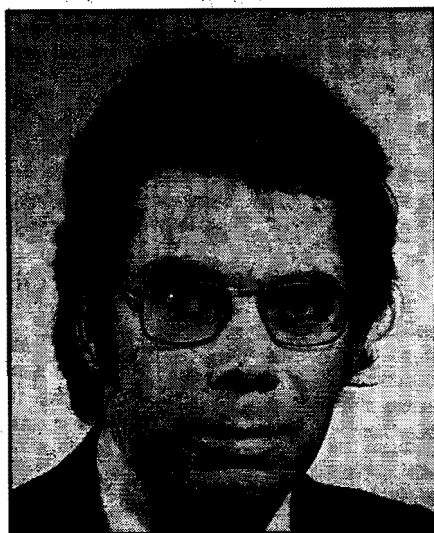


Tim Congdon, 36, director of Shearson Lehman Securities and chief UK economist.

- 1972 First in economics and history at Oxford, followed by research
- 1973 Joined Economics staff, *The Times*
- 1976 Joined L Messel, stockbrokers
- 1980 Economics Partner, Messels (bought by Shearson in 1986)



'Talk to Congdon,' they said. 'Of all the City economists he is the most original/controversial/extreme.' (Delete according to taste.)

He is certainly not a man to shirk a clear statement of views. 'I have been labelled a diehard monetarist,' he says. 'And I am.'

But recently he has become increasingly critical of the government's economic policy as it departs from what he sees as the monetary straight and narrow. (Gavyn Davies volunteered the exact opposite - that he has become increasingly respectful of government policy as it has departed from pure monetarism.)

The originality of much of Congdon's work stems from his interest in debt and credit. With so much lending tied to the property market this has led to a particular interest in house prices. In a recent Shearson circular he and econometric analyst Peter Warburton wrote, 'It is inescapable that either house price inflation must fall from its present 13%-14% level or retail price inflation

will rise towards 10%. Econometric analysis suggests that, if house prices rise by another 10% in 1988, the likelihood of inflation remaining under 5% is less than 1-in-10.'

Right or wrong, you have to admit that his meaning is clear - some of his rivals, circulars are about as easy to read as a Tokyo telephone directory. This may be his journalistic background showing through. His first job after leaving Oxford was working for Peter Jay as an economics writer on *The Times*. He profoundly disagreed with Jay's gloomy view of the Barber boom, but cheerfully acknowledges that Jay was right and he was wrong. He left in 1976 to join Messels where he became a partner and remains firmly in place, while all around him appear to be losing theirs. 'Golden handcuffs,' he murmurs.

He continues to write for *The Times* from time to time, including some of the economic leaders while Charles Douglas-Home was editor. He is also the author of a number of serious books including a study on *Economic Liberalism in the Cone of Latin America*. Travelling in Latin America is one of his recreations - 'I see the consequences of economic mismanagement in action,' he says. A distinct impression is given that the erring Nigel Lawson could benefit from a short sharp trip to Latin America.