



A DIGEST OF NEWS AND VIEWS ON BRITAIN'S ECONOMY  
AND OUR ROLE IN OVERSEAS TRADE AND PAYMENTS

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## THOUGHTS FROM THE CHAIRMAN

We welcome the exercise of democracy and the new Government with its new personalities and ideas. In the historical sense it was time for a change as there are many things that a Labour Government can do that a Conservative Government cannot and vice versa.

The Conservative Government was brilliantly successful in the 1980s in stimulating the restructuring of British Industry and industrial relations making Britain the most successful economy in Europe, an awesome achievement.

The new Labour Government will be able to tackle areas that cannot be addressed by the Conservatives. Labour can deal with Social Services and Social Security without causing political uproar. When the Conservatives try to address these areas Labour adds its support to the howls of protest, when Conservatives cut military expenditure there is little protest as it is hardly something the Labour party would rush to defend. We will see probably a re-structuring of the Social Services and certainly their costs contained, if not reduced as a percentage of gross national product.

The same will be true for education. New Labour will require standards to be improved and enforce their will as Conservatives are unlikely to support the protesters who wish to maintain the status quo.

Tony Blair is fortunate in having such a huge majority, he is unlikely to have trouble from his left wing and some of the wackier elements of the old Labour.

The constitution will I think be the most critical issue for Britain over the next five years. By contrast the European Union will diminish in importance. Having listened to many Speakers over the last year or so and having tried and failed to seek out the intellectual argument for monetary union, I believe it is a phenomenon that will not happen or if it does, its life will be one of turmoil and civil unrest, so hopefully short-lived. It is clear that the populations of Europe don't like the idea and the first taste is certainly not attractive; hopefully over the next year we will see the issue 'postponed' and basically this will mean that it disappears from our agenda.

The European Union is a bureaucracy, led by Commissioners, that came out of the valid concept of a European free trade area. The concept was hijacked as a political machine to counter the Russian threat when there was a possibility that America might withdraw its troops from Europe.

The first trade objective is still very incomplete, the second necessity has largely gone away and the bureaucracy has conceived of a currency union as a way of extending their control over the politics of the whole of Europe.

Brussels hopefully will now be encouraged to complete its original purpose

of creating a genuine free trade area by removing the inhibitions on the movement of goods across Europe.

The most fascinating economic phenomenon as we go into the next century is one that is very similar to the situation at the end of the last. The technology of the silicon chip is doing to economics what the technology of the internal combustion engine did a hundred years ago. The silicon chip is still in its infancy but is already having dramatic effects which are still largely unrecognised. One effect that can be seen but is still not wholly accepted, by economists particularly, is the incredible increase in productivity which is upsetting the predictions on inflation in the United States and, to a slightly lesser extent, in the UK. The provision of today's goods, and to some extent services, is improving in performance and quality without proportionate increase in cost. The chip is becoming an ubiquitous engine of growth, as it increases man's intellectual performance, just as the internal combustion engine and electric motor increased man's physical performance.

Humans are immensely adaptable animals and are not therefore the most efficient at any particular function. Physically we are not the strongest or fastest creatures in the world, but with engines we become so. Intellectually we are also not the best adapted for organisational and rational behaviour but computers can improve our performance. It is also worth noting that this technological revolution is far less environmentally damaging than any that has gone before. Indeed it is the technology that we need to improve the environment

If political change can keep pace with technological change then the aspirations of our various populations can benefit from the general wealth creating possibilities and the next decade or so looks rosy.

The greatest dangers come from the bureaucracies that feel they know the answers to everything and try to impose economic policies that have failed in the past, to the changing economic environment causing unnecessary disruption.

