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***'Marvellous intellectual feasts':
Arthur Lewis at the London School of
Economics 1933–1948***

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Abstract

The paper is concerned with the decade and a half spent by the development economist, Arthur Lewis, at the London School of Economics between 1933 and 1948. It discusses the intellectual traditions of the institution that Lewis joined, and the various influences on the young economist. His research and teaching roles in London and Cambridge are covered, together with his work for the Fabian Society, and his links with the anti-imperialist movements centred in London in the 1930s and 1940s. The aim of the paper is to shed light on this highly significant but little known period in the career of the foremost development economist.

Keywords: W.A. Lewis; LSE; colonial economics; development economics

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1. Introduction

Arthur Lewis spent a decade and a half at the London School of Economics (LSE), as student, lecturer and researcher. Yet surprisingly little has been written about his experiences at LSE. There are no personal diaries, no contemporary interviews on which to build up a picture of life at LSE in the 1930s and 1940s from Lewis's own perspective. As his Princeton colleague and biographer Robert Tignor observed, Lewis throughout his life was an intensely private person, who allowed few people to penetrate his innermost feelings.¹ But even more than was usually the case with Lewis, he appears to have been reluctant to write about or speak of personal events and encounters in this period of his life. This is not to say that Lewis underestimated the intellectual debt that he owed to LSE. On the contrary, well over half of his short autobiography for *Lives of the Laureates* (1986) was devoted to the intellectual legacy of LSE – what he described as 'marvellous intellectual feasts' served up by teachers such as Arnold Plant, Lionel Robbins, Friedrich Hayek and John Hicks.² He also generously acknowledged the stimulus he had received from the company of bright and high-achieving LSE students. Although Lewis mentioned no names, his distinguished contemporaries at LSE included, among others, two trade and development economists, F.V.Meyer and Alfred Maizels. Another contemporary, born in Germany in 1915, the same year as Lewis, was the development economist H. W. Arndt, later to be a Leverhulme scholar at LSE.³

What is lacking for this formative period of Lewis's life, however, is the personal and anecdotal. Lewis had arrived at the LSE in September 1933 as a raw undergraduate from St Lucia, one of the smallest and least significant of Britain's colonial dependencies. He left LSE at the age of 33, already holding an appointment as Reader in Colonial Economics at LSE, in order to take up a full professorship at the University of Manchester. It must have been an extraordinary 15 years for the young man from the Caribbean in terms of his personal development (Lewis married Gladys Jacobs, a teacher and schools inspector from Grenada, in 1948), his rapid academic progression, and his encounters with intellectuals from a wide social and political spectrum. Those 15 years in

¹ Tignor (2005: 35).

² Autobiographical account of Sir Arthur Lewis in Breit and Spencer (1986).

³ Heinz Arndt had arrived at LSE as a postgraduate student via Lincoln College, Oxford. His father was a prominent academic and the family had been helped to escape from Nazi Germany in the early 1930s through the efforts of the Academic Assistance Committee established by Beveridge and Robbins in 1933. In 1948, when Lewis had departed LSE for Manchester, Arndt drew on their LSE friendship for advice on his own application for a Readership in international trade that was being advertised at the University of Manchester. Lewis encouraged Arndt to apply, but warned that his application was likely to encounter problems because he did not have the support of Professors John Jewkes and John Hicks, both of whom had recently vacated Chairs at Manchester. The episode is related in the biography of H. W. Arndt (Coleman and Cornish, 2007).

Britain also encompassed extraordinary world events: the interwar depression, the rise of fascism and World War II, planning and post-war reconstruction, Bretton Woods, Indian independence, and the growing strength of the decolonisation movements in Africa and the Caribbean. Yet, as his biographer Robert Tignor observed, this was a period about which Lewis offered little subsequently in the way of comment or recollections, even to his closest friends. We learn from Lewis's short autobiography for *Lives of the Laureates* that when he was in London he met many of those whom he later described as being, like himself, 'anti-imperialists', but as to the who, where and when of these encounters, Lewis himself is less than forthcoming. The information such as it is has to be teased out from a variety of contemporary documents, records and pamphlets.

What is very clear is that Lewis received a great deal of support from academic colleagues during his time at LSE, in contrast with his later experiences at University of Manchester. At LSE he was evidently very well regarded by a number of key academics. It is easy to underestimate the sheer hard work that would have been required of Lewis in order to shine at LSE in the 1930s and 1940s. His academic record at LSE included a first class honours degree gained in 1937 and a doctorate in 1940. His first appointment was as an assistant lecturer in 1940. During his time at the School Lewis went on to publish one book and nine papers, prepare three more books for publication, and contribute numerous reports and memoranda. Throughout his life, that diligence and attention to detail which first emerged at LSE marked Lewis out. There is an interesting parallel here with Harold Wilson, Lewis's exact contemporary in age, who as a student was also a Fabian socialist, in Harold Wilson's case studying economics at Jesus College Oxford. Both Wilson and Lewis had mothers who were schoolteachers, and both were steeped in the protestant work ethic. As students, neither of them had the money nor the leisure to support a lavish lifestyle. Wilson's biographer, Ben Pimlott, noted that for Wilson 'work became a compulsion, of which he was never able to rid himself [at Jesus College] he worked with a ferocious determination' to gain his first class degree.⁴ As economists, both Lewis and Wilson were employed at the Board of Trade in the 1940's. Thereon, however, their career paths diverged. Lewis went on to a distinguished academic career and a Nobel prize for economics at the Board of Trade, although he never rose above the rank of wartime temporary Principal. Wilson, on the other hand, went on to succeed Stafford Cripps as President of the Board of Trade in the Attlee administration. Taking the route of politics, he subsequently became leader of the Labour Party.

2. The London School of Economics, 1933–1945

What sort of institution was the LSE when Lewis enrolled for the B Com in 1933? One of the first points to note is that when Lewis joined as an undergraduate, the School was still developing as a higher education institution, having first opened its doors to students some 40 years earlier in 1895. In the beginning it had focused exclusively on 'professional studies', examining students who were mostly part-time, in papers for the civil service, chambers of commerce, banking and insurance.⁵ In 1901 the School established the first undergraduate degree, and it is notable that this was not in commerce but in economics. The BSc (Econ) was the first university degree in Britain devoted exclusively to the social sciences. Its establishment had not been supported by the School as a

⁴ Pimlott (1992: 52).

⁵ Foxwell (1946)–.

whole, but was the brainchild of an inner LSE group. It took the then Director by surprise.⁶ The focus on commerce re-emerged when William Beveridge took over as Director of the LSE in 1920, marking a period of rapid change and expansion. It was under his Directorship that the degree in Bachelor of Commerce, the B Com for which Lewis enrolled, was finally established. Discussions about the need for a degree in commercial subjects at LSE had been taking place for about 30 years. It finally came to fruition through an educational trust established by Ernest Cassel, on the advice of Sidney Webb. Chairs and Readerships were established in accounting, business methods, commercial and industrial law, banking and currency. Hugh Dalton was appointed as the first Reader in Commerce.

The history of the long defunct commerce degree at LSE is interesting, in the sense that when Lewis applied for a place it was a relatively new but already well-defined area of study. It had many applicants and good funding. The commerce degree was by no means a poor relation of the economics programme. Lewis tells us in his Laureate autobiography that he had wanted to be an engineer, but neither the colonial government nor the sugar plantations in the Caribbean would employ a black engineer. As he leafed through the University of London prospectus his eye was caught by the new Bachelor of Commerce degree. It offered accounting, statistics, business law, business management, languages, and two subjects called economics and economic history. Neither he nor anyone else in St Lucia knew what economics was. *'No matter. The rest of the degree was very practical and would give me the basis for a job in business or some kind of administrative work.'*⁷ At the age of 18 Lewis was already quite pragmatic about his likely employment prospects in the Caribbean and unusually discerning for one so young, in his choice of degree. He was mature for his age and very dedicated to his studies. As he remarks in his short autobiography, though he was initially apprehensive that English students would be better able to handle the degree than he could, this proved not to be the case.

