

**THE FOUNDATIONS OF THE AUSTRALIAN
ECONOMICS PROFESSION**

Dr. Laurel Myers

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1. INTRODUCTION

The story of Australia's historical development cannot be told without reference to the establishment of economics within the country after European settlement. The new settlers who came to Australia from Europe and North America brought with them some understanding of economic ideas. Before long these ideas were applied to the economic problems which faced the newly developing economy, for example, the viability of closer settlement, the cost of industry assistance and the availability of markets. The European immigrants stimulated the growth of popular political economy and raised the level of debate in the community by instigating vigorous public discussion (La Nauze, 1949, p. 14). These migrants raised controversial issues, strongly advocated certain policies and were quick to justify positions which they thought would significantly improve their own welfare.

Although it may be said that there was little or no interest in the formal study of economic science in the early years of the Australian colonies (Heaton, 1926, p. 236), there was much curiosity and thirst for knowledge regarding economic affairs. The 'Australian economics' which developed during the nineteenth century was directly influenced by the problems facing the Australian economy, for example, the excessive reliance on trade and overseas sources of capital, the repercussions of variable export incomes upon the internal economy, and the general direction of economic development. Professor N. G. Butlin believed that the quality of economic thinking and economic enquiry in Australia in the late nineteenth century was remarkable. Butlin argued that the extraordinary level of discussion about economic issues at that time was due to the intellectual quality of certain groups of people or combinations of groups¹, not just individuals (Butlin, 1967, pp. 189-90). A number of writers questioned socio/economic and political ideas and a distinctive independence of mind on Australian affairs developed.² Popular thought on economic questions was an odd blend of theories and experience, and Professor E. R. Walker³ later suggested that, in the early years, the attitudes of the people to economic matters were largely influenced by their practical experience and their perceptions of public policy, rather than economic science itself (Walker, 1951, p. 64).

The central argument of this paper is that, in the early economic development of Australia, there was insufficient understanding of the national and global economic factors that influenced the growth of the economy. Development schemes⁴ were

¹ For example, the Australasian Association for the Advancement of Science, Chambers of Commerce, and other business groups.

² For example, Justice Samuel Griffith, Statisticians T. Coghlan and R. Johnstone, and some members of academia.

³ At the time of making this comment Professor Walker was President of the Economics Section of the ANZAAS. See below for further biographical details of E. R. Walker.

⁴ Provision of rural infra-structure in general; railway construction, closer settlement and irrigation schemes in particular.

undertaken without adequate preliminary investigation and insufficient use was made of the scientific, technical and economic advice which was available at the time. In the latter part of the nineteenth century and the early part of the twentieth century, some social scientists in the universities were broadly interested in economics and tried to spread economic ideas through their writings and public speaking. Academics such as Walter Scott, Francis Anderson, Robert Irvine and Meredith Atkinson at the University of Sydney, and W. Harrison Moore at the University of Melbourne, and statisticians such as Henry Hayter (Victoria), Timothy Coghlan (New South Wales) and George Knibbs (Commonwealth) were active in trying to encourage the production of accurate economic data and to establish social science as an area worthy of greater study. Many academics were advocating more education in the social sciences. Political economy became an option in the courses of other disciplines, such as Law, Classics and History. Extension courses in various commercial subjects were organised at the Universities of Sydney and Melbourne, initially under the auspices of various business groups and the Workers' Educational Association. Despite these efforts, the economic point of view was rarely accepted by government policy makers and business leaders.

It is the purpose of this paper to outline the circumstances in which the Australian economics profession developed and to identify the people who were instrumental in promoting the growth of the discipline in the early twentieth century. The extent to which outside organisations were involved in the growth of economics is assessed together with a discussion of the changing attitudes of business leaders, academics and governments towards economics.

2. THE EVOLUTION OF ECONOMICS IN AUSTRALIA

The early social scientists and political philosophers such as W. E. Hearn,⁵ M. B. Pell,⁶ and J. Woolley,⁷ who brought economic ideas to Australia's academic institutions, had a very broad approach to education. Under the guidance of Pell and Woolley, a broad range of subjects was offered at the University of Sydney. Courses in moral and political philosophy, and modern history, were introduced and some economics education was able to be included in these courses. Under Hearn, an evolutionist and follower of Adam Smith, J. S. Mill, and Charles Darwin, political economy developed differently at the University of Melbourne. Hearn was an ardent free trader and supporter of free

⁵ W. E. Hearn was one of the foundation Professors at the University of Melbourne and his chair encompassed Modern History, Modern Literature, Logic and Political Economy. Later it was to include the Classics also. Hearn moved to Law in 1873. Hearn is justifiably referred to as Australia's first economist (Copland, 1935). He was the first professor to teach political economy at an Australian university, and his book *Plutology* was historically well regarded. Hearn was reputed to be a great teacher and attained eminence in scholarship, parliamentary life and academic administration.

