

The economist as gadfly: The last decade of Lord John Vaizey's life

By

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Introduction

It is just over 25 years since Lord John Vaizey, the English political economist and public intellectual passed away in July 1984. Apart from one recent biographical dictionary entry by Backhouse (2004), Vaizey is an almost forgotten figure in British economics, especially in the field of the economics of education, technology and science, where he wrote some ten books. His work is rarely cited and, even in political histories and memoirs of the Thatcher decade or the travails of the Wilson and Callaghan Labour governments before then, his name rarely appears. This paper assesses his life, especially the last decade when Vaizey, basking in the limelight, took some major ideological turns. The most controversial turn being his decision to leave the Labour party after 33 years of membership. He also turned his back upon Keynesianism postwar consensus. This took place during a tumultuous period in British politics with widespread disillusionment with Labour governments and the efficacy of democratic socialism. The paper revisits the reasons why Vaizey renounced such creeds. It reflected his peculiar and particular interest in political failure.

In a memoir on My Cambridge written in 1977 Vaizey (1986,108) described himself as 'a deeply flawed puritan, dedicated to work, self improvement, the cultivation of the intellect, goodness and truth'. Vaizey's mind was like quicksilver, and contemporaries recalled that his conversation sparkled with wit, humour and intelligence. He wrote quickly, producing a book almost every year over a twenty-five year period. Yet for all his promise, output and networking Vaizey's economic legacy is comparatively minor.

The paper is divided into four parts. The first part briefly recounts Vaizey's early life. Much of his formative period was spent in considerable pain and awkwardness before he blossomed to become to a brilliant scholar and went on to pioneer a new field in economics research. The second part briefly records Vaizey's work and his political networking. By 1975 Vaizey was disenchanted with the way Britain was heading and longed for change, both in his career and political orientation. There was an Australian dimension to this where he flirted with becoming Monash University's next Vice Chancellor. This is discussed in the third part of the paper. The last part covers the last decade of his life focusing on the events leading up why Vaizey saw the need to desert Labour and join the Thatcher-led Conservative party in 1980.

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The making of an economist

It might be said that John Ernest Vaizey had an eventful if abbreviated life. The name Vaizey is French for Huguenot. Born in Greenwich on October 1 1929, the son of a Thames barge-builder, Vaizey was schooled in elementary and grammar schools. Everything changed when, as an adolescent in 1943, he contracted osteomyelitis – an acutely painful inflammation of the bone marrow. Before the discovery of penicillin the only treatment was to be bedridden and endure the pain. In Vaizey's case, the affected area was the spine meaning he had to lie on his stomach with his back covered in plaster. For two years Vaizey was hospitalized undergoing treatment, including daily dressings of his wound. He was only finally cured of the last vestiges of the ailment in 1955. Vaizey would later write of the pain and indignity of the illness and how he felt neglected by the nurses and doctors alike. In a later autobiographical sketch entitled, 'Emergence of a British economist' Vaizey recalled how his illness 'caused a deepening of feeling of isolation and insecurity and gave me a sense of urgency and effort. For if one were ever to do anything or to be anything, there was, it seemed, little time to do what one wanted to do' (1986, 114). He resolved to be 'cold and hard and self-sufficient'. This powerful experience for a young but precocious mind, was formative in two other ways. First, it indelibly left him with a lifelong wariness of the oppressiveness and tyranny of bureaucratic institutions and regulation. The other lesson was that the enforced period of physical idleness, along with an inspiring teacher awakened in him with a love of books and education. This inspirational teacher known only as 'Miss B' helped Vaizey study for his school certificate exam. 'She taught me to work on my own, to use books as quarries, to think clearly and express myself simply and directly'. She introduced him to economics.

In 1947, free of the plaster that had encased part of his body, Vaizey won a state scholarship that gained him entry to Queens' College, Cambridge.

Vaizey would continue to suffer ill-health in his adult years, including a heart condition which threatened and eventually overcame him at an early age. Seized by an organizational zeal and appreciative of every hour, Vaizey would produce a prodigious amount of output over a range of topics. Every day of his adult life, from his student days at Cambridge onwards, were diarised with appointments and commitments. His mentor, Joan Robinson had passed on to him what Keynes had advised her, namely, to write several thousand words a day as a form of discipline and to perfect a literary style. At Cambridge Vaizey studied the social sciences, most especially economics under the supervision in part of Joan Robinson. She had apparently taken him on as a pupil despite the objections of his College who disapproved of her. For a while it became another form of torture for the young Vaizey. His friend and colleague, Lord Noel Annan would recall Vaizey telling him that 'the torture of being supervised by Joan Robinson was far greater than the torture he endured as a boy'.¹ He would have to cry himself to sleep following one of Mrs. Robinson's formidable two hour supervisions. He would later say that he had never worked so hard as when preparing essays for her.