In 1930 two academics, Arnold Plant and Frederic Benham, both former students of LSE, had taken up new Chairs in Commerce at the School. Plant and Benham were already in post when Lewis arrived in 1933. Arnold Plant, who had returned to the School from a Chair at the University of Cape Town, came to be a very strong supporter of the young black student from the Caribbean. Together with John Jewkes, Plant was responsible for the applied economics course that Lewis attended in the final year of his undergraduate programme. It was Plant who recommended Lewis for doctoral research in 1937 and offered him his first appointment as temporary assistant in the Commerce department at LSE. Lewis was always generous in his acknowledgement of the debt he owed to Arnold Plant: *'He was my mentor and without his word at crucial points I would have received neither the scholarship nor the assistant lectureship. This was the school's first black appointment and there was a little resistance.'*⁸ The second Chair in Commerce at LSE in the 1930s was occupied by Frederic Benham. He had returned to the School after six years at the University of Sydney. Lewis was not generously disposed towards Benham in later years and was heavily critical of the Report Benham produced in the early 1940s on Jamaica. Another key appointment that was made at LSE in 1930 was that of Lionel Robbins, who returned to the School following a period as Fellow of New College, Oxford. Robbins, together with Hayek and Phelps Brown, taught the Principles of Economics course, which contributed one-third to Lewis's final

⁶ Foxwell (1946: 13).

⁷ Lewis (1986) op. cit.

⁸ Lewis (1986) op. cit.

exams on the undergraduate degree. Lionel Robbins, Friedrich Hayek, Roy Allen and John Hicks were the established 'big names' at LSE. Lewis later described them as being in the vanguard of neo-classical economics and vociferous in their attacks on the new Keynesian doctrines that were espoused by the younger lecturers.⁹

Lewis was awarded his PhD of the University of London in 1940, and a year later was formally recognised as a Teacher of Economics at LSE by the University of London Senate. In 1942 he was appointed External Examiner in Applied Economics, to replace Frederic Benham, who had travelled to the West Indies as economic adviser to the Comptroller for Development and Welfare.¹⁰ The University of London had to make stringent efforts at this time to get the teaching staff of its constituent colleges released from war service. LSE had already relocated to Cambridge, where it was accommodated in 'The Hostel', a new building at Peterhouse. Lewis was one of a relatively small number of academics from the LSE not recruited to the civil service or armed services, and therefore he was free to teach the undergraduates who had been relocated to Cambridge. Teaching at Cambridge was quite onerous, as the numbers of LSE students did not fall proportionately with the numbers of staff. The average age of students fell, and the proportion of women students rose.¹¹

Kari Polanyi Levitt, the daughter of Karl Polanyi, was an LSE undergraduate in the 1940s and was taught economics by Lewis at Cambridge. Her recollection is that the classes were very large. She remembers Lewis drawing the marginal product of labour curve for students. He pointed out the relationship between the demand for labour and the wage rate, and true to his neo-classical training stressed that a lower wage rate must lead to an increase in employment. After the lecture was finished, Kari went up to Lewis and disagreed. She referred to the Keynesian case and the unemployment of the 1930s that could not be resolved by wage cuts. In an interview in 2006 she recounted with humour her teacher's somewhat pompous reply: 'Miss Polanyi, I assume that you have come to LSE to study economic science. When you have studied it, come back and I will answer your question'.¹² Kari Levitt's recollection of large numbers of students in the School's economics lectures in Cambridge is borne out by the records of the time. The economics lectures were held in the University's Biochemical Laboratory or, failing that, in rooms in Mill Lane. When LSE asked for more lecture rooms it was told that the University needed the accommodation for its own students. Nevertheless, LSE seemed to have been privileged in comparison with the other London colleges. The Principal of Kings College University of London was refused accommodation for 500 students in Cambridge on the grounds that the lecture theatres were 'already fully occupied from 9.00 in the morning until 5.00 in the evening', with evacuated students from LSE and Bedford College for Women.¹³

3. Research

⁹ Lewis (1986) op. cit.

¹⁰ *University of London Gazette*, 418, July 1942.

¹¹ Sociology was a discipline favoured by women students at LSE. During the Cambridge years, the sociology department at LSE grew rapidly. Judith Hart, later Minister of Overseas Development in the Wilson government, was an LSE sociology undergraduate at Cambridge and Secretary of the Cambridge University Labour Club during the LSE wartime evacuation.

¹² Interviewed in Montreal by telephone, October 2006.

¹³ The female students from Bedford College were formally assigned to Newnham, but they seem to have had a particularly bleak time, being 'offered to Cambridge householders as an alternative to evacuated school children and their mothers'. *Cambridge University Archives: Accommodation London Colleges, 1940.*

It was in the new environment of Cambridge that Lewis embarked on his first serious piece of research for the Colonial Office under the auspices of LSE. In August 1941 Lord Hailey, by then at the Colonial Office, notified Carr Saunders, the Director of LSE, that William Beveridge (Under Secretary at the Ministry of Labour), wanted a Memorandum to be prepared on the financing of mining and industrial development in the Colonies. It would seem from the surviving correspondence that Lewis was the one who followed up the approach from Beveridge with a visit to the Colonial Office in London. The tone that Lewis adopted during this visit can perhaps be gauged from the letter Hailey subsequently sent to Lewis. It stressed that 'plantation enterprises [were]not to be considered'; 'LSE [should] prepare a factual Statement', and that 'the work should be confined to ascertaining the facts and making a precise survey of the issues involved'.¹⁴ It seems that Lewis had pressed the case with Hailey for including plantation agriculture in the Survey. After all, Lewis was from a plantation economy in the Caribbean and presumably had a special interest in the topic. It would also seem that Lewis was hoping to embark on a much wider brief than a straightforward statement of the 'facts'. Carr Saunders then wrote to Hailey, saying that it had been agreed by his colleagues in the School, after discussion, that 'Dr W. A. Lewis would be the most suitable member of staff' to carry out the required research.¹⁵ Hailey needed to be convinced. He had asked for the cooperation of the School rather than any one member of staff. Lewis moreover still persisted in his view that a wider brief was needed and had written to Lord Hailey querying what the Colonial Office meant by 'factual statements', enclosing a synopsis of his own proposals for the research. Hailey was clearly put out and told the young researcher that 'it appears from your synopsis that you are contemplating going beyond an objective factual statement to suggestions as to what should be done in the future'; Lewis should 'keep objective factual statements and your own proposals separated one from another'.¹⁶

What is fascinating in this exchange is the confidence of Lewis, then a very junior lecturer (he was only 26 years of age), that encouraged him to question the ideas of Lord Hailey in this way. Hailey, a former Governor of the United Provinces, was a man very much senior to Lewis in age as well as status. Though his influence at the Colonial Office was beginning to wane, Hailey remained a prominent adviser on colonial issues and a recognised authority on African issues well into the 1950s. Characteristically, Lewis went his own way on his first research project. His *Memorandum on the Flow of Capital into the British Colonies* when it appeared in April 1942 contained far more than simple factual statements. He had also extended his brief to cover plantations. He had made contact with and received the cooperation of the Cadbury family soon after the project started, and visited Birmingham on a number of occasions to discuss the operation of the Cadbury cocoa plantations in West Africa.¹⁷

Lewis was teaching in Cambridge when he began this research, and it is clear from correspondence with LSE Director Carr Saunders that he found the combination of teaching and research very demanding. 'The bulk of my work on the subject will have to be postponed to the Xmas vacation when I shall be able to spend two or three weeks in the CO library'.¹⁸ Lewis had

¹⁴ Letter to Lewis from Hailey at the Colonial Office, September 1941.

