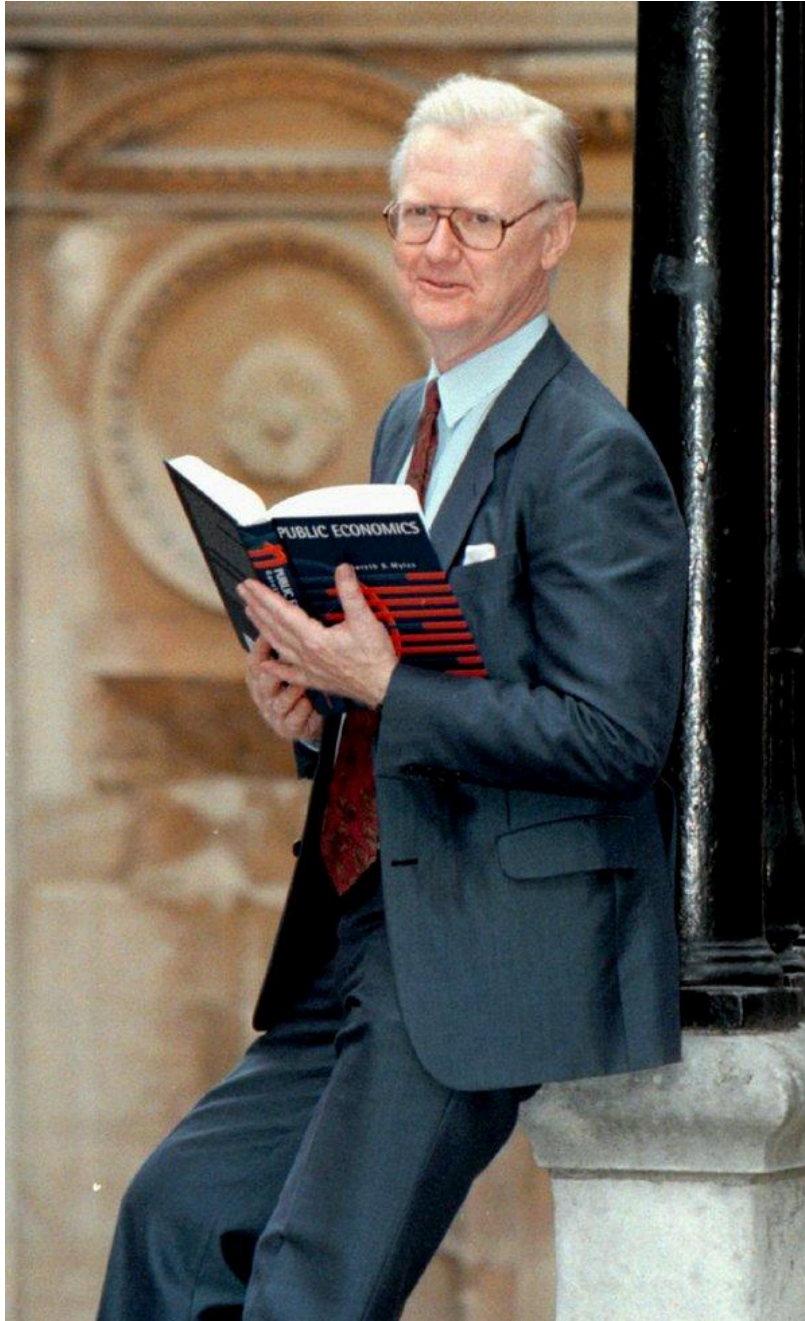


## *James Mirrlees, Whose Tax Model Earned a Nobel, Dies at 82*



James A. Mirrlees at Cambridge University in England in 1996 after he was awarded a share of the Nobel economics prize. He was a professor there. Credit: CreditFindlay Kember/Associated Press

**By Sam Roberts**

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James A. Mirrlees, who taught himself calculus as a teenager, became a college professor when he was 32 and received a Nobel award for solving

one of government's greatest economic challenges — how to get taxpayers to pony up their fair share — died on Aug. 29 at his home in Cambridge, England. He was 82.

His death, from a brain tumor, was confirmed by his wife, Patricia Wilson Mirrless.

Professor Mirrless, who taught at both the University of Cambridge and Oxford University, [shared the 1996 Nobel Memorial Prize in Economic Science](#) with [William Vickrey](#), of Columbia University, for their research into decision-making, which they had conducted independent of each other.