⁶ Morris Birbeck Pell, from Cambridge University, was the foundation Professor of Mathematics at the University of Sydney, and held the position from 1852 until 1877. Pell touched on economics in his courses.

⁷ John Woolley, from Oxford University, was appointed Professor of Classics and Principal of Sydney University College. He held the positions from 1852 until his untimely death in 1866. Woolley brought economics into his courses.

enterprise. He had considerable influence on Australian economic thought through his teaching and writings, and through his involvement in the policy debate (Copland, 1935a).

Exponents of economics in Australia in the late nineteenth/early twentieth century, tried to explain the essential elements of a 'dependent economy' like Australia. Economists and statisticians applied their specialist knowledge to the Australian problems such as land settlement, population growth and the efficient allocation of resources.

The economic ideas expressed by the economists in their public discussions and writings were often not well received. Economic historian, Marjorie Harper, maintained that the wider community was rather sceptical about the pronouncements of economists at this time (Harper, 1986, p. 37). Despite the fact that there was genuine interest and curiosity about economics there was very little appreciation of the contribution economics could make to the ordinary business of life (Giblin, 1947, p. 1). Robert Irvine,⁸ Australia's first Professor of Economics at the University of Sydney, believed that visiting economists and sociologists were struck by the lack of investigation and criticism in Australia of our own social evolution. Referring to the place of the social sciences in Australian universities in the early twentieth century, Professor Irvine said:

“When one considers the political and economic evolution of Australia, one cannot but be astonished at the neglect of these studies in Australian Universities” (Irvine, 1914, p. 8)

Herbert Heaton,⁹ Director of Tutorial Classes at the University of Tasmania, 1914-1916, and lecturer at the University of Adelaide, 1917-25, argued that Australia's academic economists had made no significant contribution to the pioneering social experiments which were being undertaken in the country in the early twentieth century,¹⁰ and that no important scientific studies of Australian economic problems were attempted before 1914 (Heaton, 1926, p. 237n).

⁸ Robert Francis Irvine (1861-1941) had been educated at Canterbury College in New Zealand (B.A., 1883; M.A. 1884) and had taught at Christ's College, Christchurch. He came to Australia in 1891 and was a headmaster before being appointed examiner and inspecting officer to the Public Service Board of N.S.W. in 1897. Although not strictly an economist, Irvine was appointed as a lecturer in economics in the new Department of Economics and Commerce at Sydney University in 1907.

⁹ Herbert Heaton was inspired to further his study of economics after attending a WEA summer school. He graduated from the University of Leeds, B. A. 1911, and M.A. 1912. He spent some time at the London School of Economics and the University of Birmingham before going to the University of Tasmania in 1914 where he completely reorganised the Commerce course and made drastic changes to the syllabii. Heaton was outspoken about controversial issues and provoked censure from the conservative sections of the Tasmanian press and public (Bourke, 1983). Heaton went to the University of Adelaide in 1917 where he again developed and expanded the economics course. Recognising that there were limited prospects for his professional development in Australia due to his left-liberal views, Heaton left in 1925 to take up the Chair of Economics and Political Science at Queen's University, Ontario, Canada. After two years, he moved to the University of Minnesota where, from 1927-1958, he had a distinguished career as the Professor of Economic History.

¹⁰ For example, land settlement schemes, wage regulation, industry assistance, social legislation, state owned enterprises, and government intervention to protect living standards and to reduce income inequality.

The social sciences tended to be viewed with suspicion and trepidation at this time. Eggleston,¹¹ in 1915, claimed:

‘Australian democracy has never recognised a science which has formulated exact laws dealing with human wealth and welfare and which limits the divine right of the democracy to achieve its will. It has never consulted professors of economics as to the possible result of its decrees, nor, when it has passed laws, has it carefully investigated and tabulated the results so as to guide future action. The democratic leaders have listened with impatience to the chorus of *non possumus* which came from the lips of economists and have disregarded it’ (Eggleston, 1915, p. 347).