¹⁵ Letter from Carr Saunders to Hailey, October 1941

¹⁶ Letter from Hailey to Lewis, October 1941.

¹⁷ Letter from Paul Cadbury to Carr Saunders, December 1941. Lewis travelled to Birmingham on a number of occasions in connection with research on the Cadbury cocoa plantations.

¹⁸ Memo from Lewis to Carr Saunders, November 1941.

already asked Carr Saunders for the help of a part-time research assistant, but it does not appear that his request was granted. There were in any case only a handful of research students and research assistants remaining at LSE during wartime. There were also financial difficulties. Lewis was always short of money and needed travelling expenses to visit London from Cambridge. When away from Cambridge he still had to pay his landlady, Mrs Beales, a guinea a week to retain his room. Could these expenses be charged to the project, he asked.¹⁹ He had decided to conduct the bulk of his research in London, in the Colonial Office library. We know that in Cambridge he would have had access to the University and Marshall libraries, but resources there were unsuited to research on contemporary colonial issues. It may also have been the case that, as a young researcher from LSE, Lewis could not count on much support from the Cambridge economics establishment. Sraffa, who was the acting Librarian in Cambridge at the time, and who had only recently returned from internment, had already written to Carr Saunders asking that LSE recompense the university library for books missing from the Marshall Library, books which were 'not of the type that Cambridge men are in the habit of using'.²⁰ Sraffa also held the London visitors responsible for extra wear and tear on books and furnishings, for increased overtime for the domestic staff and, in a dramatic finale, for the disappearance of a *Facit* calculating machine from the Statistical Room of the Marshall Library. It was hardly a warm welcome from the librarian for the evacuees from the LSE.

For whatever reason, Lewis seems to have preferred to carry out his research in London, though there were meetings in Cambridge to discuss the progress of the work. One meeting at Peterhouse in November 1941 involved Lord Hailey and senior LSE academics, RW Firth, Frederic Benham, Vera Anstey and Dudley Stamp. However, the growing involvement of LSE in Colonial Office research had already provoked a response from the Colonial Research Group at Oxford's Nuffield College. Lord Hailey had been instrumental in the setting up of that Group. It was led by the redoubtable Margery Perham, the respected and well-connected Africanist at Nuffield College. Margery Perham and her colleagues in the Oxford Research Group (Radcliffe Brown, G. D. H. Cole, R. Coupland, A. G. B. Fisher and Sir Allan Pym) had long enjoyed the support of Hailey and were clearly disappointed by the switch of allegiance to LSE by the Colonial Office. Relations between the LSE academics and the Oxford Group could not have been helped by the bitter and damning review of Margery Perham's book, *Africans and British Rule*, which Lewis had written for the *Newsletter of the League of Coloured Peoples* earlier in the year.²¹ The brusque letter which Carr Saunders received from the Nuffield Group no doubt reflected a measure of hurt feelings following the review, as well as changing fortunes at the Colonial Office, where the influence of Lord Hailey and the traditionalists was on the wane. The Colonial Research Group in Oxford reminded Carr Saunders that it was 'in constant touch with Lord Hailey' and expected to be kept fully informed of the progress of the research on capital flows.²²

¹⁹ Memo from Lewis to Carr Saunders, November 1941. Carr Saunders replied fairly brusquely that three guineas could be charged to the project. The School appears to have had great difficulty anyway in getting research expenses out of the Colonial Office.

²⁰ Correspondence between Sraffa and Carr Saunders, 1941.

²¹ Reference from Tignor (2005: 36). A brief quotation can convey the flavour of Lewis's review: 'the book is not merely smug and self-satisfied: it reeks of that self-conceit which typifies the colonial Englishman and which is doing more than anything else to poison the relations between the races'.

²² Letter from Richenda Scott to Carr Saunders, October 1941.

Lewis completed his research on the flow of capital into the colonies by the spring of 1942. He had researched and drafted the Memorandum in less than six months. He wrote to Carr Saunders: 'Herewith draft memorandum for Lord Hailey. I am sorry it is so long delayed but it proved quite impossible to do any work in term time. It is about 16,000 words'.²³ The heavy load of research and teaching, however, had taken their toll on Lewis's health. In April 1942 he was admitted to hospital in London, where he was operated on for removal of the appendix. It would seem that this operation was not wholly successful in treating his symptoms. Two years later Lewis was back in the Woolwich Memorial Hospital, where he was diagnosed with a duodenal ulcer.

In October 1942, Lewis took on a second research project for the Colonial Office. The research assistant was F. V. Meyer, with whom Lewis was later (1949) to publish a paper, one of the very few of Lewis's published papers under joint authorship. On this occasion the Colonial Office agreed to pay for the research, though the surviving correspondence suggests that the School had great difficulty in getting the Colonial Office to pay up. There were three aspects to the research: imperial preferences; textile quotas; and government expenditure on public works. Lewis arranged for the final reports to be typed up and submitted, and early in 1945 he wrote to Carr Saunders specifically about the research on public expenditure:

it is a purely historical and statistical document, without direct relevance to policy and publication is not urgent. After the war I think we might try to get a grant out of the CO for it, since it will have a propaganda value for then, in showing that the development expenditures of colonial governments have been much greater than their detractors suggest.²⁴

4. Teaching

While carrying out research, and travelling between London and Cambridge, Lewis was also carrying a heavy teaching burden. Robert Tignor's biography stresses the high regard for Lewis's teaching, as revealed in the LSE staff files. Indeed, no less than Hayek had described Lewis as 'one of our best teachers'. The range of his teaching at LSE was unusually wide, from economic theory, business economics and transport economics, to economic history and the interwar economy of Europe and North America. In the session 1943 to 1944 he also offered a course in colonial economics, and when he was appointed Reader at LSE in 1947 it was designated in the area of colonial economics.

Lewis's role in Colonial Studies is worth mentioning at this stage. Colonial studies and colonial economics saw important changes during the 1940s. In the late 1930s, under pressure from the Colonial Office, colonial studies had been the subject of review at the places where it was taught, principally Oxford, Cambridge and London Universities. In response to questions from the Colonial Office, the University of London Senate had set up a special advisory board on colonial studies in 1942, recognising that 'in the post-war period a new era in colonial development is bound to open and measures of reorganisation and development are already being planned at the Colonial

²³ Letter from Lewis to LSE Director, Carr Saunders, 31 March 1942.

²⁴ Letter from Lewis to Carr Saunders, January 1945.

Office'.²⁵ A survey of what was on offer at Oxford and Cambridge had been requested by the Colonial Office in 1938. At Oxbridge the courses had scarcely changed since they were introduced a decade earlier, with the aim of preparing cadets for the colonial service. At all three institutions, London, Oxford and Cambridge, the courses in colonial studies ran for a single academic year. Economics was only one of the disciplines covered. The focus in economics was on economic theory and currency and banking. Other subjects covered were law, anthropology, languages, history, geography and colonial administration. Margery Perham was the examiner in colonial administration for all these courses.

The economics taught on the one-year vocational courses in colonial studies was not what we understand now as development economics. Lewis made this clear in his Laureate autobiographical note. He did not teach development economics as such until he arrived at Manchester. In London and Cambridge on the colonial economics course Lewis taught what he called 'elementary economics', with an emphasis on economic policy. It is also worth pointing out that until 1945 the scholars selected for training on these courses for officers in the colonial service were exclusively from Britain, were male, white, and overwhelmingly graduates of either Oxford or Cambridge. Their fees on the colonial studies courses were paid by the Crown Agents. It was not until 1947 that the Colonial Office made it known that it would welcome a few locally recruited officers on colonial studies courses, as well as some ex-service men who had missed out on a University education.²⁶ This is a point worth stressing because it places in context the rejection Lewis himself received when he applied for a post in the colonial service as an administrator in Port of Spain, Trinidad, after he had graduated with first class honours from LSE in 1937. The rejection Lewis received could not have been wholly unexpected by him, given the norms of the time. Tignor recalls that in later years Lewis referred to this experience only in the presence of individuals with whom he had a personal friendship, whom he knew to be sympathetic, and that this rejection by the civil service left its mark on Lewis.