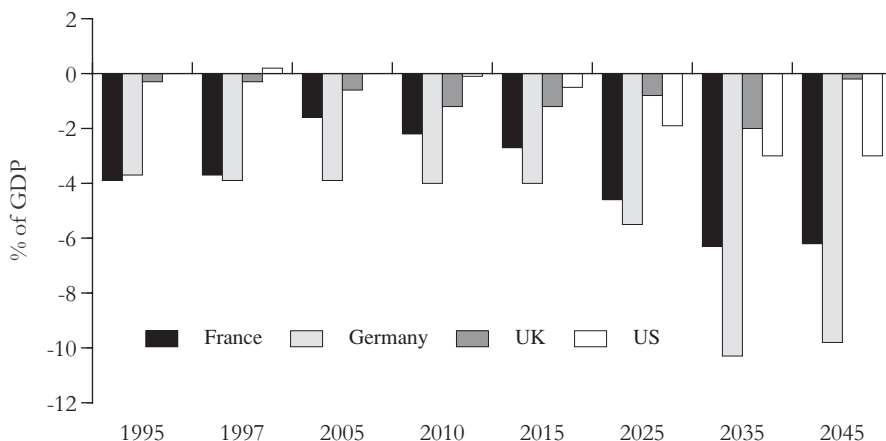
Damon de Laszlo  
26th June 1997

## EUROPEAN PENSIONS: FINDING A WORKING SOLUTION

On 29th April Michael Lewis, Senior Economist at Deutsche Morgan Grenfell, gave a talk to members of the Economic Research Council in which he described the public pension situation within the EU and explored possible solutions.

He began by pointing out that projections to the year 2030 indicate that in Germany, France, Italy, Belgium and the Netherlands Government spending on public pensions will be around 20% of GDP whilst in the UK it will be under 10%. This is partly accounted for by aging but mostly the result of policy. This has to be seen within the context of overall social security expenditure. Younger taxpayers on the continent therefore face a far heavier future burden than their counterparts here.

### Social Security Shortfalls



It is hoped that the Autumn edition of Britain and Overseas will be able to publish his account of the implications this holds for the EMU debate, the development of privately funded pensions and the consequences of recent changes in UK tax treatment of pension funds.

# THE NEW, WEIGHTLESS WAY TO GROW\*

*By David Smith*

Old economies, like old soldiers, don't grow old, they just fade away. Well not quite, but you might think so from listening to a new way of describing and analysing economies that is becoming increasingly fashionable. Britain's economy, in this new language, is becoming increasingly 'weightless'.

What does this mean? Economists will never use an easy expression when a difficult one is available. The idea of weightlessness, in fact, is very straightforward. Traditional economic activities, starting with agriculture, and then moving on to mining and manufacturing, had a tangible product. As economies mature, however, an increasing proportion of their gross domestic product becomes devoted to service-sector activities. Thus, economic activity becomes progressively weightless – with no material products to show for the endeavour.

In the case of Britain, about 22% of the economy is accounted for by manufacturing. Of the rest, the major part, about 64%, is services. Services growth is responsible for the bulk of economic growth in Britain over the past two and a half decades. A similar pattern has been evident in the US, where the share of services in total output has grown from 63% in the mid-1970s to 70% now.

## **When a haircut is weightless**

It does not, however, yet apply to the Asian tiger economies. In Singapore, for example, the services component of GDP has slipped from 64% in the mid-1970s to about 61% today, while manufacturing has grown from 24% to 28%.

According to Professor Danny Quah of the Centre for Economic Performance at the LSE, weightlessness includes not only what he describes as low-level activities such as hairdressing, gardening and stocking supermarket shelves, but also financial services, telecoms and most information technology, notably computer software. Some of you might argue that many of these things are not weightless at all. A haircut does have a physical manifestation – or at least mine do – and I would hope that a gardener would make a garden look different.

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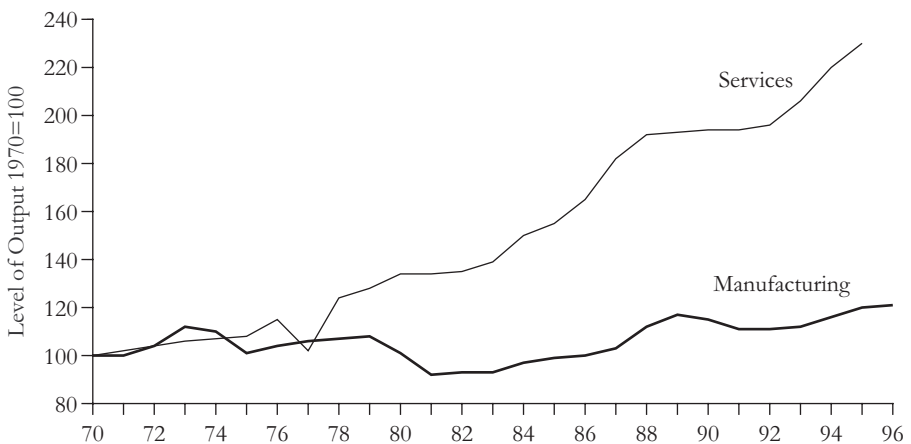
## Second-rank services