Why academic economists had so little impact on public policy in late nineteenth/early twentieth century, and why the economics profession was so slow to develop, is not clear. C. D. W. Goodwin (1966) in *Economic Enquiry in Australia*, believed that widespread opposition to economics was due to the partisan activities of some of the early economists, for example Hearn and Irvine. Goodwin also claimed that the people responsible for the subject at academic institutions were often lax¹² or more interested in other fields of endeavour.¹³ It may be that the early Australian economists in academic institutions operated within a structure, taken from overseas, which was not relevant to a new and developing economy. Australian universities suffered from isolation, the diseconomies associated with small-scale operations and scarce resources. The universities were largely funded by the State, and faculty members may have been reluctant to teach in political or economic courses, fearing accusations of political partisanship, and subsequent cutbacks in funding. Yet in Australia it was virtually impossible to separate political and economic problems: they were simply two aspects of the one problem. In addition, some of the key economic issues of the day, for example, government intervention and public investment, were politically controversial (Heaton, 1926, pp. 235-6).

Members of both the business community and the working-class were suspicious of economic studies. The early academic economists espoused the principles of *laissez faire* in direct contrast to the socio/economic reformers, such as H. B. Higgins,¹⁴ D. Syme,¹⁵

¹¹ F. W. Eggleston was an eminent lawyer, politician, diplomat and writer. His public career included participation in local government, state parliament, and international organisations. He combined his legal work and public life with writing on Australian politics. He gave lectures which defended Australian social and political experiments. His work in this area was published as *State Socialism in Victoria* in 1932. In 1933 he became the first chairman of the Commonwealth Grants Commission and in 1944 the first Australian minister to China. (Osmond, 1986, p. 423)

¹² Professor Elkington at the University of Melbourne was widely criticised in this way. His evidence at the Royal Commission on the University of Melbourne, 1903, bears out this criticism.

¹³ Professor Irvine at the University of Sydney was thought to be more interested in other academic disciplines particularly in the arts and social philosophy (Goodwin, 1966, p. 565).

¹⁴ Henry Bourne Higgins was a member of the convention which drafted the Commonwealth Constitution, and later, as a legislator, he helped create the Commonwealth Court of Conciliation and Arbitration in

F. W. Eggleston and S. Griffith,¹⁶ who argued that government intervention was needed in the young country to ensure better living conditions for all. Entrepreneurs were fearful that economics was simply about socialism and criticism of the free market system. Workers feared economics was about preserving the inequitable capitalist system. Given such a range of views about the subject, it is understandable that economic research and advice was not generally recognised as being necessary for good government. Consequently the study of economics was not actively encouraged or supported within educational institutions.

Fortunately, certain groups within the general community were interested in economic education. The early Australian statisticians produced high quality statistics and were interested in the economic significance of the industry data they collected. They were frequently asked for economic advice. Statisticians were very important to the growing economy¹⁷ and each colonial statistical office collected valuable economic statistics regarding commerce and shipping. However, there was little analysis and interpretation of the data. George Knibbs,¹⁸ the first Commonwealth Statistician, and T. A. Coghlan,¹⁹

1904. Higgins became the second president of the Court in 1907 and in his 'Harvester Judgement' he laid the foundation of wage regulation in Australia.