5. The 'anti-imperialists'

In his Laureate autobiography, Lewis referred to the 'anti-imperialists' who shared his London days. He also referred to the contradictory elements of race and colour that characterised his years at LSE. On the one hand, he says, 'some doors that were supposed to be closed opened as I approached them. I have got used to being the first black to do this or that...'. On the other hand, he was 'subjected to all the usual disabilities – refusal of accommodation, denial of jobs for which [he] had been recommended, generalized discourtesy and the rest'.²⁷ Throughout his life, Lewis was reluctant to speak or write about his very personal experiences of racial discrimination. The London 'anti-imperialists' were less reticent. A friend of Lewis in his London days was the writer Peter Abrahams, a black South African newly arrived in London in October 1940 as a young man of 21. In his biography, *The Coyoba Chronicles*, Peter Abrahams recalls that:

there had not been many black faces on the streets of London in those days. The great influx from Africa, the Caribbean and the Indian sub-continent was still in the future. Most of the blacks seen in London were in uniform, part of the country's fighting forces, 'our

²⁵ *University of London Gazette*, 1942.

²⁶ Minutes of the Colonial Development course, University of Cambridge, 1947.

²⁷ Breit and Spencer (1986), op.cit.

boys', there to defend the 'mother country'; the empire in solidarity against the Nazis who would enslave the world. The racism of the Nazis threatened to make whatever we had experienced look like child's play. If they could be so brutal to the Jews, what would they do to the blacks?²⁸

Peter Abrahams was a member of the circle of left-wing anti-imperialists with whom Lewis associated in his London days. London was where anti-imperialism, pan-Africanism and socialism came together, supported by groups of West Indian and West African students, lecturers, teachers, doctors and lawyers. There were very few black females in these circles, neither women students nor professionals, but there was a small cohort of influential and committed white women with political or trade union connections. The anti-imperialists were, by definition, of the left but the spectrum was wide and represented all shades of socialist, communist and Marxist ideology. Lewis's sympathies were with the Fabian socialists, who had long since shed the conservative imperialism of the Webbs, to embrace a reformist agenda. What surprised Lewis's contemporary, Peter Abrahams, was the degree of colour prejudice that he found in London among white radicals. Without a union card or party membership it was extremely difficult for a black person to get a job in white-dominated political and union circles. Accommodation was also very difficult:

What came across clearly to me was that communists, leading communists no less than the members of the Working Men's Clubs, saw a difference between black and white, because they were black and white. The brave new communist world of the future, if it ever came, would not necessarily be a world free of race or colour. This was the first of many encounters with colour consciousness among communists, socialists and other left-wing radicals.²⁹

In wartime London the leading radical anti-imperialists were C. L. R. James, George Padmore and Jomo Kenyatta. They were joined in 1947 by Kwame (then Francis) Nkrumah, who travelled to England and registered for a doctorate at LSE. Nkrumah never finished his studies at the School but returned to the Gold Coast where, after the customary period of imprisonment by the colonial administration in 1950, he led his Convention Peoples Party to independence in 1957. George Padmore from Trinidad was a man of the hard left, a card-carrying communist party member who had occupied a senior position in the Communist International. Peter Abrahams recalled Padmore as an austere and unyielding individual, 'the man we never argued with, never crossed. It was the "Comintern man" who was contemptuous when Jomo had too much to drink. Or when Kwame was late for a meeting because of some woman'.³⁰

Though Lewis was acquainted with all these individuals in his London days, it is not easy to assess how he related to them.³¹ Yoichi Mine, in his paper (2004) devoted to Lewis's work for the Fabian Colonial Bureau, tells a thought-provoking story that illustrates Lewis's ambiguous attitudes towards his radical nationalist colleagues. Rita Hinden, the South African-born economist who had taken the initiative in establishing the Fabian Colonial Bureau in 1940, was organising a conference on the

²⁸ Abrahams (2000).

²⁹ Peter Abrahams (2000:45).

³⁰ Peter Abrahams (2000: 39).

³¹ Lewis wrote an obituary when Padmore died in London in 1959. Padmore had arrived in London in 1959 for medical treatment. Like Lewis, he had briefly been adviser to Nkrumah in post-independence Ghana.

south coast of England on the future of British colonialism. She had consulted with Lewis about possible speakers. Lewis replied that 'they should not invite Peter Abrahams because it was not Labour's friend but its enemy who should be called in'. But they were not to invite George Padmore either 'because his widely published writings are a possible source of trouble'. In the end Rita Hinden made up her own mind and invited Nkrumah as the main speaker, with Lewis to follow on. Characteristically Lewis denounced both the right and the left. On the right he castigated the Colonial Office for its racism. But he also condemned the militant anti-imperialists of the left for their neglect of practicalities, and their endless debates about 'general principles of the rights and wrongs of mankind'.³²

The Fabian Colonial Bureau itself represented a critical sphere of influence for Lewis in his London days. It was among Fabians such as Arthur Creech Jones, Evan Durbin, Rita Hinden and Harold Laski that Lewis found his intellectual home in his London days. The Fabians offered the young black economist a great deal of support and were to have a significant influence on his subsequent career. The Fabian Society, founded in 1884, describes itself as the oldest socialist group in Britain. It has always been closely linked to, but is not part of, the Labour party. The Fabian Colonial Bureau was a new arrival on the socialist scene in wartime London. It was a separate organisation from the Fabian Society, receiving funding from the Fabian Society, and later from the TUC and Labour party, but without any formal affiliation to these bodies. It was a boast of the Fabian Colonial Bureau from its earliest days that it was free to develop its own ideas on colonial affairs, and to support its own research and lobbying on colonial issues. In 1939 the Fabian Society (not yet the Bureau) published a pamphlet by Lewis on the labour unrest that had spread throughout the British West Indies in the 1930s. All the islands of the BWI had been affected in some way. The strikes began in St Kitts in 1935, had spread to Trinidad by 1937, and then on to Jamaica in 1938. As a Caribbean intellectual and applied economist, Lewis was uniquely qualified to comment on these social upheavals. He stated in his Fabian society pamphlet that his aim had been to examine the causes of the unrest and to trace the development of the Labour Movement to which it had given birth.³³ Although Lewis provided no details of these journeys in his pamphlet we know that he had visited the West Indies twice during the 1930s, first in 1935, when the unrest had already begun in St Kitts, and secondly in 1938, when it started to emerge in Jamaica.³⁴ On the basis of these visits he would have been able to report first hand on the extensive deprivation and poor labour conditions in the West Indian colonies in the 1930's. He wrote,

Nearly four thousand miles across the Atlantic lies a beautiful chain of islands forming a crescent from Florida in the United States to Venezuela in South America, and enclosing the blue waters of the Caribbean Sea. Though the British public seldom hear of them, the British West Indies are among the oldest and were once the most highly prized of British domains...For two centuries the islands were a scene of great prosperity, but in the

³² Yoichi (2004).

³³ Lewis (1939).

³⁴ Lewis travelled to Trinidad in 1935 and again in 1938 (passenger lists, UK *National Archives*). In his autobiographical account, Lewis tells us that *Labour in the West Indies* was based on newspaper accounts and conversations with some of the trade union leaders. He does not specify where these conversations took place.

nineteenth century that prosperity vanished...Once more they are in the public eye; but now on account of their poverty³⁵

The Fabian pamphlet contains Lewis's proposals for a strategy that would lift the West Indies out of poverty and reduce unemployment. He advocated imperial preferences for sugar exports, and a policy of industrialisation. Spending on social welfare also needed to increase. The poverty he saw around him, 'the ragged clothing, dilapidated housing and undernourished condition of the masses and their children', could be alleviated by redistributive taxation and social welfare measures. In the political sphere he put his faith in the emergence of responsible trade unionism, as opposed to militant political action, to remedy the deficiencies of colonialism.

