

PROFILE: Norman Macrae, 'Economist' guru

For the past 25 years, the centrepiece of each Monday's editorial conference at *The Economist* newspaper has been a large, handsome head of whitening hair set above a suit of extreme crumpledness, socks of quite the wrong colour, and battered shoes. The benign figure is that of Norman Macrae, the deputy editor, who goes into not-quite-retirement tomorrow. Editors have moved at roughly 10-yearly intervals and steered the journalists towards the provocative leader-articles that *The Economist's* readers love and hate. But the arbiter of such meetings has remained this silvery head, now boyishly cheerful as some free-market wheeze is floated, now shaking sadly as stockpiles of this or new controls on that are called for.

When Norman Macrae speaks in these debates only practised ears can make head or tail of it. His words burst forth indistinctly and are chased out by cackling laughter. Yet all strain to decipher him: for this is the man who has for ages preached the economic liberalism that everyone now practises; who immediately pooh-poohed the food and other shortages wrongly promised by the Club of Rome; who saw 25 years ago where Japan would be today; who lost far too little sleep over OPEC's oil shock because he knew that an oil-price slump must surely follow; who coined the words "Buttskellism", "stagflation" and "privatisation"; who wrote a book prophesying that Russia's leadership would change its whole approach at the end of this decade.

The prophet Macrae was born in 1923, the son of the British vice-consul in Koenigsberg, now Kaliningrad. The roving life of a diplomatic child gave him insights that proved helpful later. Between 1935 and 1938 he spent summer holidays from Mill Hill school closeted in Britain's diplomatic compound in Moscow at the height of Stalin's purges. The terror was immediate. When he visited Moscow again in 1963 he puzzled *The Economist* by saying how free Russia had become but how, in contrast, "all those Russian growth figures are balderdash". Window-shopping in Moscow, and a chat with an overwhelmed industrial planner from Uzbekistan, convinced him that Russia's economy would be the downfall of its communism. He was merely and uncharacteristically mystified that free-market common sense took so long to break through there.

Macrae went up to Corpus Christi, Cambridge, to read history in 1941. Asked in the scholarship exam to write about the Atlantic Charter, he sounded off with: "We have learnt in the past 24 hours that we have won the war after all." The dons considered this an unpatriotic snap assessment of Pearl Harbour and gave him only an exhibition. (He was later chuffed to discover that Churchill had said much the same thing on the same day.) After shortened studies he spent the rest of the war as a navigator in the Royal Air Force. To this day he disdains claims of near-misses over Heathrow, congestion in the air and overworked air-traffic controllers: "too much nannying puts pilots to sleep."

After a return to Cambridge, a first in economics and some post-graduate work, Macrae could choose in 1949 between becoming economic adviser to the Ottoman Bank, at £6 a week, or doing a six-month stint as assistant financial correspondent on *The Economist* at £8 a week. Except for a matter of hours in 1962 when he resigned because the paper was about to give President Kennedy soft-headed advice on the Cuban missile crisis, that six-month stint is what ends today, almost 40 years later. His first leader, on how 1949's devaluation of sterling would raise British prices whatever Sir Stafford Cripps might say to the



The prophet of the free market

contrary, was already recognisable Macrae: "empty politics ... even emptier economics ... this lesson in elementary economics is never learned or at least never accepted by Chancellors."

He soon established himself as a bright young man that chancellors listened to, becoming something of a confidant of R A Butler. *The Economist* seconded him for three months to *Time* magazine in America, where his cavalier style clashed wonderfully with the magazine's fact-checking hierarchy. Asked to vet a (Macrae) article on British economic policy, Mr Bob Roosa, a senior Treasury official and one of *Time's* "red checkers", replied that he needed to talk to one Norman Macrae about it first.

From 1954 as home editor, and then from 1965 as deputy editor, Macrae brought to *The Economist* an appropriate set of beliefs, a penchant for futurology, and a singular, argumentative style of writing. He is, above all, an optimist about human nature. This optimism underpins his instincts that free markets will best provide people with what they need, that society does not need to be bossed around much, and that governments will ultimately do what is practical and sensible. He does not have a strong sense of what is moral: right is what works, wrong is what does not. Banks, he wrongly felt in the late 1970s,

were unlikely to make loans to the third world that would turn out to be duds.

