



## Sir Alec Cairncross

**Sir Alexander Kirkland Cairncross, economist, died on October 21st, aged 87**

AN IMPRESSION that Sir Alec Cairncross took some pleasure in creating was that really he was a fairly ordinary chap. Don't take too much notice of all those honours, all that learning. Still, he would do his best. What was the problem?

The lure was irresistible. "People seemed to lie in wait for me to find some new abyss of ignorance into which to tempt me," Sir Alec wrote. "Again and again I fell into the temptations spread before me."

As a result, to the casual observer, his life looks a bit of a jumble. But there was an order to it. A possible analogy is the hardware shop that his father ran in the Scottish village where Alec was born. It had lots of bits and pieces, but nearly all were connected with farming or mining, the main industries in the district. The bits and pieces of Sir Alec's life were all in some way or another linked with economics. He, perhaps more than any other member of his trade, showed that economics, far from being a remote and stuffy speciality, embraces just about every activity you can think of.

No one is surprised at the diversity of *The Economist* (on which Sir Alec worked briefly and where his daughter Frances is a senior writer). But when Sir Alec started out, economists were not thought of as practical people, offering solutions to contemporary problems (or, being human, sometimes making a mess of them).

He became an economist just because of such problems. Accountancy had been his first choice. It seemed secure and respectable, and received the approval of his father. But the late 1920s, when he was studying at Glasgow University, was a time of deepening depression in Britain. The miners in his village were being sacked. What could be done to find them alternative work and meantime keep up their morale? It seemed to young Alec that such academic matters as exchange rates and budget deficits had a bearing on unemployment and its consequences, such as social unrest and ill-health. Surely economics, with its panoramic view of the business world, could provide answers.

### **Among the politicians**

He went on to Cambridge, did brilliantly and was taken on as a lecturer in economics in Glasgow. In 1939, at the start of the second world war, the government decided it needed some economists and Sir Alec was recruited. Now what was the problem?

For most of Sir Alec's career the main problem for Britain has been money. The war left

the country broke and partly living on American charity. The luckless politicians entrusted with the management of the country's empty pockets turned to Sir Alec for advice. Stafford Cripps, Harold Wilson, Jim Callaghan, Selwyn Lloyd, Reggie Maudling: a roll-call of failure. Some took his advice, some did not, or acted too late. Cripps and Wilson were reluctant to accept the reality of market forces. Maudling had "an off-hand manner, as if he never took anything very seriously." Selwyn Lloyd "was somewhat out of his depth", Sir Alec recalled mildly. In 1960, when sterling was under its customary threat, Lloyd had his jacket off, was chain-smoking Turkish cigarettes and was confident of riding out the problem. Not long afterwards Lloyd had to defend his position in Parliament. Sir Alec was unable to attend. He was on his way to Washington to negotiate a loan from the IMF. A grateful government made him a knight.

What was the quality of Sir Alec's advice? He has been called a Keynesian. John Maynard Keynes was one of his teachers at Cambridge. Sir Alec much admired him for his ideas, his lucidity and his "General Theory", which, for many people, puts Keynes in the top rank of this century's economists. But Sir Alec said that economic problems now existed, for example in the labour market, that Keynes had not foreseen. Sir Alec did not anyway fit into an economic ideology. "I abominate dogma," he said. He saw himself as an analyst and educator.

Britain might have got into a worse pickle without him; and West Germany's quick recovery after the war stemmed from his advice on currency reform. Away from government, long stretches of his life were spent in academe, but he was enticed back on to numerous committees: on the brewing industry, Northern Ireland, police pay. Somewhere between other tasks, he got involved with Arab refugees. He wrote numerous books, including what was probably the first economics textbook.

If there was a cloud in his life it may be that his brother John turned out to have been a Soviet spy. John, who died in 1995, was also brilliant. He came top in examinations to Britain's Foreign Office and was quickly promoted. But all in all Sir Alec seemed satisfied with his life, his family and his friends. He said in his forthcoming autobiography, from which some of the material in this article is taken, that he had had a full life, living in the right century for an economist. Had he lived in old China Sir Alec would have been regarded as a mandarin, for which there were nine grades. In terms of influence, Adam Smith might rate the top grade, with perhaps Keynes one lower at number eight. Sir Alec would not be dismayed to be rated at, say, number seven.

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