The reformist strategies which Lewis advocated in this pamphlet were wholly consistent with the non-Marxist radicalism of Fabian socialism. In his LSE days Lewis was very close to the intellectuals and policy-makers of the Fabian Colonial Bureau, and was frequently called upon to author pamphlets or address conferences sponsored by the Bureau. He was a speaker at the Peace Aims Conference of the National Peace Council held in Oxford in January 1942. Arthur Creech Jones, Labour member of Parliament and Chairman of the Fabian Colonial Bureau, was the main speaker. Another speaker was Rita Hinden, Secretary of the Bureau and author of a key report on Africa, which was widely regarded as embodying the principles of Fabian thinking on colonialism.³⁶

Looking back 40 years later on those turbulent years, the radical Tobago-born sociologist Susan Craig strongly condemned Lewis, and Fabian socialism in general, as an insidious influence on the post-independence fortunes of the Caribbean.³⁷ Her case was that the later leaders of the Caribbean labour movement, such as Grantley Adams and Norman Manley, were too ready to fall in with the plans of the British Labour party, the British trade union movement, and the philosophies of Fabian-inspired intellectuals such as Lewis. It was the Fabians, with their support for 'responsible' trade unionism in the Caribbean, that had betrayed and out-manoeuvred the radical and nationalist elements in the Caribbean labour movement. Echoing issues that later emerged around CIA finance for liberal intellectuals in Britain in the 1950s, Susan Craig blamed the substantial US finance which was provided for 'responsible' unions in Guyana, Barbados, Jamaica, Trinidad and Tobago for perpetuating neo-colonial relationships in the Caribbean. US finance strengthened US control over local labour in the bauxite industries. Influence was exercised through the selection of personnel, through specific training programmes and the targeting of funds, in order to ensure that the labour movement in key export sectors of the Caribbean remained 'anti-communist'. Susan Craig indicts Lewis in his 1939 pamphlet for his support of what he termed the

³⁵ Lewis (1939: 6).

³⁶ Hinden (1941). Rita Hinden graduated from the London School of Economics with a degree in economics in 1931. She was awarded her doctorate from the School in 1939. At the Fabian Colonial Bureau, in partnership with Creech Jones, she is credited with developing the basis of Labour Party policy towards the colonies in the 1940s and 1950s. See Creech Jones and Hinden (1945). In the 1950s Rita Hinden, then editor of *Socialist Commentary*, was a key intellectual in the Congress for Cultural Freedom, the anti-communist thinktank which received covert funding from the CIA (Wilford, 2000).

³⁷ Craig (1977). Susan Craig advises that 'Lewis must not be seen simply as a lone visionary, a consultant-at-large. He was, in fact, the leading ideologue of his class and of imperialism, at the crucial period in the formation of the modern Caribbean' (op. cit., p. 77).

'sober, responsible men', who were seeking to replace 'irresponsible extremists' in the labour movement.

Lewis, of course, believed that the West Indies needed to attract foreign capital and that this would not happen if there were serious labour unrest. Whether Lewis's support for the moderate elements in the Caribbean labour movement went any deeper than this, and indeed the extent to which he was tied ideologically at this stage in his career to his colleagues in the Fabian movement, is very difficult to say.

6. Communicating with the public

Unusually for LSE economists of his generation, Lewis was a pioneer in the art of public relations. In his LSE days he was seldom out of the newspapers, reviewing books, and even films for *The Keys*, and offering serious comment on a variety of economic issues. He was outspoken and uncompromising in his views. The problems he presented for editors surfaced in his dealings with the *Manchester Guardian*. Lewis wrote articles and reviews for the paper from 1945 to 1955, a period when the paper was under the famous editorship of A. P. Wadsworth. Under Wadsworth the paper had maintained its radical and critical credentials, but it had moved more to the centre-left. In Labour party shorthand it was Ernest Bevin, rather than Aneurin Bevan. Wadsworth first wrote to Lewis at Peterhouse in June 1945, a month before the General Election which to put the Attlee government into power. 'Harold Laski tells me that you have got released from Government shackles and suggests that you might like to write an article for us on Benham's report on the economic future of Jamaica. I should be extremely glad if you could, and would suggest a length of about 950 words.'³⁸

Lewis had been 'released' from his temporary post at the Board of Trade by this stage, and had returned to academic life in Cambridge. It is interesting to speculate on whether civil service policy on 'colour' had played any role in his early release, since the best temporaries were asked and expected to stay on in the civil service. Lewis was not offered a permanent post, unlike Harold Wilson, who wanted to stand for election to the House of Commons in the 1945 election and had to engineer his own early release from the Board of Trade. Wilson departed from the civil service with an OBE in the 1945 honours list. Harold Laski, who recommended Lewis to Wadsworth, was a prominent Fabian, as also was Harold Wilson at this stage in his career. Wilson remained a member of the Fabian Society executive until 1945.³⁹

Lewis replied to the *Manchester Guardian* that he would be pleased to write a review of Benham's report. Lewis sent the review to Wadsworth in the middle of July, just days ahead of the election, 'herewith the promised article on Benham's Report. When one disagrees so completely with an important state paper, it is Herculean to confine oneself to 950 words'.⁴⁰ The review of the Benham

³⁸ Letter from A. P. Wadsworth to W. A. Lewis Esq., June 1945, *Manchester Guardian Archives*.

³⁹ Harold Wilson drew on his experiences as a temporary civil servant to produce a book, *New Deal for Coal*, which, according to his biographer Ben Pimlott, 'had the character of a Fabian blueprint'. It was published on the day of the 1945 election. In it Wilson rejected the populist workers control approach to nationalisation, in favour of control by 'men chosen for their ability and technical competence'. Socialism was equated with modernisation. Nationalisation was recommended, not for doctrinal reasons, but on the grounds of efficiency (Pimlott, 1992: 88).

⁴⁰ Letter from Arthur Lewis to Wadsworth, July 1945. *Manchester Guardian Archives*.

Report was an example of Lewis's tendency to pen withering critiques of books and reports with which he disagreed. There is little doubt that his review would have incurred deep displeasure in some influential circles, all the more remarkable in that the principal author of the Report, Frederic Benham, was a senior colleague of Lewis at LSE, where he held a Chair in the Commerce department. Wadsworth no doubt wisely drew back from giving Lewis's article the formal blessing of the *Manchester Guardian* (motto: 'comment is free, facts are sacred').⁴¹ Wadsworth replied to Lewis:

I am a little doubtful whether your analysis of the Benham Report is not too critical to be used as an article. I mean it would be criticised as not giving quite an adequate account of the proposals demolished. It would, however, do admirably in our correspondence columns, and it would, of course, be paid for at article rates.⁴²

We do not have a record of the original review of the Benham Report that Lewis submitted to the *Manchester Guardian*. He did publish elsewhere a long and highly critical article of the Benham Report.⁴³ In all likelihood this was substantially the one which Wadsworth rejected. However, the letter that Lewis substituted, which appeared in the *Manchester Guardian* in August 1945, was stinging in its criticism of the Benham Report. In the letter Lewis accused the author of the Report of making 'elementary errors' in his desire to discourage 'at all costs' a policy of industrialisation in Jamaica. The Report was 'naïve' in suggesting that the Jamaican balance of payments could be righted simply by exhorting workers to become more productive. According to Lewis, 'twice as many people [were] trying to live on the land as it can support and this is the principle cause of the very high level of unemployment which is the island's gravest social problem...'. There were 'technical errors' too, and the Report 'does not even see the significance of the figures it publishes'. The Report 'fails miserably'. The policy it advocates is 'most dangerous'. It would 'increase unemployment, prevent development and bankrupt the island'.⁴⁴ It is difficult not to detect a personal element in this review. Possibly Lewis resented the fact that it was Benham, and not himself, who had been appointed to conduct the Enquiry into the economic future of Jamaica. Certainly Benham had been educated in the classical liberal tradition, and as a disciple of Edwin Cannan at LSE he was a strong opponent of tariffs and other forms of trade protection. But this alone would not have accounted for such a damning review. After all, Arnold Plant, with whom Lewis always maintained very cordial relations, was an equally strong advocate of the benefits of an unfettered price mechanism. It is unlikely that Lewis would ever have penned such a hostile review of Plant's work.

