

# Roger Alford, *Life and LSE*

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REVIEWED BY SELWYN CORNISH<sup>1</sup>

What are the essential elements and priorities of academic life? Should research be pre-eminent? Or should teaching have priority? What responsibility should academics take for the governance of their institutions? Should there be an obligation to undertake public service outside the academy? In *Life and LSE*, the author does not attempt explicitly to answer these questions. But in telling the story of his career at the London School of Economics (LSE), Roger Alford makes his position clear.

Alford has engaged fully in all aspects of academic life: he wrote an important book, and published papers in leading journals; he promoted improvements in the quality of teaching and learning; was active on administrative committees; and spent two years at the Bank of England, gaining practical experience in his chosen fields of monetary economics and financial institutions. While this breadth of activities was not uncommon at British (and Australian) universities in the early post-Second World War decades, it became increasingly less common with the increased emphasis on research output; with teaching responsibilities allocated to graduate students and non-tenured staff; with the replacement of academic staff by professional administrators in the management of universities; and with the demands of research reducing the opportunities to engage in public service.

This biography will be of particular interest to those who may be curious to learn about the work of economists at an elite academic institution in the second half of the twentieth century. As well as illuminating the career of an individual, the book also provides a history of the LSE. Its physical infrastructure and administrative structures are explained, and there is much discussion about staff and students. In addition, the book tells the story of the author's personal life, about his social and cultural roots, his upbringing and schooling, the experience he gained working for a firm of stockbrokers in the City of London, his army service in Germany at the end of the war, his marriage and children, and the

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<sup>1</sup> Research School of Economics, College of Business and Economics, Australian National University; Selwyn.Cornish@anu.edu.au.

Alford family finances (an entire chapter is devoted to this topic). In writing this account, Alford has relied heavily upon his memory, but he draws as well on his diaries, from which large extracts are reproduced throughout the book.

Roger Alford was born in London in 1926. His father was an artist who became an architect and developer; his mother had worked as an artist in the fashion industry. His grandfather and a great grandfather on his mother's side were headmasters. Roger attended St Paul's school, but when his family's financial circumstances deteriorated he had to leave before completing his final examinations. He secured a job as a stockbroker, working on the floor of the stock exchange and in the short-term money market. Eventually, he was called-up for military service, joining the occupation forces in Germany. He returned briefly to the City and stockbroking. But following advice he decided to gain admission to the LSE as a mature-aged student, completing the entrance requirements by studying at night. He began his undergraduate studies in 1949. Having gained first-class honours in economics in 1952, he was immediately offered a temporary lectureship at the LSE and proceeded to work his way up the academic ladder. At the time of his formal retirement in 1992 he held a named readership — the Cassel Readership in Economics. He was still a member of the senior common room in 2009, the year that marked the sixtieth anniversary of his connection with the LSE.

When he joined the staff, the LSE was still a small institution. Its 1500 undergraduates, 300 graduate students and 180 academic staff were crowded into a building in Houghton Street, which contained the library, offices and classrooms. Staff from different departments knew each other and could engage in conversations about their work in the different social sciences of which the LSE specialised. Lionel Robbins held court in the same area of the senior common room at morning and afternoon tea as he had done ever since his arrival at the LSE in the late 1920s. Alford joined the small monetary economics group led by Richard Sayers. He taught macroeconomics to third-year undergraduates and a course in monetary economics and financial institutions to graduate students. He took his teaching seriously, making himself readily available to students; he prepared a document on good study habits, which was distributed to students throughout the LSE (a copy is reproduced as an appendix to the book). He was put in charge of teaching rosters in the economics department and emphasised the importance of sharing teaching loads equitably.