¹ Lord Annan to M. Vaizey, 19.7.1984 Vaizey Papers, Hoover Institution Archives (hereafter HIA)

Vaizey would always be a Cambridge man in the sense it instilled within him the supremacy of truth and power of remorseless logic. That training came through in a certain bluntness and directness in manner and a tendency to be 'provocative'.² When he studied there Vaizey recalled that the 'rudeness' was delivered 'in that particularly Cambridge voice, pitched slightly above its natural level, with odd intonations on certain vowels and words' such that outsiders would feel they were being talked down to. An education at Cambridge meant 'The emphasis there... is on tersely written word. And what we wrote was never praised but always criticized... to be taken seriously was praise enough. To be treated as an intellectual equal was the greatest praise that was given to you. This was silently understood. What was necessary, in an intellectual equal, was to eradicate error and it was to ruthless task that my teachers set their hand... The effect on this upon the psyche is bracing. The effect on the intellect is to sharpen it up. And it leaves its marks upon your prose style' (Vaizey, 1986, 134). This training, to be sure, bolstered Vaizey's analytical and writing powers. He subsequently took firsts in the economics trips in 1951.

Vaizey used his experience of illness and hospitalization as a basis for his socialism which made him politically mature beyond his years: 'I had decided to interpret my private misery in social terms. I decided that everything that happened to me had a social origin'. As perhaps one of those angry young men of the fifties Vaizey 'identified with the dispossessed' and considered the prospects of social revolution for Britain. This combative spirit, or as his close friend, Tom Howarth called it, 'militancy' ran through Vaizey's life. He was never 'happy unless there was a dragon or two to be slain and in that sort of cause his pen could indeed be mightier than most men's swords'.³ In the 1950s Vaizey was swept away by the early promise of sociology which buttressed his socialism. But disillusionment with that discipline came quickly. Sociology was becoming bunk. As he described in his *Scenes from an Institutional Life*, first published in 1958 'Sociology seems to me to have two characteristics. It has lacked a formidable body of thought: above all, perhaps, it has lacked distinguished thinkers. And while purported to be about central questions of experience, its research trivialized them and its language vulgarized them'. He found more support for his socialism in economics. He was bold enough to assert that apart from 'some extremely abstruse mathematical theory' he 'knew all the economics that was then known' (Vaizey, 1986, 98). Vaizey was swept along with the Cambridge style of post Keynesian economics and entertained a 'life-long admiration' for Joan Robinson (Howarth, 1986, 2) (Vaizey, 1975, 13, fn).⁴ He understood the capital debates and his adherence to the Cambridge line explained his opposition to human capital theory, the other part of the economics of education (Teixeira, 2000). The influence Robinson had on the young apprentice can be speculated upon. According to Alvin Marty (1991, 6) "Mrs. R. disliked Americans, American foreign policy, and 'American' economists." In her later years Joan Robinson exhibited nihilism about social democracy and economic theory and this, too, was where Vaizey would end up. Vaizey, however, did like America and Americans, even taking one for his wife.

² J Vaizey 'Education and Government policy' pg 219 , typescript, Vaizey Papers HIA

³ Tom Howarth's address at Lord Vaizey funeral' Vaizey Papers HIA

⁴ In 1972 Vaizey was instrumental in getting Brunel University to award Joan Robinson with an honorary doctorate.

In the early seventies Vaizey was upbeat and idealistic about the type of economics Joan Robinson espoused. Cambridge economics was:

'a subject that was on the move...Evidently, once the question about the purpose of economic activity was asked and then looked at through philosophy as it was revealing itself, at the social structure as studies were beginning to reveal it, and at the political context, it followed that work in economics was likely to go in several directions. It could become a narrow self validating predictive 'science', it could become a wide ranging discipline, purporting to ask 'big' questions about 'big' issues like sociology... its intellectual power is for me its most attractive characteristic' (Vaizey, 1986, 118).

He predicted that Cambridge economics was 'taking off into a sustained and powerful period of intellectual maturity' (Vaizey, 1986, 117). He kept in touch with Robinson and was at the launch of her textbook *An Introduction to Modern Economics* in September 1973. He would write a rather prescient review of its fate (Vaizey, 1973).⁵ In 1975 Vaizey claimed 'the scoop of the century' when he persuaded her to take part in a BBC radio program on the history of economic thought. Vaizey adhered to a sceptical view of economics and British economic policy. For instance, he was skeptical of the worth of short term-economic forecasting undertaken by official economic advisors.⁶ He informed Geoff Harcourt he had cancelled his subscription to *The Economic Journal* 'as it is just pure laissez-faire rubbish'.⁷ Yet in 1976 he was one of the very few economists to support Prime Minister James Callaghan's controversial rejection of conventional Keynesian economic policy. Three years later, as we shall see, he was the odd man out again in not participating in a university protest against the Thatcher government's monetarist economic strategy.

Despite some early work for the United Nations in Geneva, Vaizey was always destined for the cloisters and would be involved in higher education right up to his death. After teaching spells at Cambridge, Oxford and the University of London, Vaizey joined Brunel University as Professor of Economics in 1967. He became the Head of the School of Social Sciences in 1973 and remained there till 1981. Brunel University was a new red-brick technological institution in West London. As a foundation member of the School of Social Sciences, Vaizey designed a new four-year sandwich degree course in economics with a broadly based curriculum that involved combining its economics degree course with sociology, politics and psychology. When he gave his inaugural lecture at Brunel he derided notions that economics was a science.⁸ It was at Brunel that Vaizey generated a vast amount of commentary through the media that would earn him the title 'the pop professor' and 'the magnificent gadfly'.⁹ Vaizey (1986, 113) would describe himself as 'a writer and economist ... who tries to takes his due place in public

⁵ K.S. Frearson to G. C. Harcourt, 28/9/1973, Geoffrey Harcourt Papers, University of Adelaide. Frearson mentions that Vaizey was in attendance at the book launch.