In 1948, after he had moved to the University of Manchester, Lewis submitted another article to the *Manchester Guardian* with which the Editor disagreed. This time it was an article advocating an export tax on cotton goods from the UK. Bearing in mind the liberal free trade antecedents of the paper, this was not a happy choice. It is hardly surprising that the Editor declined the article, saying that 'the views you put are very different from ours...we are afraid that the loss of good will, both

⁴¹ The quote is from an essay (*Manchester Guardian Archives*) written by the celebrated owner/editor, C. P. Scott in 1921, to mark the centenary of the *Manchester Guardian*. The quote, which went on to say that: 'the voice of opponents no less than that of friends has a right to be heard', has often been taken as a statement of the values of a free press.

⁴² Wadsworth to Lewis, August 1945.

⁴³ Lewis (1944).

⁴⁴ Lewis to the *Manchester Guardian*, 17 August 1945.

political and commercial, caused by an export tax would be far greater than we can afford'.⁴⁵ Lewis was asked once more to substitute a letter for the article. More congenial, however, would have been the invitation from Wadsworth for Lewis to review a recent book by the late Evan Durbin: 'I kept it back for you because it would be nice to have it treated with a little sympathy, and I am afraid that most of our academic colleagues would hardly approach it in that way.'⁴⁶ The book in question was Durbin's *Problems in Economic Planning*, published posthumously in 1949. Durbin, a Fabian socialist, had been one of the strongest supporters of Lewis on the Colonial Economic Advisory Committee and may indeed have been instrumental in getting Lewis appointed as Secretary to the Committee. Durbin was a lecturer in economics at LSE when Lewis arrived as an undergraduate.⁴⁷ At the outbreak of war he had joined the economic section of the war cabinet and was later appointed personal assistant to Clement Attlee. In 1945 he was one of the new Labour MPs, a group which included Hugh Gaitskell, Richard Crossman and Harold Wilson.

Through his life Lewis went on to write short articles, letters and reviews on a variety of topics for newspapers and periodicals. In this way he communicated with a wide range of people unconnected with his academic and political life. In his London days he was both editor and a regular contributor to *The Keys*, the journal of the League of Coloured Peoples. In this role he did not confine himself to economics, but tackled head-on the racial discrimination and exploitation familiar in the everyday experiences of his readership. Even the popular film *Gone with the Wind* became the subject of one of his critical reviews. His conclusion was that its depiction of black people as a group whose every act was comic, was unlikely to do the image of black people much good.

In his London days, as was evident in his treatment of Margery Perham's and Frederic Benham's work, Lewis could write highly critical, even offensive reviews of anything or anyone with whom he disagreed. It is interesting that the South African-born activist and writer Peter Abrahams tells us that in left wing circles in London in the 1940s:

the competition to be published was fierce, fiercer if anything than the competition for certain jobs. And any means to put down the competition was used. Racial prejudice, sex discrimination and sneering at each other's work were all fair game. Book reviews were means for cutting down some and promoting others.⁴⁸

It is highly probable that Lewis sought out book and film reviews to provide much-needed additional income at this point in his career. When LSE was evacuated to Cambridge he had found it difficult to meet the additional costs of lodgings in London to carry out his research. In London he lodged in Redcliffe Gardens, Chelsea, even then a cosmopolitan and bohemian locality favoured by artists and writers. It is salutary to remember that many of Lewis's colleagues at LSE would have been much more financially secure than he was, often public school men, coming from well-to-do backgrounds. Even those from modest backgrounds could usually count on support from family and friends close at hand, to help them at critical points in their career. Lewis, like most of his young

⁴⁵ Acting Editor to Lewis, June 1948.

⁴⁶ Wadsworth to Lewis, November 1949.

⁴⁷ Ingham (1992).

⁴⁸ Abrahams (2000: 43) op.cit.

contemporaries from the Caribbean, had none of these advantages and until he had become firmly established as an academic, his financial situation must have been quite precarious.⁴⁹

7. 'Intellectual feasts'

There were brilliant economists at the London School of Economics in the 1930s and 1940s, some of whom had a lasting influence on Lewis's intellectual development. In his autobiographical account for the Nobel Laureate Lewis recalled John Hicks, Roy Allen, Nicholas Kaldor, Friedrich Hayek and Lionel Robbins. He said, however, that his greatest personal debt was to the lesser-known Arnold Plant. The Nobel prize winner Ronald Coase was also one of Plant's distinguished students in the 1930s, as also was Arthur Seldon, the joint founder of the right-wing think tank, the Institute of Economic Affairs. His ex-students all speak well of Arnold Plant.

Arnold Plant, together with Lionel Robbins, was a strong exponent of the classical liberal tradition in economics at the School. He had a great breadth of scholarship, however, which clearly appealed to Lewis. Ronald Coase reports that Plant was an inspiring and generous teacher.⁵⁰ Arnold Plant had an interesting career, with aspects that would have resonated with the young Lewis.⁵¹ In the first place, Plant had trained and worked very successfully as a mechanical engineer before entering LSE. Engineering would of course have been Lewis's own choice of career, had it not been for the colour bar in the West Indies. By the early age of 21 Arnold Plant had been appointed to a senior managerial position in an engineering firm. Then he enrolled as a student at LSE on the advice of the businessman William (later Lord) Piercy. He studied for the newly established B Com as an external student, and graduated in 1922. Simultaneously he was registered for the BSc Econ, and graduated from this programme in 1923 with first class honours. Interestingly, on the economics degree Plant specialised in economic history, which later came to be a highly important feature of Arthur Lewis's own researches.

In 1924 Plant was appointed to the John Garlick Chair of Commerce in the Faculty of Commerce at the University of Cape Town, where he drew up the curriculum for a new Bachelor of Commerce degree. Though he could not be described as an early 'development economist', Plant had observed at first hand the problems arising out of the South African racial laws. In early papers written in South Africa, he compared the restrictions placed on black South Africans to 'those commonly employed to impede competition'. He went on to argue that:

⁴⁹ Patricia Cumper's novel, *One Bright Child* (1998), is based on the true story of her mother, Gloria Carter, who came from Jamaica to study law at Girton College, Cambridge in 1944. She was Girton's first black female law graduate and went on to enjoy a distinguished career in family law in the Caribbean. Patricia relates how difficult life at Girton was for a student like Gloria, whose family finances were very limited. Gloria Carter almost gave up her studies in Cambridge when the family in Jamaica was unable to raise the final instalment of her fees, after a storm had destroyed their banana crop. Gloria Carter went on to marry a fellow Cambridge graduate, the English-born economist George Cumper. Their 'mixed' marriage was strongly opposed, not least by George Cumper's Cambridge tutor. The Cumpers were great friends of Arthur Lewis and often visited the Lewis family in Manchester in the 1950s (information supplied by Gisela Eisner).

⁵⁰ Ronald Coase had also entered the LSE (in 1929) to study for the Bachelor of Commerce degree. In his Nobel speech (1991) he related how in 1931 he 'had a great stroke of luck. Arnold Plant was appointed Professor of Commerce...He was a wonderful teacher. I began to attend his seminar...It was a revelation'.

