

Tribute to Basil Yamey

David Metcalf, January 2019

Basil, half a century has gone by since you kindly asked me to teach the undergraduate classes to complement your lectures in Industrial Economics. I also taught classes to accompany Henry Phelps Brown's lectures in Labour Economics. This grounding provided a wonderful entry into applied microeconomics. I wonder who now knows what Resale Price Maintenance was. Unlike today there was not much game theory. But limit pricing and the survivor technique to estimate optimal firm size remain important.

All new lecturers in Economics were allocated a mentor ("uncle"). I was fortunate that you were my mentor. This was a pivotal relationship in the tenure process and decision which was exceptionally rigorous. You were gracious and constructive and took the role seriously. Fortunately, you did not go to the extremes like Harry Johnson. Harry collared Helen (my wife) at an LSE function and said: "We like David, but he should work one day, or preferably both, at the weekend"!

When I came to LSE Helen and I had only just got married and she became a student again, doing a Masters in Economic History at the School. So, we did not have much money. I mentioned this to you and you kindly arranged for me to work one-day-a-week as an economic consultant at the Monopolies Commission, where you were a Commissioner. I recall the pay was around £5 per day, annually equivalent to around one fifth of my LSE pay. The late Brian Hindley had a similar job. It was a great experience. I worked with Edith Penrose on a conglomerate merger – Rank Xerox and De La Rue I recall – when conglomerates were quite novel. And various monopoly enquiries including Fisons fertilisers.

The Monopolies Commission was located in an elegant building in Cornwall Terrace overlooking Regents Park. I used to feed the ducks at lunch-time. As a result of the Monopolies Commission job I got introduced to some of the top civil service administrative talent. Sir Henry Hardman took me under his wing and I did some work for him at the Covent Garden Market Authority.

You also arranged for me to receive a scholarship from the Anglo-Israel Foundation. This required visiting Israel for a month and writing a report on any chosen subject. Helen, and I both loved the sun, so Israel in August was fine. However, 1969 was a challenging time, not long after the Six Day War. I wrote a paper on Income Policy in Israel, subsequently published in British Journal of Industrial Relations

1968-1975 was a very exciting time to be at LSE. There were new senior people – Frank Hahn, Terence Gorman, Amartya Sen and Alan Walters. And a steady influx of new lecturers such as Richard Layard, David Hendry, Steve Nickell, Chris Pissarides, Mike Bromwich, Christine Whitehead, Brian Griffiths and Ray Richardson – who all went on to great things.

At that time much of the general public thought of LSE as a hotbed of left-wing radicalization. This was probably mainly as a result of the 1968 occupation of the school administration by the students. But this perspective as, and is, completely wrong. Certainly, in economics all approaches along the spectrum were present – from Laurence Harris and Meghnad Desai at one end to Alan Walters and Harry Johnson at the other end. I tended to come at many issues from a social democrat outlook. But, I learnt so much from the Institute of Economic Affairs – Chicago colleagues – for example you, Peter Bauer, Harry Johnson, Morris Perlman, Bob Gould and Brian Hindley.

When I returned to the School in 1985 you had just retired. We met for coffee sometimes in the SCR. You always had a fund of anecdotes but, simultaneously, were keen to know my take on labour market issues. When I was appointed to the Low Pay Commission we had many chats about the pros and cons of the National Minimum Wage.

Thank you for helping me so much at the start of my academic career and for being a colleague and friend for five decades.

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