrian’ theory he used to analyse the 1930s slump in his second book, *The Great Depression* (1934). As he noted in his autobiography (1971a, 153), ‘I realized that these constructions [of theory] led to conclusions which were highly unpalatable as regards practical action. But . . . [if they were valid] it was my duty to base recommendations as regards policy upon them. There was a touch of the Nonconformist conscience here.’ But he never regretted nor budged from his free-trade stance or lost his concern for real-world political and economic issues. While his younger colleagues engaged in vigorous theoretical debates, often in the famous graduate seminar he presided over at LSE, his own writing increasingly focussed on international economic problems and the economic causes of war (1937, 1939).

The chapters of this biography devoted to Lionel Robbins’s wartime government service are written as a contribution to the political and economic history of the Second World War – reflecting the fact that he participated in so many episodes and the wealth of new material available in his papers and

other archives. His active support of Keynes's ideas on how to pay for the war began as soon as he entered government service and intensified when James Meade (to whom as a student he had lectured at Oxford) joined the economists in the War Cabinet Offices in order to compile the first national income and expenditure estimates. They worked closely together, and with Keynes, for the rest of the war. The first war chapter (11) covers the phoney war period that Robbins spent with LSE in Cambridge and the first year of active war when he and his economist colleagues in government devised the highly popular system of points rationing for food. Thereafter, the Economic Section, with Robbins as director and Meade his deputy, was actively committed to planning for a better postwar world. He was deeply involved in three aspects: domestic employment policy, international monetary policy, and trade and commercial policy. The planning began in the winter of 1941–2 even while Lionel and his colleagues had many more immediate wartime problems to attend to (Chapter 12). The three strands of planning and policymaking then ran in parallel but at different speeds, largely for political reasons: the intrinsic problems of a coalition government and the complicated relations with the US government after the passage of the Lend–Lease Act in March 1941. Robbins played a major role in the Anglo-American discussions on postwar international economic policy in Washington and in London and represented the UK at the United Nations conferences at Hot Springs in 1943 and Bretton Woods in 1944 (Chapters 13–15). Given his background and interests he was throughout the war often engaged in the less fruitful discussions of commodities and agriculture. He was still involved in these and in the still uncompleted discussions on postwar commercial policy as the war neared its end and the problems of the immediate postwar period became more pressing (Chapter 16). The climax of his wartime government service came in the autumn of 1945 with the bitter and protracted negotiations for a postwar loan from the US government (Chapter 17). On this and the earlier missions to Washington, Robbins became personally very close to Keynes in spite of their doctrinal differences in the 1930s.

Although, as he admitted to Laski in 1949, there was 'a side of my character which is very well pleased with administrative and diplomatic duties', Lionel Robbins was determined not to remain in government service in peacetime. He returned to LSE and resumed his position as head of the Economics Department. As in the 1930s he enthusiastically encouraged the research and helped the careers of a long and distinguished line of students and younger colleagues. He participated vigorously in public policy debate from 1947 onwards. In spite of his desire to distance himself from government, he was

consulted by two Chancellors of the Exchequer on monetary policy in the 1950s. He was consistently critical of the inadequate use of monetary policy as an instrument for the preservation of balance-of-payments equilibrium under the Bretton Woods system of fixed exchange rates. One of his specific recommendations for improved monetary control was adopted by the Bank of England in 1958. In his own work he followed the example of the Canadian economist Jacob Viner, a friend and mentor since their first meeting in Oxford in 1927, and became a scholarly and accomplished historian of economic thought, especially of English classical political economy from Adam Smith to John Stuart Mill in two major books (1952 and 1958). These and his other activities in the late 1940s and the 1950s are discussed in Chapters 18–21.

The most important of the other activities concerned the arts. The crucial step was his appointment in 1950 to a committee on the export of works of art chaired by his former boss in Whitehall, Sir John Anderson, who became Lord Waverley. He helped to write the report recommending a standing reviewing committee on the export of works of art, which is still in existence. As he later commented (1971a, 249), ‘One thing leads to another’: two days after the last meeting of the Waverley Committee he was asked to serve as a trustee of the National Gallery. In his twenty-one years on its board he served two seven-year terms as chairman. As its liaison trustee on the board of the Tate Gallery he helped to resolve the ‘Tate Affair’ in 1954 (Spalding 1998, chapter 9), an ugly dispute involving the director and the trustees, of whom a friend from his Whitehall days had recently become chair. In 1954–5, at the request of the Treasury, he chaired a committee on the rebuilding of the bombed-out Queen’s Hall, an interesting case study in the economics of the performing arts. The achievements of his first term as chairman at the National Gallery included the restoration of its war-damaged building, the government’s acquisition of a site for its future extension, an eightfold increase of its annual grant from the Treasury, as well as special grants for particular paintings (most notably Paolo Uccello’s *St George and the Dragon*), and, last but not least, a settlement of the forty-year-old dispute between the British and Irish governments over the thirty-nine continental paintings bequeathed to the gallery by Sir Hugh Lane (Chapter 21). The highlight of his second term was the acquisition of Cézanne’s *Les Grandes Baigneuses* in 1964. For nearly thirty years he was a director of the Royal Opera House Covent Garden. Originally invited to join the board by Waverley on the initiative of Garret Drogheda in 1956, he managed to persuade Waverley of the need for a finance committee, which he then chaired for twenty years, tackling from an economist’s standpoint the