⁵¹ Information on the career of Arnold Plant is from Coase (1986).

the colour of [their] skin as a basis for privileged treatment is but one particular phase of the universal habit among the lazy or inefficient of seizing hold of an entirely irrelevant characteristic of their competitors and endeavouring to persuade the general public that it constitutes a sufficient ground for legislation against that particular class as a whole.⁵²

Though Plant did not publish prolifically, he maintained his interest in the economics of race and racial discrimination into the 1960s, as demonstrated in the review he wrote in 1965 of the book *The Economics of the Colour Bar* by his old University of Cape Town colleague, William Hutt.⁵³ Plant's work on the economics of racial discrimination foreshadowed many later analyses. Arthur Lewis presented an excellent and lucid treatment of the subject in 1985.⁵⁴ In this article, Lewis, true to the neo-classical principles that he absorbed at LSE, identified the circumstances in which the labour market is defective in supporting discriminatory hiring practices. In an analysis that echoed Plant, he pointed out that racial differences tend to facilitate segmented markets. Group solidarity comes to the fore and minorities are kept out of the network.

Economists see the losses imposed by discrimination as deprivation of the opportunity to contribute one's talents and skills to the making of national income. They do not appreciate the picture in which the big creatures are gathered around the feeding place while the little ones are trying, with minimal success, to push their way in.⁵⁵

Lewis came under fire from some of his more radical black colleagues in his Princeton years for his conservatism on racial issues. In this context, it needs to be stressed that even though the 1985 article is very measured in tone, it is nevertheless a strong and unequivocal rejection of a labour market in which, as Lewis says, 'competition is not enough'. He is especially dismissive of those who complain that they are being displaced by minorities from the jobs or training they expected. 'Such displacement is not by accident. The expectation of the job was based on discrimination, monopoly, or market failure, and should not have existed in the first place.'⁵⁶

In spite of his lasting interest in the subject, race relations was not Arnold Plant's recognised area of expertise. His appointments in South Africa and at LSE were in the area of industrial organisation, and this is where Lewis fitted in. In 1937, following his graduation from the B Com degree, Lewis was awarded a postgraduate scholarship to study for a doctorate under the supervision of Plant. The topic for the doctoral research was pricing, in circumstances where average cost exceeds marginal cost. The research set out to demonstrate how firms could cover fixed costs in such situations. It was published in 1949, after Lewis had left London for Manchester, under the title *Overhead Costs: Some Essays in Economic Analysis*.⁵⁷ Lewis later described Arnold Plant as a 'laissez-faire' economist, and though they had what Lewis described as 'intellectual difficulties', he makes clear that this did not stand in the way of their friendship. This was often the case with Lewis. He could get along with colleagues with whom he disagreed fundamentally on an intellectual level, provided that he respected them as people. The big-name economists at LSE in

⁵² From Arnold Plant, *Selected Economic Essays and Addresses* (1974). The book was favourably reviewed (review untitled) by Ronald Coase in the *Journal of Economic Literature*, 15(1), March 1977, 86-88.

⁵³ Plant (1965).

⁵⁴ Lewis (1985).

⁵⁵ Lewis (1985) op.cit.

⁵⁶ Lewis (1985) op. cit.

⁵⁷ (London: Allen & Unwin).

the 1930s were all in the classical liberal or neo-classical tradition, which may not have been altogether to Lewis's liking. However, at LSE he also came into contact with political scientists. Harold Laski, for example, who held the Chair in Political Science, was also chairman of the Labour Party in 1945-46, and had a strong following at LSE among the student body and the younger academics. It was Laski who recommended Lewis as a possible correspondent and reviewer for the *Manchester Guardian*.

At LSE Lewis also came into contact with a number of very committed anthropologists. When he had completed his Memorandum for Lord Hailey in 1942, Lewis asked Carr Saunders to approach the LSE anthropologist Raymond Firth for comments on the draft. Raymond Firth had trained initially as an economist. He had come to the School in 1930 and was promoted to the Chair in Anthropology in 1944, following the death of Malinowski. Firth was one of a new generation of anthropologists at LSE who were committed to bringing the insights of social science into the discipline of anthropology. His work in the peasant societies of the Pacific Islands had convinced him that colonial governments needed, as a matter of urgency, to improve their knowledge of colonial peoples, by collecting information on the social and economic conditions in which they lived. This was the starting point for the Colonial Social Science Research Council (CSSRC), in which Raymond Firth and the anthropologist Audrey Richards (also of LSE) were to play key roles. The remit of the Council was to organise multidisciplinary social science research in the colonies. It was responsible for the creation of regional research institutes in the colonies, and an extensive programme of research into issues as diverse as local government, labour migration, land tenure and administrative law.

In setting up the Colonial Research Committee that preceded the CSSRC, the case for including anthropology had to be argued by Lord Hailey in the face of official scepticism. Arnold Plant was numbered among the sceptics. When Plant was appointed Chairman of the CSSRC, he articulated official hostility to social research in the colonies by bringing to an end its funding. In 1956, Plant wrote to Audrey Richards, pointing out that colonial funding of social research did not 'meet the mood of the times'. Dependencies that were on the road to independence were suspicious of social research funded by colonial governments, believing that it could constitute covert political interference. Despite valiant efforts by Audrey Richards to counter official arguments, the CSSRC was wound up finally in 1963.⁵⁸ It is highly likely that Lewis shared or even influenced his mentor in this scepticism of the role of social research in the colonies. Lewis always had a great deal of personal respect for anthropologists such as Raymond Firth, but this did not extend to the discipline itself, especially as it developed in the 1940s and 1950s. Social research had been given a major role in the institutes of social and economic research that were founded in the 1940s under the Colonial Development and Welfare grants. In the Institute of Social and Economic Research (ISER) in Jamaica, for example, which was founded in 1948, the early focus was on models of social stratification with research led by radical sociologists such as Lloyd Braithwaite. However, when Arthur Lewis returned to the Caribbean in the early 1960s, and set up the ISER of the Eastern Caribbean in Barbados, he placed the emphasis firmly on development economics. Lewis's ISER (Eastern Caribbean) was funded by the Ford Foundation. Under Lewis it concentrated on economic analysis supported by statistical evidence. It concentrated on the collection of basic statistical information on national income and foreign trade, together with feasibility studies for agriculture,

⁵⁸ The story of the CSRRC is told in Mills (2002).

industry and tourism, in order to provide a basis for development planning. 'Social' research as Lewis interpreted it was to be restricted to statistical surveys of health, housing and educational needs.⁵⁹

8. Conclusion: the legacy of Lewis at LSE

Lewis came under a wide range of intellectual influences during his time at the London School of Economics. They encompassed all traditions in economics, from the classical and neo-liberal wing through to Keynesian and neo-Marxist theorists. The influences came not only from economists. Among the LSE community there were distinguished sociologists and anthropologists, political scientists and political activists, people of all colours and persuasions, white conservatives and liberals, refugees from Nazi Germany, and revolutionary nationalists from Africa. Some of their beliefs stayed with Lewis throughout his life. Others he confidently and precipitously rejected out of hand. Coming from a modest academic background where no-one had ever heard about 'economics', Lewis could easily have been bewildered or even disaffected by exposure to so much conflicting theorising at an early stage in his career. Instead he gained enormously from the breadth of scholarship at LSE. Throughout his life his writings were to reflect what he himself called the 'intellectual feast' which he had experienced in his decade and a half at LSE.