⁶ J. Vaizey 'Forecasting is bunk' *The Sunday Telegraph* 12/1/1969, Vaizey Papers HIA

⁷ J. Vaizey to G. Harcourt, 6/2/1978, Harcourt Papers, UA.

⁸ 'Economics is no science says professor Vaizey at Brunel', *The Teacher* 19/5/1967 Vaizey Papers HIA HIA

⁹ R. Darroch 'The pop professor comes to town' *The Australian* Vaizey Papers HIA

affairs'.¹⁰ He largely eschewed the rigour of writing journal articles for front-rank social science journals, contenting himself with writing academic books.¹¹ Self-obsessed, Vaizey disclosed to the political scientist, Peter Hennessey in a newspaper profile that 'All he ever wrote was his autobiography'. It was generally true. One of his many unfinished projects at the time of his death was one entitled 'A history of my own life' (1982) though he had written extensively of his childhood and his experiences at Cambridge.

Apart from the economics of education, Vaizey wrote books in business history, international relations, political and economic philosophy, the welfare state and even political biography. He also wrote countless reports on education systems including one that compared Australia's system with Ireland and Portugal - three countries which he had a fondness for. At Brunel he managed to write a book every year despite a huge teaching and administrative load. He was ambitious, especially when he felt his efforts went unrecognized. There was an innate restlessness with him, undertaking committee work, chasing jobs but unsure which ones to take, pursuing an interest in the arts, producing many books, three of which were novels. The Labour politician, Shirley Williams marvelled at his 'amazing knack of being able to write what appears to be well worn patterns so that everything is new - like a kaleidoscope - and suddenly ideas begin again'. His political views were always adopting new shapes.¹²

Vaizey used his knowledge of the economics of education as a consultant to several international economic agencies. He dealt with politicians on either side though he preferred to help the labour side. At the age of 34 Vaizey was cited as 'one of the *eminence grise* of the Labour party'.¹³ In 1962 he told labour leader, Hugh Gaitskell that "Education is becoming the crucial issue for the 'new' classes... Any party that can capitalize on this interest will surely win to itself a great deal of public sympathy".¹⁴ The month before, he had advised Gaitskell that the Macmillan Government's plan to expand the university sector did not match its funding. Vaizey was ridiculed for predicted a massive expansion in tertiary education forecasting that there would be eighty higher education institutions by 1980.¹⁵ Despite the trebling of expenditure on higher education between 1938 and 1963 Vaizey forecast that it would fall well short if Britain was serious about creating a skilled workforce. There were also class barriers to overcome with the then education system and university selection policies reinforced (Vaizey, 1963, 108). This, in turn, inhibited the development of talent and economic growth. In 1965 Vaizey served on the Public Schools Commission established by the Secretary of State for Education Tony Crosland. Its brief was to advise upon the best way of integrating the public schools with the state system. The commission came forward with proposals for

¹⁰ P. Hennessey 'Magnificent gadfly on the body politic' *Times Higher Education Supplement* 5/4/ 1974
Vaizey Papers HIA

¹¹ Vaizey (1975b) does have some at least one article in *Australian Economic Papers* entitled 'In defence of General economics'. It was in fact the text of his Joseph Fisher lecture given at Adelaide in September 1974.

¹² S. Williams to J. Vaizey 5/5/1977, Vaizey Papers HIA.

¹³ M. Vaizey to I. Stansky 3/10/1963, Vaizey Papers HIA.

¹⁴ J. Vaizey to H. Gaitskell 6/4/1962, Vaizey Papers HIA.

¹⁵ Lord Annan to J. Vaizey 27/5/1976, Vaizey Papers HIA.

limited assimilation. Vaizey signed the report but pragmatically noted that having a private sector education was ‘probably less divisive than it once was’.¹⁶

The Type to Succeed

While Vaizey would retain an interest in Cambridge economics, the history of economic thought and macroeconomic policy his own field of expertise was in the economics of education and educational planning. An apocryphal story tells how he told a colleague he had ‘invented a new subject - the economics of education’.¹⁷ It was undoubtedly a contemporaneous interest since Britain was experiencing a large increase in school enrolments. Attention had also begun to focus on the new and emerging discipline of educational planning. At an OECD conference in 1959 it was suggested that there was a positive correlation between qualified manpower and economic growth. Expenditure on education was beginning to be viewed as an investment (Stanfield, 2008, 100). Vaizey always took a ‘nuts and bolts’ approach to the subject and become an advocate for greater educational opportunity for the working classes.

