Lord Polwarth

As a general rule successful business leaders do not make good ministers.

Harry Polwarth was an exception. In the short time that he was Minister of State at the Scottish Office, from 1972 to 1974, he played a crucial role in establishing a sound basis for the North Sea oil industry.

He had succeeded his grandfather as a 27-year-old in 1944. The ninth Lord Polwarth had been the enlightened chairman of the General Board of Commissioners in Lunacy in Scotland (a long-forgotten institution now but then very important), so continuing in a tradition of public service dating back to the creation of the Polwarth barony by William and Mary in 1690.

His grandson took very little part in the House of Lords, however, until Ted Heath appointed him to the Scottish Office. As a political opponent in the Commons, representing part of central Scotland suffering at that time from dire economic problems, I know at first hand that Polwarth was a constructive, effective, ever courteous and helpful minister who, once he said he would take a certain action, unfailingly carried it out. Many of my Labour parliamentary colleagues from Scotland had a similar favourable impression of the aristocratic peer when it came to helping their constituency problems.

Harry Hepburne-Scott was born in one of those tall buildings dominating the Edinburgh skyline just to the east of Edinburgh Castle, overlooking the ornate building which is the headquarters of the Bank of Scotland, over which he was to preside as Governor from 1966 to 1972.

His father died at the age of 52 as a result of illness contracted during the First World War and it was thus that Hepburne-Scott succeeded to the peerage as Lord Polwarth and was chosen as one of the 16 Scots Representative Peers.

After Eton, where he was in College, he went to King's College, Cambridge, where, I think, he was the last surviving pupil of John Maynard Keynes. His immediate supervisor Richard Kahn, whose seminal paper on the multiplier effect was so crucial to Keynes's General Theory, told me in 1972, "Harry Hepburne-Scott was the cleverest aristocrat whom I ever supervised." On leaving King's he studied accountancy in Edinburgh with Chiene & Tait, before volunteering in 1939 for the Lanarkshire Yeomanry.

He soon changed to become a captain in the Lothians and Border Yeomanry, who at that time were changing from horses to somewhat primitive tanks. In 1941 he was picked out by Maj-Gen (later Sir) Percy "Hobo" Hobart, who had been Inspector of the Royal Tank Corps and Director of Military Training at the War Office, as his ADC, later serving in the same capacity to Maj-Gen (later Lt-Gen Sir) Brian Horrocks. He was thus at the centre of military activity from Alamein to the action on the Rhine at Osterbeck when British tanks tried desperately, but in vain, to rescue the paratroopers who had dropped at Arnhem. Polwarth told me many years later that, in all his experience as a key aide to those who were planning D-Day and beyond, the failure to save those who had dropped at Arnhem was the greatest regret of his life.

After the Second World War he took his seat in the House of Lords, but concentrated on his business career. From being a partner in Chiene & Tait, he became director of General Accident Fire & Life Assurance Corporation, of which he was to be chairman in 1968-72. From 1969 to 1972 and from 1974 to 1981 he sat on the main board of ICI. He was also involved with the huge American company of Halliburton, made famous in recent times by the American Vice-President Dick Cheney.

From 1955 until 1972 Polwarth was the Chairman and then President of the influential Scottish Council (Development and Industry). Their director in those years, Willie Robertson, recalls:

In 1955, at a relatively young age and comparatively inexperienced, he succeeded the heavyweight Lord Bilsland as chairman. He equipped himself very quickly with a considerable knowledge of the essence of the industrial situation in Scotland and proved to be an admirable leader of a team. His ideas on regional policy following the [1961] report of Sir John Toothill were influential not only in Scotland but throughout the north and south-west of England.

One of Polwarth's gifts was the capacity to translate non-political recommendations into effective political action. He was very good indeed in leading delegations to ministers, both Conservative and Labour. He was also a
crucial supporter in the early stages of the University of Stirling at a time when serious people such as Sir David Phillips were thinking of closing it.

In 1972 he was chosen by the then Secretary of State for Scotland, Gordon Campbell, to be his Minister of State in the Scottish Office. Campbell says he chose Polwarth because "he would bring his great business expertise into government. And so he did." Another in a position to know, the future Governor of the Bank of Scotland Sir Thomas Risk, recollects:

I was a director of the British Linen Bank and know of the considerable part that Polwarth played in the merger between the Bank of Scotland and the British Linen Bank. At close quarters I saw his enthusiastic support of the new merged banks' innovatory role in developing for Britain the techniques for financing the exploitation of North Sea oil. Polwarth, and Bruce Pattullo [another future Governor of the Bank of Scotland], who worked under Harry, were responsible for British success in financing the risks of the North Sea.

Professor Gavin McCrone, Chief Economic Adviser at the Scottish Office from 1972 to 1992, travelled a lot with Polwarth. "I got to know him as well as any civil servant gets to know a minister," he says:

He had the interests of Scotland at heart. Albeit by no means a rich man he gave up the governorship of the Bank of Scotland and the chairmanship of General Accident in order to become Minister of State. The reason was simply that he saw it as a public duty for which he was prepared to sacrifice a considerable part of his salary.

Polwarth made his maiden speech as a minister in the House of Lords on 25 April 1972 on the third reading of an obscure administration measure. He was followed by Lord Hughes, the former Lord Provost of Dundee, who was a long-time minister in the Wilson and Callaghan governments. Hughes paid Polwarth the compliment of being "too effective" a spokesman for the Tory government. He was respected and well received, partly on account of his exquisite good manners and partly on account of his formidable reputation as a businessman by all sides in the Lords. One Labour peer told me with a sigh that they couldn't be more effective against Polwarth because "accountants rule the world".

As a baptism of fire Polwarth had to deal with issues of Town and Country Planning, which are mightily complicated for any politician. He proved himself a master of detail, and his training as an economist was put to excellent use. Considering the economic challenges of the time, not least the industrial consequences of a three-day week, Polwarth maintained the respect of the trade unions in Scotland - a remarkable feat, given the extreme temperature created by unemployment north of the border.

On the defeat of the Conservative government in 1974 Polwarth resumed his business career, particularly involving himself with the Sun Life Assurance Company of Canada. He found time, too, for other interests such as the Franco-British Council. He had been a passionate supporter of British entry into the European Community and, as the last surviving Labour MP who went in to Ted Heath's lobby in October 1971 to enter the Common Market, I recollect sharing pro-European platforms where he was clearly an unflamboyant but most effective and authoritative speaker.

From 1975 to 1979 he not only was chairman of the Scottish National Orchestra Society but was credited with saving it from economic bankruptcy on at least a couple of occasions. After leaving ministerial office he took a deep interest in the Scottish Forestry Trust and in Aberdeen University, of which he was Chancellor for 20 years from 1966.

Tam Dalyell

Henry Alexander Hepburne-Scott, chartered accountant, businessman and politician: born Edinburgh 17 November 1916; succeeded 1945 as 10th Baron Polwarth; a Scots Representative Peer 1945-63; partner, Chiene & Tait 1950-68; Chairman (later President), Scottish Council (Development and Industry) 1955-72; Governor, Bank of Scotland 1966-72; Chancellor, Aberdeen University 1966-86; chairman, General Accident 1968-72; Minister of State, Scottish Office 1972-74; Chairman, Scottish National Orchestra Society 1975-79; Chairman, Scottish Forestry Trust 1987-90; married 1943 Caroline Hay (died 1982; one son, three daughters; marriage dissolved 1969), 1969 Jean Jauncey (nee Cunninghame Graham; two stepsons, one stepdaughter); died Hawkchurch, Devon 4 January 2005.

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