The theory that economies become increasingly service-dominated as they mature is well-established. There is one familiar argument about this shift – it is that manufacturing represents ‘proper’ economic activity and services are somehow second-rank. In the mid-1980s, leading industrialists such as Lord Weinstock and Sir John Harvey-Jones queued up to give evidence to a House of Lords’ committee expounding precisely this view. Manufacturing has always been disproportionately important to the UK economy because of its key role in exports. Most manufacturing can supply both home and export markets, while many service industries are domestically-based, the industrialists argued. Put more simply, you can export a machine tool but you cannot, easily, export a haircut. There is something in this argument, although there are clearly services that you can export – on-line information, for example – and manufactures that you cannot, British electrical plugs, perhaps.

The second general point about weightlessness, particularly when applied to sectors such as financial services, is that it is much more footloose than traditional industries. If a leading bank wanted to shift its foreign exchange dealing operation from London to Frankfurt, it could do so by shipping a few of its dealers out to Germany. This is not like shutting down a factory and moving its plant and equipment overseas.

This is even more the case with information technology. If we take something as straightforward as e-mail, the beauty of it is that no one knows

## Services Dominate Britain's Growth



where in the world you are sending it from, or where you are reading it. IT activity is not only weightless, it is also essentially stateless. According to Quah, 'Weightless economies show no respect for transportation costs or slow adjustments. Relocating value from one place to another involves only bits and bytes, not atoms and molecules. Thus, some have described a new international trade as the seamless shifting of electronic bits across national boundaries replacing the traditional piling up in seaports of bales of textiles and bottles of wine.'

All the predictions are that weightlessness will increase over the next few years. And as it increases, it puts certain pressure on governments. Because this new activity can shift between states, and because much of it thus occurs on no country's land, there is a problem of capturing the tax revenues that go with it. The footloose nature of such activity means, more than ever, that governments will need to engage in tax competition, with the economic spoils going to those countries with the lowest tax rates. Microsoft's software developers can be based, as now, near Seattle, but they could just as easily operate from some offshore tax haven.

### **Problems of measurement**

The other problem, mainly for economists, is one of measurement. How do you measure exports and imports in this new, weightless world? And how, even more problematically, do you measure productivity growth? The US has already revised its GDP data to try to take account of the greater contribution of computers to GDP but few pretend that it has got the right answer. Other countries are struggling too.

These are the problems, but let us look on the bright side. It was the economist Joseph Schumpeter who, in the 1930s, identified the particular role of technological progress in economic growth. Such progress created waves of 'creative destruction' in which the old industries were swept away and replaced with new ones, lifting economic growth in the process. We are, almost certainly, in the middle of such a wave at present. Even if we find it difficult to measure, weightlessness is surely good for us.



# SOCIETY IS LOSING ITS ANCHOR\*

*By George Soros*

Although I have made a fortune in the financial markets, I now fear that the untrammelled intensification of laissez-faire capitalism and the spread of market values into all areas of life is endangering our open and democratic society. The main enemy of the open society, I believe, is no longer the communist but the capitalist threat.

If the open society is to serve as an ideal worth striving for it can no longer be defined in terms of the Communist menace. It must be given a more positive content.

Popper<sup>1</sup> showed that fascism and Communism had much in common – even though one constituted the extreme right and the other the extreme left – because both relied on the power of the state to repress the freedom of the individual. I want to extend his argument I contend that an open society may also be threatened from the opposite direction – from excessive individualism. Too much competition and too little cooperation can cause intolerable inequities and instability.

Insofar as there is a dominant belief in our society today, it is a belief in the magic of the marketplace. The doctrine of laissez-faire capitalism holds that the common good is best served by the uninhibited pursuit of self-interest. Unless it is tempered by the recognition of a common interest that ought to take precedence over particular interests, our present system – which, however imperfect, qualifies as an open society – is liable to break down.

The present situation is comparable to that at the turn of the past century. It was a golden age of capitalism characterised by the principle of laissez-faire; so is the present. The earlier period was in some ways more stable. There was an imperial power, England, that was prepared to dispatch gunboats to faraway places because, as the main beneficiary of the system, it had a vested interest in maintaining that system. Today the United States does not want to be the policeman of the world.