Vaizey’s first work was inspired with his association with the social economist, Richard Titmuss, one of the architects of the welfare state who had just completed a study of the cost of the national health system in England and Wales suggested education as an area for similar study. It was perfectly timed with education being used by the Labour party as an election issue in the early 1960s. It allowed Vaizey to vent his socialism in his first book, *The Costs of Education* (1958). It measured public sector expenditures on education and came out with the startling revelation that that the public expenditure allocated to education had been little more than guesswork rather than based on demographic factors. The book found that public expenditure on education in 1955 was a lower proportion of national income than in the prewar years. Before Vaizey came along the University Grants Commission was then projecting that universities were going to return to their prewar status. Vaizey believed that more education spending was the *sine qua non* for economic growth and that more should be done to open up educational opportunities for the working classes. He noted that the main beneficiaries of state subsidized education were the middle class, meaning that the redistributive effect of the then education system was anti-working class. He also suggested that a system of loans might correct this anomaly. Vaizey followed this study with *The Economics of Education* in 1962. He examined what the classical economists had said about education issues and inquired into the propriety of spending public funds on students, the financing of student education, the productivity of education spending, manpower needs and the link between education and economic development. Vaizey did agree that more education meant higher incomes for those who participated but that the link had also to do with intrinsic ability.

From the outset then Vaizey took issue with the analogy of likening education to investment, a concept that at the time was being developed by Gary Becker, Jacob Mincer and T.W. Schultz at Chicago. He believed that any attempt to apply the

¹⁶ Public Schools Commission, First report, 1968 Vol.1 HMSO London pg. 220.

¹⁷ ‘Lord Vaizey dies aged 54’ *The Irish Times* 21/7/ 1984, Vaizey Papers HIA

methodology of economics to education was inappropriate because he believed non-economic factors or 'institutional' factors were more important. Vaizey (1962, 45) argued that the wages system might be 'a system of administered prices, not market prices'. In the seventies Vaizey continued to question the correlation between education and lifetime earnings saying it proved nothing about causation since 'the mathematical statistical basis of attempts to sort out the independent effects of related variables such as education level, intelligence, socio-economic background, race and sex is more complex than has been assumed in some economics studies' (1973, 49). In a review of a volume focusing upon human capital theory, Vaizey (1971, 981) likened it to 'reviewing the debates in Vatican Council 1 on the infallibility of the Pope' in the sense that 'if you accepted all the underlying assumptions of the debate, then the propagation of the dogmas must be accepted'. Despite his rejection of systematic quantitative work on the link between education and income Vaizey did not doubt that expenditure on education 'did pay' as a national investment. Nor did Vaizey acknowledge how Becker and other human capital theorists had taken into account the methodological criticism and difficulties of earlier studies in their new research.

With at least 10 books on the subject Vaizey made himself an authority on the economics of education but he chose 'not to waste his time and talents as other economists of equal power did by retreating into the study of refined mathematical concepts'.¹⁸ Nor did he publish his work in economic journals.¹⁹ This may have been a matter of choice, possibly forced choice because he did not have the technical skills to contribute a scholarly journal article. As a consequence, Vaizey's work was not given the due recognition it might have deserved even though mainstream economists probably believed he had more recognition than warranted. One pioneering exponent of human capital theory Mark Blaug (1973, 341) had damningly summed Vaizey's idiosyncratic approach to the subject this way: 'The senior author is a well known figure in the economics of education. The book shares many of the features which we come to associate with his writings; a smooth narrative style which on closer examination seems to abound in obscure asides and even non-sequiturs, becoming positively disjointed at certain turning points in the argument; a habit of repeating key themes with stupefying frequency... a tendency to invoke Great Names as allies – it used to be Balogh but now it is Kaldor, Joan Robinson and oddly enough Hicks - and to rail against 'extremist free market economists'; a violent dislike of neoclassical economics with its cavalier assumptions of perfect competition, perfect foresight, maximizing economic agents and instantaneous equilibrium; above all, a profound suspicion of almost all other economists who write about education because they have never made 'the deep study of the school. (It is apparently only sociologists who ever achieved "this ring of deeply observed truth about the school")'. Blaug went to say that most of Vaizey's work related to the prosaic aspects of education like budgetary outlays, teachers' salaries, student flows, number of schools and so on rather than the effects of education upon economic activity. Blaug (1973, 342) stated that Vaizey's stand against human capital theory was more a matter of

¹⁸ Lord Annan to M. Vaizey 19/7/1984 Vaizey Papers HIA

¹⁹ His colleague Keith Norris suggested to the author that Vaizey did not have one refereed academic journal article. His only other academic economics article was one on Keynes for the *Irish Banking Review*. Communication with the author.

faith than academic rigour. He wondered why Vaizey was insistent upon pursuing educational equality and increased public funding if its economic results were not readily attainable. On the surface Vaizey would have laughed off Blaug's scathing critique saying he was not really a theorist, but a controversialist, and that his mind was never made up. In his 1974 Joseph Fisher lecture he said as much stating that he had neither 'a reputation as a theorist' nor 'a historian of economic thought' but was 'a general economist' (Vaizey, 1975,1).

Lord Milton Keynes?