In late November 1959 he was offered the opportunity to work at the Bank of England for two years, becoming the first outside economist appointed to the Bank. Alford's main task was to assist in the preparation of the Bank's new *Quarterly Bulletin*, which had been recommended by the Radcliffe Committee as a means of enhancing the Bank's communications with the general public. He played a major role in the production of the first issue and to a lesser extent

in subsequent issues. He undertook other projects, including an examination of possible consequences for the monetary system of inflows and outflows of foreign currency. This led to an interest in the conceptual aspects of the flow-of-funds framework, which became the subject of his later book.<sup>2</sup>

Alford formed a somewhat jaundiced view of the Bank and its work. The Bank's senior executives appeared not to be interested in ideas, and failed to provide adequate leadership. One Bank official informed him that 'monetary policy is psychological warfare'. (273) He was told that the Bank of England was a 'weak central bank...because the Bank had no faith in its ability to manage the system with precision.' (272) Alford himself 'got the strong flavour of the Bank's unwillingness to extend its area of responsibility if it could possibly avoid it'. (274) When the subject of devaluation came up in a conversation with a senior Bank official, the latter was 'very uncommunicative', though 'clearly thought has been going on at the top'. (283) The 'message to me', Alford recounted, 'was that it was more expedient for us in conversation etc. to stress things like export incentives. He [the Bank official] also reminded me of my own views that if we really get down to doing things which would be necessary for effective improvement in the balance of payments by devaluation (efficiency generally, keep down wage costs, keep up slack in the economy — and high elasticity of supply of exports) then devaluation might not prove necessary. In other words, as far as possible avoid touching the subject directly.' (283–4) When Alford raised the leadership issue with a Director of the Bank, he was told that 'the Bank was an operating institution and most of its actions were really reactions to situations facing it. I suggested there must be ground rules — general principles etc. Stevens [the Director] said that these were so simple as to be platitudinous and any more active policy was likely to run into a political quagmire.' (276)

When a new Governor, Lord Cromer, was appointed soon after Alford's arrival at the Bank, Alford described him as a person 'about whom no one I have talked to knows anything'. (271). Later, after Alford was part of the Governor's entourage during a visit to Birmingham, he wrote in his diary that the Governor 'revealed one strong principle — honest money, but here also no evidence of underlying thought on relative costs and returns etc. of such a policy. He speaks very sloppily, is a bit effete and a shade supercilious, but occasional touches of quite nice humour. No signs of [other] deeply seated principles. Not well equipped intellectually, but no fool (his writings perhaps show more strength). Difficult to see any real leadership on any central banking issue, but probably no obstruction to general progress. He takes his position pretty easily and seems a typical scion of a merchant banking peerage family; he can be quite tough when his own decisions or views are opposed. I feel the Bank could/should have done better.' (287)

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2 *Flow of Funds. A Conceptual Framework and Some Applications*(Gower/LSE 1986)

Alford returned to the LSE and soon observed that, while Sayers's banking seminars and Robbins's economic theory seminars were flourishing, there was no seminar devoted to money and macroeconomics. He quickly resolved to repair the omission. The result was the Money and Macroeconomics Workshop, which he established in 1963. It soon attracted academics from beyond the LSE, graduate students (one was Stan Fischer, now the Governor of Israel's central bank) and visitors from the Bank of England, the Treasury and the City; Harry Johnson, who had joined the LSE in 1966, regularly attended the Workshop. In its early years considerable attention was directed to Milton Friedman's views on monetary theory and policy; there 'were keen arguments between pro- and anti-monetarists'. Alford himself was never a monetarist, and he writes that 'I cannot recall Harry [Johnson] ever committing himself one way or the other on its [monetarism's] practicability for policy.' (339)

Of the student troubles that seriously disrupted the LSE in the mid-and-late 1960s, Alford took an uncompromising stand. While he was never part of an official team established by the authorities to negotiate with the students, he was very active on the ground, 'doing all I could to oppose the ideas and actions of the trouble-making student leaders and their naïve followers'. (326) He attended public meetings called by the student leaders and contested their views, 'emphasising the irresponsibility of their actions, making clear my strong disapproval of their behaviour and standing up for what I know to be the true values of the School'. (326) Here, Alford exhibited his strength of character. Even though much of his career at the LSE was student focused, when it came to preserving the institution's reputation there could be no capitulation to those whom he thought were intent upon destroying the exchange of liberal ideas.

Alford's is a life worth telling. A reader will learn what it was like to be a member of the economics department at the LSE in the second half of the twentieth century. Many insights are provided into how the LSE was run. There are also his acute reflections on the Bank of England. Above all, it is the story of a decent and honest human being; of a person who lived a satisfying life, enjoyed what he did, who was liked and respected by his colleagues and students, and was comfortable with his family life.