The earlier period had the gold standard; today the main currencies float and crush against each other like continental plates. Yet the free-market regime that prevailed a hundred years ago was destroyed by the First World War. Totalitarian ideologies came to the fore and by the end of the Second World

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\* Reproduced by kind permission of *New Economy*.

1. Karl Popper, *The Open Society and its Enemies*.

War there was practically no movement of capital between countries. How much more likely the present regime is to break down unless we learn from experience!

The main scientific underpinning of the laissez-faire ideology is the theory that free and competitive markets bring supply and demand into equilibrium and thereby ensure the best allocation of resources. This is widely accepted as an eternal verity and in a sense it is one. Economic theory is an axiomatic system: as long as the basic assumptions hold, the conclusions follow. But when we examine the assumptions closely we find that they do not apply to the real world.

As originally formulated the theory of perfect competition – of the natural equilibrium of supply and demand – assumed perfect knowledge, homogeneous and easily divisible products, and a large enough number of market participants that no single participant could influence the market price. The assumption of perfect knowledge proved unsustainable so it was replaced by an ingenious device. Supply and demand were taken as independently given. This condition was presented as a methodological requirement rather than an assumption. It was argued that economic theory studies the relationship between supply and demand, therefore it must take both of them as given.

### **Inherent Instability**

As I have shown elsewhere, the condition that supply and demand are independently given cannot be reconciled with reality at least as far as the financial markets are concerned – and financial markets play a crucial role in the allocation of resources.

If the supply and demand curves are not independently given, how are market prices determined? If we look at the behaviour of financial markets we find that, instead of tending toward equilibrium, prices continue to fluctuate relative to the expectations of buyers and sellers.

In the absence of equilibrium, the contention that free markets lead to the optimum allocation of resources loses its justification. The supposedly scientific theory that has been used to validate it turns out to be an axiomatic structure whose conclusions are contained in its assumptions and are not necessarily supported by the empirical evidence.

There is a powerful case for the market mechanism, but it is not that markets are perfect; it is that, in a world dominated by imperfect understanding, markets provide an efficient feedback mechanism for evaluating the results of one's decisions and correcting mistakes.

Economic theory has managed to create an artificial world in which the

participants' preferences and the opportunities confronting participants are independent of each other and prices tend toward an equilibrium that brings the two forces into balance. But in financial markets prices are not merely the passive reflection of independently given demand and supply; they also play an active role in shaping those preferences and opportunities. This reflexive interaction renders financial markets inherently unstable. Laissez-faire ideology denies the instability ...

### **Anti-social Darwinism**

Instability extends well beyond financial markets: it affects the values that guide people in their actions. Economic theory takes values as given. At the time economic theory was born, in the age of Adam Smith, David Ricardo and Alfred Marshall, this was a reasonable assumption because people did in fact have firmly established values. Adam Smith himself combined a moral philosophy with his economic theory. Beneath the individual preferences that found expression in market behaviour, people were guided by a set of moral principles that found expression in behaviour outside the scope of the market mechanism.

Unsure of what they stand for, people today increasingly rely on money as the criterion of value. What is more expensive is considered better. The value of a work of art can be judged by the price it fetches. People deserve respect and admiration because they are rich. What used to be a medium of exchange has usurped the place of fundamental values, reversing the relationship postulated by economic theory. What used to be professions have turned into businesses. The cult of success has replaced a belief in principles. Society has lost its anchor.

By taking the conditions of supply and demand as given and declaring government intervention the ultimate evil, laissez-faire ideology has effectively banished income or wealth redistribution. I can agree that all attempts at redistribution interfere with the efficiency of the market, but it does not follow that no attempt should be made.

Wealth does accumulate in the hands of its owners and if there is no mechanism for redistribution, the inequities can become intolerable. "Money is like muck; not good except it be spread." Francis Bacon was a profound economist.

The laissez-faire argument against income redistribution invokes the doctrine of the survival of the fittest. The argument is undercut by the fact that wealth is passed on by inheritance and the second generation is rarely as fit as the first.

## Temporarily Open

The main point I want to make is that cooperation is as much a part of the system as competition and the slogan “survival of the fittest” distorts this fact.