When Vaizey was invited to become the Centenary Fellow at the University of Adelaide in 1974/75 and asked to deliver the 35th Joseph Fisher lecture it was a chance to familiarise himself with Australia. He had last visited in 1968 as a guest of the National Union of Students and given lectures on educational planning. While in Adelaide Vaizey was approached by Monash University officials who invited him to apply for the post of their university's next Vice Chancellor following the imminent retirement of the incumbent, Professor Louis Matheson.²⁰ The episode affords an interesting perspective on Vaizey's character and his somewhat erratic behaviour. He had already declined several appointments to serve within Harold Wilson's Labour government and had also recently turned down a position as Director of the Institute of Educational Planning (UNESCO) in Paris.²¹ His name was mentioned for Brunel's next Vice Chancellor but nothing came of it. Earlier, Vaizey had been happy for his good friend, Geoff Harcourt, to put forward his name for the vacant post of Vice Chancellor at Adelaide.²² Vaizey duly applied for the post and was given a ten-year appointment commencing in February 1996. After visiting the campus and Melbourne for five days Vaizey looked forward to taking over saying 'Monash is a terribly exciting place...very big with all sorts of developments. Rarely does one get offered so good a job'.²³ He had said yes because he liked Australia and was, like many in his circle, becoming despondent about the state of Britain. Just a year before he had told Harcourt, 'This country, I fear, is about to collapse'.²⁴ Others, too, were waiting for the collapse (Beckett, 2009, 5). One of his close friends, Lord Annan, the Provost of University College, London congratulated Vaizey for 'being given the chance for which you have been aching ...to be the Chief Executive of a great organization'. Annan noted that Monash terms were 'fabulous'.²⁵

What happened next is a matter of some dispute. The Monash Chancellor, Sir Richard Eggleston received a cable from Vaizey on September 16 saying 'We have decided regretfully to stay here. Letter follows'. Monash accepted the renunciation of the appointment. However when Eggleston put out a press statement quoting the cable Vaizey told the English press that it had been quoted out context from a longer

²⁰ R. Darroch 'The pop professor comes to town', *The Australian* 18/8/1975

²¹ P. Hennessy 'Magnificent gadfly on the body politic' *Times Higher Education Supplement* 5/4/ 1974
Vaizey Papers HIA

C. Forbes 'a Magnificent Gadfly heads for Monash' *The Age* 12 August 1975

²² J. Vaizey to G. Harcourt 12/2/1975 UA

²³ Ibid.

²⁴ J. Vaizey to G. Harcourt 18/6/1974 UA

²⁵ Lord Annan to J. Vaizey 22/7/1975 Vaizey Papers HIA.

telegram.²⁶ Vaizey had also telephoned Monash saying that he did not agree that he had resigned nor would he agree with the press statement stating he had renounced the job. What had gone wrong? The bone of contention, on the surface at least, concerned where the Vaizey family would live. His contract had promised a new house on campus. However, in the interim, the costs of the project had escalated to \$175,000 at a time when university funding had been cut by the federal government.²⁷ Vaizey did not want the house to be built when university funds were being squeezed and stated he had then sent a telegram and subsequent letter asking the administration to make alternative accommodation arrangements. Was Monash having second doubts about their new appointee? Monash had responded by asking Vaizey to approve a press statement about his withdrawal.²⁸ The outcome was that Vaizey would no longer become Monash's next Vice Chancellor but that he had neither resigned nor been sacked.²⁹

The incident reflected badly on Vaizey. When he was first appointed he had told the press 'People are always criticizing me for being a dilettante, and a gadfly, and saying that I can't hold down a real job. I want to show them that it isn't true'.³⁰ Quietly, though, Vaizey was having second doubts about the move. Melbourne was a long way away from London. He consulted his personal astrologer, Phyllis Taylor, over the matter but the decision was squarely in his hands.³¹ It seems that Vaizey had bitten off more than he could chew. The draw of London and all his networks was proving too hard to resist. Yet he insisted that there had been some skulduggery at play. Vaizey told Harcourt that his stand on the house gave Monash 'the opportunity to do what they did' adding that Monash's Chancellor and Deputy Vice Chancellor realized they had made an error when the students 'came out stronger in my favour. They were therefore in favour of any kind of action which would relieve them of me'.³² Harcourt, who had been one of Vaizey's referees for the post, told Jan Kregal that his friend 'was rolled, it is my belief, by the forces of reaction who grabbed at the opening made by John'.³³ Harcourt told Asimakopoulous that while Vaizey had 'greatly impressed the selection committee' some of those forces of reaction were the economics professors, one of whom 'would have strongly opposed his appointment to a chair, let alone a Vice chancellor'.³⁴ Writing later of the incident Howarth (1986, 7-8) believed that, in the final analysis, Vaizey was reluctant to leave his London haunts. Harcourt, too, believed that Vaizey had decided against Monash because his wife, Marina, an art critic with *The Sunday Times*, would miss the attraction of London.³⁵

A few months later Vaizey told Harcourt he was much happier in London 'The restlessness which afflicted me for the past two years has almost passed away'.³⁶ He could

²⁶ 'Vaizey to stay at home' *The Times Education Supplement* 10/10/75 Vaizey Papers HIA

²⁷ 'Monash position lost in \$175,000 house row' *The Australian* 6/10/1975

²⁸ *ibid*

²⁹ W Owen 'UK academic unlikely for Monash; 4/10/1975 Vaizey Papers HIA

³⁰ 'Off to show 'em'' *The Times Education Supplement* 19/8/1975 Vaizey Papers HIA

³¹ P. Taylor to J. Vaizey 30/9/1975 Vaizey Papers HIA. While Taylor wrote a 12 page document on Vaizey's 'progressions in the near future' she demurred on a decision. Since 1965 Vaizey had developed the routine of visiting his personal astrologer around his birthday.