Lewis wrote four books during his London years. There was *Economic Problems of Today*, written and published in 1940; plus three books that were written in London but not in print until after he had left LSE. These three were *Overhead Costs: Some Essays in Economic Analysis* (1949); *Economic Survey, 1919-1939* (1949); and *The Principles of Economic Planning* (1949). His first book, *Economic Problems of Today*, was published by Longmans in 1940, just after he had finished his doctorate. It tends to be overlooked and regarded as 'lightweight', which is unfortunate. The book was written, as Lewis says in the Preface, not for the specialist economist but for the general reader and he acknowledged the important role of 'intelligent layman' played by his friend L. A. H. McShine, who had caused Lewis to clarify the exposition.⁶⁰ There is a tendency to underestimate economics when it is written in a simple style. This book is no exception, but its simplicity is deceptive. As an example, the chapter entitled 'Property' raises a number of difficult ethical and philosophical questions for the economist. The arguments developed for reforming inheritance tax to achieve a wider distribution of property in a 'mixed' economy have dated not at all. It is worth quoting from the preface to this book, as it encapsulates what Lewis believed about the role of economics in everyday life and his role as a teacher of economics:

Sooner or later, at work or at the polls, every one of us is called upon to pass judgement on these issues, so as to shape and reshape the social conditions in which we live. To fail to understand them is to pass the initiative into the hands of groups whose actions may change the whole pattern of our lives.

⁵⁹ Progress Report of the *Institute of Social and Economic Research (Eastern Caribbean)* 1963–1965.

⁶⁰ Dr McShine was an Island Scholar from Trinidad, educated there at the prestigious Queens Royal College. In the Preface, Lewis also acknowledges help from two head teachers in the south of England, and Arnold Plant and Lionel Robbins, 'who have taught me all the economics I know'.

He went on to caution, 'let the fate of Germany be a warning to any who would leave it to "politicians" to settle these matters for him.'⁶¹

The remaining three books that Lewis completed while at LSE are better known. One, *Overhead Costs*, is a study in price theory. It was based on the research in industrial organisation that Lewis carried out for his doctoral thesis under the supervision of Arnold Plant. Another book, *The Principles of Economic Planning*, was based on a Fabian pamphlet. It was written, as Lewis wryly pointed out in his Nobel Autobiographical Note, in what passed for his 'spare time' in his London days. It deals with aspects of planning in a 'mixed' economy. The third book, *Economic Survey 1919–1939*, was a study of the inter-war Depression based on the lectures Lewis gave at LSE between 1944 and 1948. When taken together, what is so astonishing about these three books is the sheer breadth of the subject matter. They range over price theory and its applications, political economy, and economic history. The insights are all the more remarkable when it is recalled that Lewis was then at the very beginning of his career in economics.

Lewis published three papers in *Economica* between 1941 and 1946 that were based on the material in his doctoral thesis, later to be published in the book *Overhead Costs*.⁶² In each of these papers the reader can find something which reinforces or challenges current concerns about the behaviour of firms. In the paper, 'The two-part tariff', Lewis examined the incentives to two-part charging. He clearly distinguished five sets of circumstances in which a business would seek to make a fixed charge as well as a charge related to units consumed. The first circumstance, as in electricity supply, is where equipment is left idle for periods of time in consequence of periodic *fluctuations* in demand. Secondly, a business might choose a two-part tariff to escape *risks* of unforeseeable changes in demand. A third set of circumstances is when a business tries to extract some of the *consumer's surplus*. Fourthly, the two-part tariff could be a form of *price discrimination*. Finally, two-part charging could be based on the existence of differential *customer costs* which do not vary with consumption. Much of Lewis's analysis of differential customer costs remains relevant today. One has only to think of current debates about the higher charges made to consumers of gas and electricity who use pre-payment meters. The paper goes on to explore whether two-part tariffs are in the consumers' interest. Again the debate is very up-to-date in tone, with Lewis arguing that 'the public's principal safeguard against the abuses of tariff making is competition, which makes exploitation impossible'.⁶³

The paper, 'The effects of loyalty', takes on an interesting and related question, namely the reasons why a firm may differentiate between loyal and disloyal customers. Again it is a question with modern resonances with widespread loyalty cards and loyalty discounts. Lewis argues that discounts may emerge even in highly competitive industries if they are related to costs of supply. For example, if the sales are made on a credit basis, only one account will be necessary for the loyal customer who offers repeat business. There can be real economies in quantity selling, and quantity discounts can often be justified on the grounds of lower costs. But loyalty discounts may have a more sinister purpose if they are used to maintain or extend a monopoly position. One of the examples Lewis gave was of the 'tied' public house, which has been outlawed only in more recent

⁶¹ Lewis (1940: v).

⁶² The three papers are 'The two-part tariff', *Economica* (8).29, 52–76 (1941); 'The economics of loyalty', *Economica*, 9(36), 333–348 (1942); and 'Fixed costs', *Economica*, 13(49) (1946).

⁶³ Op. cit.

times. In Lewis's analysis the brewers who imposed 'loyalty' on their tenants by insisting that they should purchase only the brewers' beers, wines and spirits were exploiting both the tenant and the public.

Finally, the third of the papers in *Economica*, 'Fixed costs' (1946), is a significant analysis of the co-ordination of investment decisions in industries with a high ratio of fixed to variable costs, and where similar services are supplied. The examples given are gas and electricity, and road and rail transport. Lewis goes on to explore the implications of investment decisions in these circumstances. For example, if a rail company is contemplating whether to lay a new track or not, its decision on whether to go ahead might depend upon whether a road authority decides to build a feeder or parallel road. Can price competition secure proper co-ordination of investment decisions in these circumstances? Lewis believed that the answer on balance was yes. Nationalising these enterprises to co-ordinate investment decisions was therefore unnecessary and would lead to bureaucratic inefficiencies. It was not necessary to nationalise the railways and road transport to co-ordinate investment decisions. The market could be relied upon to carry out this function. The case for nationalising the railways could only be based on scale economies, and this would lead to the concentration of economic power. Even so, scale economies applied only to the tracks and not the trains... possibly anticipating more recent debates about the splitting of 'tracks' and 'trains' when the railways were later denationalised in the UK.

In the 'Fixed costs' article, Lewis came down in favour of competitive market solutions wherever possible to resolve issues of co-ordination for infrastructural investments. This argument was taken an important stage further in the book *The Principles of Economic Planning*. This book first saw the light of day in the summer of 1948 as a Fabian Society pamphlet. As Lewis makes clear in his preface to the new edition in 1950, its reception as a Fabian pamphlet had been rather mixed. Some colleagues complained that it was an anti-planning book. Others criticised the author for his excessive fondness for government intervention. Not for the first time, Lewis occupied the rather uncomfortable middle ground position, attacked from both the right and the left. In the planning debate Lewis, as he said, had little sympathy for 'those who wish to proceed mainly by surrounding people by licences, quotas and other orders specifying where they may work, what they may make, where and what they may buy, and to whom they may sell'. What he called 'planning by direction' was costly, inefficient, and had a stifling effect on enterprise. Instead, he envisaged 'a market economy modified by state action at many crucial points'.⁶⁴ This was to be the hallmark of Lewis's economics throughout his long academic career. A great deal in the book has stood the test of time, for example the emphasis throughout on the need for governments to encourage greater mobility of factors of production, because 'the smoothness with which the market economy functions depends on the extent to which resources are mobile; it is immobility that necessitates planning by direction'.⁶⁵ There was also a chapter entitled 'Fair shares for all', a hallmark of Lewis's socialist credentials, placed firmly at the beginning of the book and not as an afterthought towards the end, as distribution issues so often are in economics texts. In this chapter, Lewis claimed that progressive income taxes had probably gone as far as they could go in the UK in redistributing income. Instead, the emphasis needed to be placed on the redistribution of assets through death duties and levies on capital. More than this, the state should actively seek to reduce *inequality of*

⁶⁴ Lewis (1950: 14).

⁶⁵ Lewis (1950: 86).

opportunity in education and in employment. There is nothing remotely dated about the emphasis Lewis placed on equality of opportunity, nor on the role he envisaged for the development of human capital, both as a means of increasing opportunities and as a way of enhancing labour mobility in a mixed economy.

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