There is no need to make any dire predictions about the eventual breakdown of our global trading system in order to show that laissez-faire ideology is incompatible with the concept of the open society. It is enough to consider the free world’s failure to extend a helping hand after the collapse of communism. The system of robber capitalism that has taken hold in Russia is so iniquitous that people may well turn to a charismatic leader promising national revival at the cost of civil liberties.

If there is any lesson to be learned, it is that the collapse of a repressive regime does not automatically lead to the establishment of an open society. An open society is not merely the absence of government intervention and oppression. It is a complicated sophisticated structure, and deliberate effort is required to bring it into existence.

Our global open society lacks the institutions and mechanisms necessary for its preservation, yet there is no political will to bring into existence. I blame the prevailing attitude which holds that the unhampered pursuit of self-interest will bring about an eventual international equilibrium. I believe this confidence is misplaced. I believe that the concept of the open society, which needs institutions to protect it, may provide a better guide to action. As things stand, it does not take very much imagination to realise that the global open society that prevails at present is likely to prove a temporary phenomenon.

## TWENTY-ONE YEARS OF ERC SPEAKERS AND SPEECHES

Speaker	Position	Title of Speech
<b>1976</b>		
Illyd Harrington	Deputy Leader, GLC	My Views on the Future of London.
Patrick de Laszlo	Chairman, ERC	A Cure for the British Disease.
<b>1977</b>		
Sir Derek Ezra	Chairman, National Coal Board	Problems of Management.

<b>Speaker</b>	<b>Position</b>	<b>Title of Speech</b>
Dick Taverne, Q.C.	Director of the Institute for Fiscal Studies	Will the Mixed Economy Survive?
Sir Alexander Glen	Chairman, British Tourist Authority	Tourism and the Invisibles.
<b>1978</b>		
Graeme Shankland	Economist	The Twin faces of the Economy.
Dermot Glynn	Economic Director, CBI	CBI Views on the Budget.
Professors Kirzner and O'Driscoll	Members of Austrian School of Thought in Economics	Inflation in the USA and UK.
Hon. Marcus Sieff	Chairman & M.D. Marks & Spencer plc	Human Relations in Industry.
James Ammerman	Financial Attaché, US Embassy, London	A US View of the International Monetary System.
Prof. Geoffrey Maynard	Director of Econ., Chase Manhattan Bank	Comments on British Economic Policy.
<b>1979</b>		
Ralph Howell	M.P.	Taxation, Welfare & Unemployment.
Sir Hermann Bondi	Dept. of Energy	Energy Policy.
Viscount Trenchard	Dept. of Industry	Government Plans to Revive Economy & Progress So Far.
Robert Fell	Stock Exchange	Role of the Stock Exchange in the 1980s.
<b>1980</b>		
Rt. Hon. John Biffen	Secretary to the Treasury	Current Economic Problems.
Prof. Patrick Minford	Liverpool University	What Policy for Sterling.
Rt. Hon. Edward du Cann	M.P.	Latest Report of the Treasury Select Committee.

<b>Speaker</b>	<b>Position</b>	<b>Title of Speech</b>
George McRobie	Intermediate Technology Development Group	Technology Choice in a Changing Economy.
Lord Harris of High Cross	Institute of Economic Affairs	The Fallacy of the Mixed Economy.
<b>1981</b>		
Alexander H. Hart	Agent General for British Columbia	Economic Growth in British Columbia.
<b>1982</b>		
Sir Arthur Bryant & Others		A discussion on 'Government Debt & Credit Creation'.
Rt. Hon. Lord Roll of Ipsden	Chairman, S G Warburg & Company Limited	Economics – a Lethal Weapon – Handle Carefully.
Stephen Wheatcroft	Economic Development – British Airways	British Airways in the 80s.
Sir Peter Parker	Chairman, British Railways Board	Renaissance of Rail – The Non-Utopian Line.
Christopher Johnson	Economic Adviser to Lloyds Bank	The Current Economic Situation.
John Moore, MP	Dept. of Energy	Some Aspects of Energy Policy. (unable to attend at last moment so a discussion was led by Damon de Laszlo – Chairman ERC)
<b>1983</b>		
C. Gordon Tether	Journalist – The Times	The Shape of International Banking after The Deluge.
William Keegan	Economic Assistant Editor of 'The Observer'.	The Thatcher Experiment.
Rt. Hon. Joel Barnett	M.P.	The Economy – Any Hope?
Prof. Geoffrey Maynard	Chase Manhattan Bank	Current Economic Problems.