Their specific focus was the role played by incentives and the impact on decision-making when the decision makers have access to different information.

The two economists, who shared a \$1.12 million prize, had never met before and would have made an odd couple. Professor Vickrey was an American eccentric; his Columbia University colleagues described him as so idiosyncratic and uninterested in material comforts that he barely knew how much he was paid. [Professor Mirrless](#) was a reserved, conventional British academic who enjoyed detective stories and playing the piano. Neither was expecting to be awarded the prize.

Professor Vickrey, a pioneer in developing what became known as congestion pricing (to reduce traffic, for example), [died of a heart attack](#) at 82 three days after the Nobel was announced. He was found slumped behind the wheel of his car on the Hutchinson River Parkway in Harrison, N.Y., while driving to a conference in Cambridge, Mass., after three days of nonstop attention over the prize.

Professor Mirrless was so surprised by the Nobel that he assumed a friend was faking a Swedish accent to perpetrate a hoax. He called Stockholm to verify the award, which cited his economic model for tax policies that would produce the maximum revenue while being applied most fairly.

Professor Mirrless suggested that too many progressive taxes imposed at the highest income levels could discourage the wealthy from earning even more, reducing the revenue available to pay for government services and assist lower-income households.

He concluded as early as 1970 in the journal [The Review of Economic Studies](#) and in subsequent studies with [Peter Diamond](#), an economist and fellow Nobel laureate at the Massachusetts Institute of Technology, that “the income tax is a much less effective tool for reducing inequalities than

has often been thought” and that an “approximately linear” — or flattened — tax schedule would be more desirable.

“I must confess that I had expected the rigorous analysis of income-taxation in the utilitarian manner to provide an argument for high tax rates,” Professor Mirrlees wrote. “It has not done so.”

Politically, he was regarded as a social democrat, but his economic model became a rationale, embraced by many conservatives, for flattening tax rates — leading him to reconcile the two positions by saying that his heart was on the left, but that his head was on the right.

Professor Mirrlees also applied mathematical theory to so-called “moral hazard” research, concluding, for example, that people who bought more insurance coverage might take extra risks, resulting in higher claims and lower profits for insurers.

Much of his research, and his Nobel citation, revolved around what he described as “information asymmetry.” By that he meant that in every transaction one party knows more than the other, and that that imbalance affects the transaction. In a real estate purchase, for example, the seller almost always knows more than the buyer.

James Alexander Mirrlees was born on July 5, 1936, in Minnigaff, a village in southwest Scotland. His father, George, was a bank manager. His mother was Nan (Brown) Mirrlees.

As a child, he recalled, he was not overly ambitious. (“When a friend beat me in chemistry,” he recalled in his [Nobel autobiography](#), “I recollect being scolded at home for accepting defeat with equanimity.”)

As a teenager, he needed glasses, which kept him from playing soccer but gave him ample time for reading. After teaching himself calculus, he decided he wanted to be a math professor and was scheduled to take a test for a scholarship to Cambridge when he was rushed to a hospital with [peritonitis](#), an abdominal inflammation. He never took the test.

Instead, he studied math and natural philosophy at the University of Edinburgh, where he graduated with a master’s degree in 1957. He earned a doctorate in economics from Trinity College, Cambridge, where his thesis argued that “uncertainty is a reason for saving more, not less.”

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In 1968, at 32, he was appointed to a professorial fellowship at Nuffield College, Oxford, where he was later a professor of economics. He left in 1995 to join Trinity as a professor of political economy. He retired in 2003.

He married Patricia Wilson in 2001. His first wife, of 32 years, Gillian Hughes, died in 1993.

In addition to his wife, he is survived by two daughters, Catriona and Fiona, from his first marriage; a stepson, Rory; and four grandchildren.

Professor Mirrlees was a professor at the Chinese University of Hong Kong and a visiting professor at the Massachusetts Institute of Technology, Yale University and the University of California, Berkeley. He was also president of the Econometric Society and of the Royal Economic Society and was knighted in 1997.

His research on “Optimum Income Taxation,” dating from the late 1960s, was peppered with arcane equations and graphs, but he maintained that much of economics is “in a way quite simple.”

“It is simple to be wrong as well as to be right,” he added, “and it is none too easy to distinguish between the two.”