³² J. Vaizey to G. Harcourt 7/11/1975 Harcourt Papers UA.

³³ G. Harcourt to J.A. Kregal 21.10/1975, Harcourt Papers UA.

³⁴ G. Harcourt to A. Asimakopulos 22/9/1975. Harcourt papers UA.

³⁵ Personal communication with Geoff Harcourt 8/30/07.

³⁶ J. Vaizey to G. Harcourt 7/11/1975 Harcourt papers UA.

not resist, though, in commenting after the dismissal of the Whitlam Government by Sir John Kerr that ‘the resemblance between the Governor-General of Australia and the Chancellor of Monash University cannot be accidental.’³⁷ There would be consolations in staying in England.

In May 1976 Vaizey, much to his surprise, was made a life peer in Harold Wilson’s resignation honours, ostensibly for the policy work on education that he had undertaken for the labour movement since the 1950s. Vaizey had become a trenchant critic of Wilson, and his Press Secretary, Joe Haines has suggested it may be because of Vaizey’s friendship with the Prime Minister’s personal and political adviser, Lady Falkender and recommending good schools for her children (Haines, 1977, 150).

According to Lord Annan, Vaizey felt all the work he had done had passed virtually unnoticed’.³⁸ Annan saw the honour then as recognition of Vaizey’s work for the democratic socialist cause and for his research on the economics of education. Becoming a Labour lord was belated recognition. Among others, Boyle saw Vaizey’s ennoblement as a reward for his ‘right wing social democracy’. A wag jested that before he took the title of ‘Lord Vaizey of Greenwich’ he should settle for ‘Lord Milton Keynes’ since it reflected his stand on economic policy, that is, a halfway house between Keynes and Friedman.

Barometer Man

When Vaizey was appointed to the House of Lords one of his associates, Lord Boyle looked forward to hearing ‘his Cambridge tone’ in economic debate, adding that ‘You and Richard Kahn will make a formidable combination’.³⁹ But like the title of one of his novels, Vaizey was a barometer, anticipating and predicting the changing political moods and pressures before others. In very quick time, Vaizey approved of Britain taking a sharply anti-Keynesian line in its economic policy settings. He had moreover begun to leave the economics of education in his wake. Instead, Vaizey took up an interest into training mechanisms for the arts which was one of his personal interests.

One of his first addresses he gave in the chamber spoke of the need for an incomes policy and the embrace of Keynesian policies. Vaizey had been pessimistic about the state of Britain, more particularly, whether the Keynesian consensus would work any more. The mid seventies were, so to speak, the heyday of ruminations about the British economic disease. Britain was ‘the sick man of Europe’ with an inferior economic performance on all counts besides having to cope with stagflation. In popular press articles Vaizey lamented the state of Britain, attacking management standards, the lack of enterprise culture, the deadweight of the class system which he found entirely ‘a state of mind’. Britain, he said, needed a managerial revolution.⁴⁰ These articles all took a

³⁷ J. Vaizey to G. Harcourt 20/11.1975 Harcourt Papers UA.

³⁸ Lord Annan to J. Vaizey 27/5/1976 Vaizey Papers HIA.

³⁹ Lord Boyle to J. Vaizey /1/6/1975 Box 7 Vaizey Papers HIA.

⁴⁰ A fair sampling are the following J. Vaizey ‘What’s wrong with the working class’ *The Evening Standard* 9/2/1976, ‘Why isn’t Britain using its brains’ *The Evening Standard* 8/3/1976, ‘So what is it we’re all afraid of?’ *The Evening Standard* 27/9/1976 Vaizey Papers HIA.

pessimistic tone, arguing the need for a change in the rules of the game. In a further article, Vaizey argued that the governance of Britain had shifted too much in favour of powerful trade unions and the civil service which was stifling enterprise and liberalism. He was hopeful though when the power of this clique was broken by stronger government 'there will be a new political will in Britain.'⁴¹

At the same time Vaizey was making these arguments, James Callaghan told the Labour Party annual congress held at Blackpool in September 1976 that Britain could no longer spend its way out of recession and that another way had to be found, he was greeted with gasps of incomprehension from the audience (Beckett 2009, 335). The speech was written largely by Callaghan's son-in-law, Peter Jay, economics editor of *The Times* and a new found monetarist (Beckett, 2009, 338-9). While Callaghan's biographer believes that the Prime Minister was still a Keynesian he could see its limits. The speech was also intended to mollify the IMF from whom Britain had earlier sought funds from to prop up the pound (Morgan, 1997, 508). Vaizey saw the occasion, though, in far grander terms and congratulated the Prime Minister on his 'GREAT speech' (Morgan, 1997, 508). Callaghan 'greatly appreciated' Vaizey's comments and 'found them of great encouragement'.⁴² Vaizey was joined in this by Milton Friedman who saw it as 'a most hopeful sign...one of the most remarkable talks - speeches - which any government leader has given' (Cited in Beckett 2009, 336).