<b>Speaker</b>	<b>Position</b>	<b>Title of Speech</b>
Brian Reading	International Advisory Associates	The International Debt Scene.
Sir Alfred Sherman	London School of Economics	The Failure of Economics.
<b>1984</b>		
Sir George Jefferson	Chairman British Telecom	The Changing Face of British Telecommunications.
J H Harvey-Jones	Chairman. ICI	Opportunities for the Private Sector of the British Industry in the Future.
Prof. Richard Layard	London School of Economics	Why has Unemployment Risen?
John Moore, MP	Financial Sec. Treasury	The Government's Tax Philosophy
Sir Douglas Hague	Chairman, Economic & Social Research Council	Living Through an Industrial Revolution.
<b>1985</b>		
Mr. A.P. de Boer	Chairman, British Road Federation	Public Sector Investment, Vice or Virtue?
Mr. T.P. Jones	Chairman, Electricity Council	Electricity – The Future.
Tim Congdon	L. Messel & Co. & Economic Writer	Is the National Debt Really Necessary?
The Lord Ezra	President, ERC	The Need for an Industrial Strategy.
Simon Jenkins	Political Editor, 'The Economist'	What Can We Do About South Africa ?
<b>1986</b>		
Dr. I.G. Patel	Director, London School of Economics	Have We Really Conquered Inflation?
Prof. C.A.E. Goodhart	London School of Economics	The Twists & Turns of Monetary Policy.

<b>Speaker</b>	<b>Position</b>	<b>Title of Speech</b>
Rt. Hon. M. Heseltine	MP	European Industrial Strategy.
John Cousins	General Secretary, Clearing Bank Union	Technology in Banking – Is your Job Secure?
Prof. Sir Bruce Williams	Director, Technical Change Centre	Technical Leadership – Is Europe still in the Race?
Rt. Hon. Lord Aldington	Chairman, Select Committee Overseas Trade 1984–85	Report About British Manufacturing.
John Macgregor MP	Chief Secretary to the Treasury	Current & Future Public Expenditure.
<b>1987</b> Bryan C. Gould M.P.	Secretary to the Treasury	Britain's Industrial & Economic Outlook for the Coming 10 years.
Richard Wainwright	Liberal Party Spokesman on Employment	Macro-Economics – Fading Away.
Richard Freeman	Chief Economist, ICI	(Stand-in Speaker)
Teddy Taylor M.P.	Chairman, Conservative European Reform Group	Japan, the EEC and Reform?
Jon Woronoff	Economist	Japan's Economic Miracle, Fact or Fantasy.
Sir Fred Atkinson	Economist	Unemployment: Can it be Cured ?
<b>1988</b> Sir Hugh Cortazzi	Hill Samuel & Former British Ambassador to Japan	The Internationalisation of Finance.
Christopher Harding	Chairman, British Nuclear Fuels	Managing under Challenge.
Prof. The Lord Peston	Economics, University of London	The Role of Markets in the Mixed Economy.



<b>Speaker</b>	<b>Position</b>	<b>Title of Speech</b>
Ian Byatt	Dep. Chief Economic Adviser to the Treasury.	Economic Policy in the European Community.
Rt. Hon. Enoch Powell	MP	Exchange Rates and Inflation.
Brian Reading	Economist	Here We Are Again: A Cautionary Tale of Three Chancellors.
Dr. David Raybould	Economist	Merger Policy in the UK & the European Community.
Prof. K.A. Chrystal	Economist	Why People Don't Save Anymore.
<b>1989</b>		
Prof. Michael Chisholm	Prof. Fellow, St. Catharine's College, Cambridge	Inner City Decay – The Blight of Unused Land.
Lord Ezra	President, Economic Research Council	Industrial Policy.
Rt. Hon. John Smith	Shadow Chancellor of the Exchequer	An Economy for People.
Sir Maurice Hodgson	Industrialist	Strategic Vision & Market Forces: Are they in Conflict?
Brian Reading	Economist	The Assassination of British Industry.
Miss Fiona MacTaggart	Councillor	The Economics of Local Government & how it looks from Wandsworth.
James Bourlet	Joint Hon. Sec. ERC & Editor of Britain & Overseas	The Global Impact of Aspects of Japanese Economy.
<b>1990</b>		
Prof. David Llewellyn	Loughborough University	The Conduct of Monetary Policy.

