Sir Donald MacDougall, an economist who worked for prime ministers from Churchill in the Second World War to Edward Heath in the 1970s, died on March 2004 at the age of 91. He was born in Glasgow in October 1912 and was educated initially at Kelvinside Academy before going on to Shrewsbury School and Balliol College, Oxford. At Balliol he read mathematics and philosophy, politics and economics. He was a graduate student under Sir Roy Harrod, and was a lecturer at the University of Leeds when war broke out in 1939.

His first wartime post was with Professor Lindeman where he worked on U-boat attacks and German oil consumption. He then became an adviser to Winston Churchill when wartime premier. He did extensive work on postwar reconstruction and the prospects for full-employment. After the restoration of peace he acted as adviser to Rab Butler in the 1951 Churchill administration and was then rarely out of the policy-making circle. The peak of his influence probably came during his time at the National Economic Development Office, 1962-64, in the period when UK governments began looking at the French experience of ‘indicative planning’ as a means of improving the UK’s rate of economic growth. From 1964 to 1968 he worked at the short-lived Department of Economic Affairs under George Brown, in the role of director of UK’s National Plan. The thinking behind the Plan was that a higher rate of growth could be achieved if the organisations responsible for the key economic decisions could be brought to aim at targets which were historically challenging but above all consistent with one another. This would avoid the problem of ‘bottlenecks’ and aggregate progress being slowed by slowed by a misguided local decision. The Plan included ‘norms’ for wage and salary increases, though it stopped short of imposing rigid limits.

While such thinking looks impossibly dirigiste today, MacDougall was one of its most enthusiastic supporters. In this he was helped and encouraged by other economists in the 1960s and 70s policy-making firmament, like Thomas Balogh and Nicholas Kaldor with whom he was very friendly.

In 1969 he joined the Treasury as head of the government economic services and was chief economic adviser to a succession of chancellors, Roy Jenkins, Iain MacLeod and Anthony Barber.

MacDougall was also a respected academic economist, specialising in international trade. (The need for devaluation was an issue on which he was regularly consulted between 1945 and 1972). He published The World Dollar Problem in 1957 when he was a Fellow of Nuffield College, Oxford (1947-64). He was also a Fellow of Wadham College, 1945-50 and briefly, Reader in International Economics at Oxford (1950-52).