Sometimes he underrated the capacity of governments to persist with what he could show to be folly. For example, the final flourish of his leader in January 1974 on OPEC's oil price rise went: "The most deserving charity of Christmas, 1980, will probably be to relieve Arab states ruined by the monoculture of unwanted oil — a charity which is likely to be subscribed mainly by rich Jews." He was discounting too much, too fast; partly, he protests, because he "could not know that Iran would be taken over by a mad fourteenth-century monk".

Macrae's macroeconomic beliefs are unfashionably Keynesian. He wants to keep any economy whirring with an undervalued exchange rate or with fiscal boost. He still dissents from his colleagues today in thinking that President Reagan got his fiscal policy roughly right.

He can write memorable prose, as anyone who reads his as-yet-unpublished leader in *The Economist* on the life of Emperor Hirohito will see. He evolved for the paper a unique way of conveying what he believes into a good *Economist* article — "either fresh ideas or, Coo! I never knew that". The style is colloquial and breathless, whisking readers through weird allusions and mad metaphors to-

wards provocative claims. He takes constant delight in pointing out where government policies are having perverse effects — where punishment leads to crime, income support to poverty, education to ignorance, planning to nonsense.

Macrae has always had an instinct for what should be in *The Economist* each week. Weekly newspapers have to endure 48 hours while their cover-pictures risk instant obsolescence: Macrae's strange prescience about breaking news has been a secret weapon for *The Economist*. Yet for all these talents he never became editor. His main chance came and went in 1965 when Alastair Burnet replaced Donald Tyerman. Man-management would never have been this rumbled man's forte, not least because he is too private a person. He talks surprisingly little to other people. He reads fast, watches a lot of television, remembers 40 years of current affairs with daunting clarity, and draws inspiration and mainly accurate statistics straight out of his head. As a copy editor, too, he keeps himself to himself. Ashen-faced authors can find their work blasted by a landslide of Normanisms.

The Economist's tradition of anonymity has allowed him to operate like this — but has also kept him less of a public figure than he would otherwise have become. He has, however, become a name where it counts. As his two children, Gillian and Christopher, went through school, he forced himself to become a fee-earning speechmaker. For anyone who has got lost with Macrae in conversation, Macrae the orator takes off marvellously. He writes everything down first, then affects a measured, whooping delivery that makes chief executives sob with laughter. Such lecturing has given him and his wife, Jan, whom he married weeks before joining *The Economist*, excuses to travel randomly to exotic places from the home in Wimbledon in which they have lived since 1951.

But his prime claims to fame are his surveys for *The Economist*. Macrae the surveyor has roamed from China to horseracing and has always fascinated and enraged anyone who knew anything about what he was surveying. His "Entrepreneurial Revolution" in 1976 forecast privatisation, a right-wing working class, the blossoming of small companies and the relative decline of the giant corporations that had been the obsession of the 1960s. It also featured his consuming instinct that computers would change the way people live and work.

Earlier this year, Japan awarded Macrae the Order of the Rising Sun — an honour that gave him almost childish delight. It was reward, in part, for his survey of Japan in 1962, which saw before anybody else what would become of the country. The basis of his vision was a chance meeting in a Mitsubishi factory with a businessman from Teesside, who was there selling British machine tools. He told Macrae of his secret worries: those Japanese workers were being paid one-third as much as Teessiders but were getting three times as much out of the machines. Today's Japanese ambassador to Britain, Mr Chiba, remembers the hope Macrae's survey gave to Japanese diplomats at the United Nations: "We were deep in negotiations on quotas, and our hearts were lifted up to something more noble."

Those unable to wait for another fix of Macrae's prose till his biography of mathematician John von Neumann appears can take heart. The pages of *The Economist* will still be studded with tell-tale passages such as: "You can tell the man of emotion on modern television because he jabs his finger faster than anybody could if he was simultaneously doing anything even minimally thoughtful — like multiplying 23 by 11: revolve your finger and try it."