<b>Speaker</b>	<b>Position</b>	<b>Title of Speech</b>
Peter Rogers	City Editor, 'The Guardian'	Take-over Bids and Short Termism.
Mr. Corelli Barnett	Historian & Writer	Education for Industrial Decline.
Alan Beith, MP	Treasury Spokesman for Lib/Dem Party	The Future for Britains Free Enterprise Economy.
Robert Malpas	Chairman, Powergen	Management and Energy Supply Policy.
Prof. David Marquand	Prof. Contemporary History, Salford University	Recent Developments in Eastern Europe.
Stephen Timewell	Ass. Editor, The Banker	The Economic Impact of the Gulf Crisis.
Dr John Adams	Geography, University College London	Transport Policy.
<b>1991</b>		
Sir John Leahy	British Ambassador to South Africa, 1979-82	Prospects in South Africa.
Ian Thompson	Economic Adviser to Engineering Employers' Federation	The Engineering Industry in the UK Economy.
Dr. John Eatwell	Economic Adviser to the Leader of the Opposition	Current Monetary and Industrial Policy.
Prof. Kenneth Minogue	Political Science at the LSE	Economics and the Moral Life.
Prof. Geoffrey Wood	Economics, The City University Business School	United States Monetary Policy.
Mr. Tetsuo Yagi	Dep. Chief Rep. at the Bank of Japan	Monetary Policy & Practice in Japan.
Anthony Werner	Publisher – Shephard Walwyn	The Economics of Publishing.

<b>Speaker</b>	<b>Position</b>	<b>Title of Speech</b>
<b>1992</b>		
Fred Harrison	Journalist & Writer	Land & Money.
David Kemball-Cook	Economics, London Business School	Green Economics.
Geoffrey Gardiner	Writer, ERC Member	The Plight of the Small Business.
Anatole Kaletsky	Economics Editor of 'The Times'	Exchange Rate and the UK Economy.
Christopher Huhne	Business Editor 'The Independent'	Europe's Money: Where Now?
David Kern	Chief Economist & Head of Market Intelligence National Westminster Bank	Economic Prospects in the 1990s.
Sir Geoffrey Owen	LSE	The Modernisation of British Industry.
<b>1993</b>		
Stephen Timewell	Editor 'The Banker'	Islamic Banking.
Dr. Christopher Doyle	Senior Research Officer, Cambridge University	What Can Russia Learn From the Experience of Transition in Czechoslovakia, Hungary & Poland?
Bryan Gould, MP	Shadow Secretary of State for Environment	Can We Achieve Full Employment?
Professor Martin Ricketts	Economist – University of Buckingham	Profits and Economic Performance?
Robert McGarvey & Anthony Baron	Economists	The Creation of a Civil Economy in Russia.
Stephen Hill	Managing Director, LICA Development Capital	Our Present Discontents.

<b>Speaker</b>	<b>Position</b>	<b>Title of Speech</b>
John Davison	Head, Nationwide B/S Group VAT Section	VAT: Whose Fraud ?
The Hon. Sir Kenneth Jupp	High Court Judge	Privatising Land in Russia.
<b>1994</b>		
Alan Spence	Town Planner & Architect	The Garden City: A Sustainable City.
Will Hutton	Economics Editor 'The Guardian'	The Unequal Couple – City & Industry.
Paul Turnbull	Stockbroker	The Economic Cycle – Inflation & the Financial Markets.
Sir Peter Tapsell	M.P.	The Economy and our Relationship with Europe.
C.Gordon Tether	Economic & Financial Journalist	The Twilight of Meaningful Economics.
John D. Allen	Journalist & Economist	Taxation: Practice- Principles-Prospects.
<b>1995</b>		
Stephen J. Lewis	Director of Research, London Bond Breaking Co.	Financial Innovation & the Economy.
William Cash	M.P.	The Maastricht Treaty and the proposals for a European Single Currency.
William B. Jamieson	Deputy City Editor & Econ. columnist, 'The Sunday Telegraph'	Britain Beyond Europe.
Andrew Smith	M.P.	Economic Renewal with Labour