Vaizey saw the speech as lending proof to his belief that 'social and economic policy were now at a major turning point not since the great reforms of 1944-49'.⁴³ Since 1975 Vaizey had already wanted to break away from Tony Crosland's version of postwar social democracy and supported Callaghan in his wish to reduce public expenditure in real terms.

It was a far cry from one of his earlier books *Social Democracy* (1971) with its idealistic tone about how the social sciences and democratic socialism, along with an undercurrent of Christian compassion would temper capitalism and make for a better society. Vaizey had begun to doubt that the social sciences and socialism could tackle the problems Britain was facing. He had told the political scientist, Peter Hennessey that the reasons for his growing doubts about the liberal consensus was not just because of his earnest pursuit for truth but also from the effects of a simple time lag: 'People always forget these time-lags. If you think about a subject long enough and deep enough you're almost bound to see that received opinion is shallow'.⁴⁴ By the end of the decade he would argue in *Capitalism and Socialism* (1980) of the failure of the social sciences to live up to their high expectations and guiding public policy. The promise of social democracy was no longer working for Britain. The economic record of the 1974-79 Labour Government, especially in terms of growth and productivity, was ample proof of failure. Britain could not have the welfare state it wanted. It also meant that social engineering could only go so far. More and more education neither made the economy grow faster nor alleviate the plight of the poor. By the time *Capitalism and Socialism* was published Vaizey had undergone an ideological odyssey and changed his political loyalties.

⁴¹ J. Vaizey 'Battles for Britain to win'; *The Sunday Telegraph* 17/8/1975 Vaizey Papers HIA

⁴² J. Callaghan to J. Vaizey 6/10/1976 box 8, Vaizey Papers HIA.

⁴³ J. Vaizey to C.F. Carter 25/5/1977 Vaizey Papers HIA

⁴⁴ P Hennessy 'Magnificent gadfly on the body politic' *Times Higher Education Supplement* 5/4/ 1974 Vaizey Papers HIA

Vaizey's shift to the right had a long antecedence. While serving on the Public Schools Commission, which he had actually helped establish, Vaizey had said he was not entirely convinced about the idea of abolishing private education. As his friend and fellow committee member, Tom Howarth (1986, 5) recalled, Vaizey became reluctant to support 'any degree of state coercion which might interfere with parents' wishes'. Howarth, who probably knew Vaizey best, believes that there was a sea-change in his friend's philosophy dating from 1968 while working on the Commission. It was there that Vaizey began jocularly saying that he belonged to 'the new right' (Howarth, 1986, 6). In 1970 Vaizey agreed with the shadow Chancellor of the Exchequer, Ian McLeod that income taxes in Britain were prohibitive and looked forward to him taking office.⁴⁵ He also established contact with Margaret Thatcher in 1970 when she was the Shadow Secretary of State for Education and Science. In 1975 he welcomed her elevation as leader of the Conservative Party and offered her 'a present' in the form of a motto "Service, Prudence, Foresight" adding, 'I think that sums up exactly what we are looking for'.⁴⁶ He later offered his services as economic adviser after with the Monash job was secured. Thatcher thanked him but advised he go to Australia first. Vaizey responded with the following:

'The more one reflects, the more one sees that the country has been on the wrong lines since 1941 ... It seems to me that a major intellectual and morale effort is necessary to rescue our country from what seems to be a totally catastrophic course. You are at the moment the only possible person who can push us on to a different course'.⁴⁷

In 1978 Vaizey left the Labour Party and moved to the cross benches in the House of Lords. Thatcher congratulated him remarking 'I hope your sojourn on the cross benches will be brief before moving to where I believe you now belong'.⁴⁸ Earlier she had consoled him about switching political allegiances stating 'The labour party has left you because it has changed so much from its former beliefs'.⁴⁹ Vaizey told Thatcher that he wanted to 'advance more openly in your direction' and that he was prepared for the public opprobrium once it was disclosed. He was concerned, though, that the switch would devalue the 'disinterested' remarks he had been making in the media.⁵⁰ The industrial mayhem of the 'winter of discontent' of 1978/79 horrified Vaizey and confirmed that trade union power had made democratic socialism unworkable. It was the last straw, and after the election he became the conservative whip in the House of Lords. In the 1979 election campaign Vaizey had put out a statement a few days before the poll saying that Marxist-dominated trade unions and high taxation could not deliver economic recovery.⁵¹ He was, of course, not the only public intellectual to waver from democratic socialist beliefs. Paul Johnson, one time editor of *The New Statesman*, and three Labour peers, Lord Brown, Lord Chalfont and Lord Robens crossed over to the conservative benches. It was during this period till 1981 that Vaizey wrote under the pseudonym