- ¹⁵ David Syme (1827-1908) came to Australia in 1852 at the age of twenty five. He prospected for gold, and was a road contractor until he joined his brother, Ebenezer, in buying The Age newspaper in 1856. With the death of his brother in 1860, David Syme took over as editor and publisher of The Age, a position he held for 50 years. He had strong convictions and he pursued three main practical policies through the pages of his newspaper –land for the people, protection for native industries, and full rights of self government. His land policy, selection of crown lands before survey, had been pushed by other people in Victoria before Syme, but he saw it as a means of breaking the squatters' monopoly and creating a farming population. Syme's views on protection were spread through the editorial and the news columns of The Age. Victoria had a high protection wall thirty five years before Federation. With Syme's support small farming prospered, especially dairying. He also encouraged irrigation and water conservation, and special bank loans for farmers. Syme had a considerable reputation as a political economist. He wrote many books and was critical of the system of English parliamentary government (Sayers, 1983).
- ¹⁶ Sir Samuel Griffith (1845-1920) was Premier and Chief Justice of Queensland and in 1903 became the first Chief Justice of the High Court of Australia. He gained enthusiasm for, and knowledge of, economics during his student days at Sydney University when he studied under Professors Pell and Woolley. Griffith had strong views on the significance of economic science and the interdependent nature of the economy.
- ¹⁷ Interest in economic statistics developed in Australia in the mid-nineteenth century when the colonies had achieved self government and the economy was growing rapidly. The newly independent colonies wanted to attract investment funds and migrants so it was important to show their economic growth and prospects for the future.
- ¹⁸ George Handley Knibbs (1858-1929) was appointed the first Commonwealth Statistician in 1906, a position he held until 1921. Knibbs was educated at Sydney University. He was a surveyor and educator but had had little direct involvement in official statistical work before his appointment. Knibbs won considerable praise for his work at the Bureau of Census and Statistics and built up an excellent reputation for professional competence. He was the first Australian statistician to carry national responsibilities and he achieved world wide respect. Knibbs resigned from the Bureau in 1921 and became director of the newly formed Commonwealth Institute of Science and Industry.
- ¹⁹ Timothy A. Coghlan was the NSW Government Statistician from 1886-1905. He sat on numerous Royal Commissions and supervised the first federal census in 1900. As statistician he prepared the

NSW Government Statistician, believed there was a close link between economics and statistics, and they were advocates of both.²⁰

Business groups such as the Chambers of Commerce, and the Bankers' Institute/Association in both Victoria and New South Wales, were interested in spreading economic ideas. For example, in 1917, under the auspices of the Melbourne Chamber of Commerce, a series of Mid-day Commercial Lectures was held in Melbourne. A group of professional men prepared and delivered the lectures, which covered such topics as Shipping, Insurance, Banking and Commercial Law. The lectures proved to be so popular that they were later published in book form. Other associations, such as the Australian Economic Association (AEA), the Australasian Association for the Advancement of Science (AAAS), and the Workers' Educational Association (WEA) also encouraged the development of economics. The economic enthusiasts within these organisations generally believed that economics education, in conjunction with wider studies, was a prerequisite for good business practice and informed policy formulation (Fleming, 1996, p. 24). All these activities proved that there was a demand for higher education in commercial subjects and that there were people in the community willing to offer guidance to others regarding commercial education.

In comparison, the universities were cautious about becoming involved and academics in other faculties were disinclined to accept commerce as a respectable study for a university (Copland, 1951, p. 12). Ultimately groups of leading business people and members of other organisations took responsibility for the promotion of commercial and technical education in Australia. In this paper, the role of various Australian organisations in providing a forum for the study of economics is investigated. These organisations were successful in raising public awareness of economics and laid the foundation for the establishment of the profession in the 1920s (see Chart 1).

3. AUSTRALIAN ECONOMICS ASSOCIATION

The Australian Economics Association (AEA), the first association to concentrate on the advancement of economics in Australia, was an important organisational development of the late nineteenth century. The AEA was founded by the extension lecturers at Sydney University, Alexander C. Wylie²¹ and Professor Walter Scott²² in 1887. Scott used the

annual edition of *Wealth and Progress in New South Wales*, but his great work was the four volume history of *Labour and Industry in Australia*, based on his experience and research as administrator, commissioner and statistician.

²⁰ Coghlan explained to Alfred Deakin that 'To be a successful Statistician, one needs to be an economist. Statistics and mathematics are often directly opposed'. (Quoted in the 1988 Yearbook, p. 51)

²¹ The Sydney University calendar of 1887 stated that in addition to the lectures prescribed in the by laws, courses of lectures on literary, historical and other subjects may be delivered by persons appointed by the Senate and these lectures were to be open to all persons who paid the fees. A. C. Wylie was a barrister who was given an "Evening Lectureship in Law" in 1887 and the first extension course in political economy was offered in all three terms of that year.