<b>Speaker</b>	<b>Position</b>	<b>Title of Speech</b>
Dr. Walter Eltis	Economist & Author	What Britain Can Learn From the Success of Germany's Counter-Inflation Policy.
Rt. Hon. John Redwood	M.P.	European Union.
<b>1996</b>		
Sir Bryan Carsberg	Sec. Gen. International Accounting Standards Committee	Fairness in a Free Market.
Prof. Theodore C. Barker	Prof. Economic History, now engaged in research	Economists and Economic Historians need to work together again.
Rt. Hon. Norman Lamont, MP	ex-Chancellor of the Exchequer	Nationalism and Euro-Jingoism.
Ray Whitney	M.P. and author	The European Union.
David Shaw	Director of Strategy, Legal & General Investment Management	Asset Allocation through a Business Cycle.
Dr. Alan Sked	Historian, Leader UK Independence Party	Conservative Government's Approach to Europe.
<b>1997</b>		
Brian Hindley	Reader in Trade Policy, LSE and author	Better Off Out.
Miss Noriko Hama	Economist, Mitsubishi Research Institute	Europe & Japan: At the Turn of the Century and Beyond.
Michael Lewis	Senior European Economist, Deutsche Morgan Grenfell	Pension Funding in Europe & the European Union.
John Mills	Secretary, Labour Economic Policy Group	The Economic Challenge Facing Labour.

## **NEW MEMBERS**

The Council, as always, needs new members so that it can continue to serve the purposes for which it was formed; meet its obligations to existing members; and extend the benefits of members to others.

Members may propose persons for membership at any time. The only requirement is that applicants should be sympathetic with the objects of the Council.

## **OBJECTS**

- i) To promote education in the science of economics with particular reference to monetary practice.
- ii) To devote sympathetic and detailed study to presentations on monetary and economic subjects submitted by members and others, reporting thereon in the light of knowledge and experience.
- iii) To explore with other bodies the fields of monetary and economic thought in order progressively to secure a maximum of common ground for purposes of public enlightenment.
- iv) To take all necessary steps to increase the interest of the general public in the objects of the Council, by making known the results of study and research.
- v) To publish reports and other documents embodying the results of study and research.
- vi) To encourage the establishment by other countries of bodies having aims similar to those of the Council, and to collaborate with such bodies to the public advantage.
- vii) To do such other things as may be incidental or conducive to the attainment of the aforesaid objects.

## BENEFITS

Members are entitled to attend, with guests, normally 6 to 8 talks and discussions a year in London, at no additional cost, with the option of dining beforehand (for which a charge is made). Members receive the journal 'Britain and Overseas' and Occasional Papers. Members may submit papers for consideration with a view to issue as Occasional Papers. The Council runs study-lectures and publishes pamphlets, for both of which a small charge is made. From time to time the Council carries out research projects.

## SUBSCRIPTION RATES

Individual members .....	£25 per year
Corporate members .....	£55 per year (for which they may send up to six nominees to meetings, and receive six copies of publications).
Associate members .....	£15 per year (Associate members do not receive Occasional Papers or the journal 'Britain and Overseas').
Student members .....	£10 per year
Educational Institutions .....	£40 per year (for which they may send up to six nominees to meetings and receive six copies of publications).

## APPLICATION

Prospective members should send application forms, supported by the proposing member or members to the Honorary Secretary. Applications are considered at each meeting of the Executive Committee.

APPLICATION FORM

To the Honorary Secretary  
Economic Research Council  
239 Shaftesbury Avenue  
LONDON WC2H 8PJ.

Date .....

APPLICATION FOR MEMBERSHIP

I am/We are in sympathy with the objects of the Economic Research Council and hereby apply for membership.

This application is for  
*(delete those non-applicable)*

- Individual membership (£25 per year)
- Corporate membership (£55 per year)
- Associate membership (£15 per year)
- Student membership (£10 per year)
- Educational Institutions (£40 per year)

NAME .....  
*(If Corporate membership, give name of individual to whom correspondence should be addressed)*

NAME OF ORGANISATION .....  
*(if corporate)*

ADDRESS .....  
.....  
.....

PROFESSION OR BUSINESS .....

REMITTANCE HERewith .....

SIGNATURE OF APPLICANT .....

NAME OF PROPOSER *(in block letters)* .....

AND SIGNATURE OF PROPOSER .....