⁴⁵ J. Vaizey to I. Macleod 17/3/1969 Vaizey Papers HIA

⁴⁶ J. Vaizey to M. Thatcher, 17/2/1975, box 14 Vaizey Papers HIA

⁴⁷ J. Vaizey to M. Thatcher 4/8/1975 box 14 Vaizey Papers HIA

⁴⁸ M Thatcher to J. Vaizey 13/4/1978 box 14 Vaizey Papers HIA

⁴⁹ M. Thatcher to J. Vaizey 27/10/1978, Vaizey Paper Box 14

⁵⁰ J. Vaizey to M. Thatcher, 23/10/1978, box 14, Vaizey Papers HIA

⁵¹ Statement by Lord Vaizey, 1/5/1979 Conservative Party Office, Vaizey Papers HIA

James Zeitlinger for the magazine *Harper's and Queen*. His brief was to write what was called 'Warraits' of leading English contemporaries with 200 pounds for each one. His editor, Ann Barr offered that he should be anonymous to everyone in the office except her. When it came for Vaizey to write a warts and all account of Margaret Thatcher he came away, as Zeitlinger put it, with an 'Awetrait'.⁵²

Having survived a first heart attack by a hair's breadth in 1980 Vaizey entered hospital for a major heart operation which he did not expect to survive.⁵³ Before the operation, he penned a letter to *The Times* disclosing to the general public why he had joined the conservative party and not the social democratic push being led by Shirley Williams. In his 'testament' Vaizey firstly defended the Thatcher government as honest and willing to listen despite their unpopularity before explaining why he had forsaken democratic socialism:

'There is no longer a set of social democratic ideas that will work. Keynesianism is intellectually dead. With Trade Unions no incomes policy will ever work. With our State industries productivity will always be abysmal. Nobody...has the faintest idea how to redistribute income; the tax and benefit system is too complex and arbitrary to yield a simple progressive result free from major anomalies. Social democratic theory is just plain wrong' (Cited in Cockett, 1995, 229).

The labour party, he said, was filled with careerist politicians enjoying the trappings of office while the membership was 'swamped by bombastic polytechnic lecturers regurgitating inaccurately the half-baked ideas of sentimental Marxists that Tawney would not have let in to his lecture room. As serious analysis of social and economic affairs it was pathetic'. He closed by saying the only workable set of political principles in Europe was Tory pragmatism. Following the publication of the letter, Lord Harris of High Cross praised him and asked Vaizey to consider joining the Institute of Economic Affairs.⁵⁴

It came as no surprise, then, that Vaizey took no part in the campaign by 364 university economists who signed an open letter to *The Times* in March 1981 protesting at the monetarist economic strategy underpinning the Government's budget. He had already sanctioned that the Thatcher government's economic strategy was working but 'that it will take a long time for it fully come to fruition'. He did propose, though, 'a radical attack' on Britain's age-old 'skill deficit' where the unemployed would have the opportunity to retrain. It would be overseen by a mega 'Department of Skill'.⁵⁵ In the same month so many of his academic peers had protested Vaizey drew up plans for another book awkwardly entitled 'What is wrong with the economy and how to put it right'. The book proposal closed with the fanfare that it 'represents the culmination of 30 years of thought, reflection and research. During this period it has become clear that the existing social sciences provide no adequate answer to any of the major economic

⁵² Vaizey Papers, Box 3L folder 15, HIA

⁵³ The near death experience encouraged Vaizey in June 1982 to coolly prepare his own funeral arrangement including details on the desired service, music with 'blue and white flowers in abundance' and put forward a few names who might give the obituary. He also put some touches on the memorial service that would follow some time later.

⁵⁴ Lord Harris to J. Vaizey 4/12/1980 Vaizey Papers HIA.

⁵⁵ J. Vaizey to M. Thatcher 23/10/1980 Box 14, Vaizey Papers HIA.

questions of our time. And the economic questions have changed utterly. In this book, a new basis for coping with the issues is proposed’.

It would be aside as was another on the history of General Electric. Just a few months before his death Lady Harrod asked Vaizey to write a short biography of her husband with full access to his papers.⁵⁶ His last work, *In Breach of Promise* (1983) on the careers of five leading English politicians and intellectuals who had all died young with their dreams and visions unfulfilled was ironic given Vaizey’s death the year after.

Conclusion

John Vaizey knew that, professionally, there were ‘strikes’ against him; the lack of academic distinction, of not taking up the Monash appointment, and then, accepting a peerage from Harold Wilson but defaulting to the other side. His friend, Lord Annan apparently told him this when he was applying either for a sabbatical or another job.⁵⁷ Then there was the endless involvement with the media. He was a dilettante, a gadfly and a showman. He was also a great communicator. Academe rarely sees his type any more, certainly not in economics, and certainly not at professorial level. Today the only economists in the media are market economists. Vaizey operated in an age when university economists had to interact more with the public but still retain some academic gravitas. He did it well.

His disillusion with social engineering and socialism was a dramatic but nonetheless familiar tale. There is almost a one way street of lefties becoming more conservative as they grow older. In Vaizey’s case it was always the puritan and Christian element in him that remained constant. Even in his last years with his heart ailment and despite the general disillusionment with socialism and the social sciences Vaizey remained effervescent and upbeat.

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⁵⁶ Lady B. Harrod to J. Vaizey, 26/2/1984, Vaizey Papers HIA.

⁵⁷ In confidence note to E.J. 18/9/1978 Vaizey Papers HIA

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