chronic funding problems of mounting opera and ballet. He also served on the ballet subcommittee and remained on the board until 1980, intimately involved at the end in the controversial redevelopment of the House.

Lionel Robbins's contributions to ballet and opera at Covent Garden, and his second term at the National Gallery, are the subject of Chapter 25 (continued in Chapter 27). In January 1959 he had accepted the offer of a life peerage. He had also agreed to join the board of the *Financial Times* newspaper and to become chairman after two years' experience. As a result, but with great reluctance, he gave up his chair of economics at LSE (Chapter 22) – although he continued to lecture there for another twenty years. He was also reluctant to take on the chairmanship of the Committee on Higher Education, as it meant he could not write the treatise on economic theory he had been planning to write since the 1930s. The committee's report, which he wrote two and a half years later after intensive study of universities at home and overseas and statistical work on the demand for higher education in Britain conducted by Claus Moser and Richard Layard, encouraged the expansion of British post-secondary education in the 1960s (Chapter 23). He had already assisted directly in the creation of the University of York in England and, as a result of the report, he was to serve as the first chancellor of another new university, Stirling, in Scotland. He was chairman of the *Financial Times* for ten years: according to its historian (Kynaston 1988, 279), 'It was in almost every sense a fortunate appointment. Perhaps most importantly, it helped, through Robbins's academic distinction, to give the paper a certain added intellectual authority – at a time when that was precisely the quality the *FT* was looking for in order to build on the foundations so painstakingly laid by [the editor Gordon] Newton in the 1950s. Robbins himself never sought to influence editorial policy, but the connection was there.' Chapter 24 also discusses his academic work – teaching and writing – in the 1960s.

Lord Robbins was chairman of the governors of LSE from 1968 to 1973, a turbulent period that included the 'troubles' of 1968–9. Although criticized at the time for usurping the role of the director, he can be seen now as having thus prevented further disruption and preserved the academic reputation of the School (Chapter 26). In his 'retirement' he further demonstrated his loyalty and devotion in his strenuous and unselfish leadership of the appeal to rehouse the library in what is now appropriately the Lionel Robbins Building. 'The success of the Appeal was to be his last great gift to the School' (Dahrendorf 1995, 479). In his seventies he also spoke frequently in the House of Lords on economic policy and on education, travelled extensively, usually to give lectures, and published six books (Chapter 27).

Having worked closely with him for nearly twenty years, at Covent Garden and the Financial Times and as a governor of LSE, Lord Drogheda pointed out in 1974 that ‘in everyone who has worked alongside of him, Lionel Robbins inspires, in equal measure, affection and respect. The affection is due to his warmth of heart and breadth of understanding, to the knowledge that he is the staunchest of friends, whose sympathy and support is most readily available when it is most needed, whose loyalty, and willingness to help without regard to personal inconvenience, are legendary to all who know him. The respect is due to his massive intellect, his remarkable wide-ranging knowledge, his intense industry, his great sense of public duty, his utter selflessness; and, coupled with these things, his deep humility.’ These qualities have been repeatedly mentioned by those – younger colleagues, friends and fellow economists – with whom I have talked about Lionel Robbins. As Sir Karl Popper told me, ‘I *loved* and admired him, most of all for his moral and personal qualities – and as a teacher.’

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I have tried to indicate the location of letters and other unpublished documents as economically as possible. Hence for family letters I provide only the recipient or writer and the date. Other material in the possession of the Robbins family that is destined for the archives at LSE is indicated by the *name* of the file or notebook and RP. The Robbins Papers already there appear with their collection name and file number, for example Robbins 1/1. Other archival material is similarly described, for instance Viner 22–14 for the file of correspondence with Robbins in the Viner Papers Box 22 Folder 14, Public Policy Papers, Department of Rare Books and Special Collections, Princeton University Library. Files in the UK National Archives at Kew are identified by their call numbers, for example T230/1. The archives consulted are listed before the published sources (which are referred to in the text by author and date of publication).

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