²² Walter Scott, 1855-1925 was Professor of Classics at Sydney University from 1885 and then the first Professor of Greek from 1891-1900. Scott was an active liberal idealist. He gave practical support to

popularity of the extension lectures,²³ and the interest they had engendered, to support the formation of the AEA. He was a driving force behind the Association and was president on three occasions. It was very well received initially, attracting 185 members to the first meeting, all prominent people in their particular fields (Butlin, S. J., 1947, p. 21). The membership was mainly university personnel but with a significant number of politicians, businesspeople, journalists, jurists, and statisticians.²⁴ The Association conducted monthly meetings where numerous papers were presented and discussed. The Association also published a journal.²⁵ This monthly periodical, the *Australian Economist*, was successfully published over a period of 12 years and in that time the Association performed an important service in raising many current economic and political questions for public debate. Contributors to the *Australian Economist* covered a wide variety of topics such as land settlement and land taxation, free trade and protection, labour questions, international trade, economic development, and government economic policies. Unfortunately, financial membership was always difficult to maintain and, although it had a solid core of enthusiasts, the Association was dissolved in 1899 due to financial difficulties (Butlin, 1947, p. 25). For the twelve years of its existence, the AEA had provided an important forum for economic discussion and had shown that it was possible to establish an association of economists in Australia, despite the country's relative isolation and small population. There was much interest in public economic debate, yet it took another twenty five years before an association of economists appeared again in Australia.

4. AUSTRALASIAN ASSOCIATION FOR THE ADVANCEMENT OF SCIENCE

The Australasian Association for the Advancement of Science (AAAS) was a particularly influential body in the development of Australian economics. At the first meeting of the AAAS in 1888, one of the ten Sections was devoted to 'Economics and Social Sciences and Statistics'.²⁶ This section provided a rare forum for those interested in economic problems to meet and exchange ideas. Well-respected economists and statisticians²⁷ presented papers on important economic issues. It was difficult to get any educational material published at that time so the published proceedings of the early AAAS

the extension of university education to working class people, to the foundation of Women's College at Sydney University, and to improved training for school teachers (Philps, 1988).

²³ Within three years the attendance at extension lectures was 403, larger than the total enrolment in the university itself (as cited in Turney et al, 1990, p. 194). The University Extension Board was established in 1892

²⁴ George Knibbs, Timothy Coghlan and Henry Hayter were all foundation members of the AEA.

²⁵ The AEA tried to establish a library and were gifted many official publications and books. But overall, according to Butlin, (1947) the library was a dismal failure. The AEA also tried to produce an official statistical history of the colonies, but that project also, was not successful.

²⁶ Henry Hayter, Victorian Government Statistician was President of Section F

²⁷ Statisticians Hayter (Victoria), Johnstone (Tasmania), Coghlan (NSW) and Knibbs (Commonwealth) gave Presidential addresses in the late 1890s and early 1900s. Professor Scott from Sydney University, was President of Section G in 1895. Although not an economics professor Scott was a great advocate of the social sciences in general and economics in particular.

conferences afford a fascinating insight into Australian economic thought at the turn of the century.²⁸ However, at the tenth meeting in 1904, the sections were reorganised and Economics became part of Section G1 – Social and Statistical Science. The AAAS relegated economics to a more subsidiary position after 1900 and, significantly fewer economics papers appeared in the proceedings of meetings held in the early twentieth century. One explanation for this is that nobody appeared to be driving the agenda of the economics profession at that time. Statisticians were very prominent and a large number of articles about statistics were presented at AAAS conferences.²⁹ The years after federation were a low point in the history of Australian economics.

Attitudes towards economics changed immediately after World War 1. The business community in general began to realise the need to understand the economic environment in which they operated. Social reformers recognised that they needed to understand the economic factors that might influence the outcome of the many social experiments upon which they had embarked. When the AAAS meetings resumed after the war, economics was again more prominent and Section G was now titled ‘Social and Economic Science and Statistics’. The presidential addresses at the meetings held during the 1920s were given by important economists and statisticians – Knibbs (1921), Wickens³⁰ (1923), and Professors Copland (1924), Giblin (1926), Mills (1928). Professor J. B. Brigden,³¹ University of Tasmania, wrote in 1927 that Economics had assumed a growing importance in Section G of the AAAS and maintained that this was due to the influence of

... two statisticians with a flair for economics, and one economist addicted to statistics ... These are C. H. Wickens, L. F. Giblin and D. B. Copland (Brigden, 1927, p. 202).

The Economics Section at the AAAS meetings became one of the most active and productive sections of the Association (Giblin, 1947). As President in 1924, Professor Copland, from the University of Melbourne, put forward a plan to organise an Economic Society at the AAAS meeting of that year. It was an opportune time for the formation of such an organisation. Attitudes to economics were changing. Greater understanding of the economic way of thinking, and the application of economic principles was required, and there was recognition of the pressing need for greater knowledge, and scientific treatment, of our economic problems. It was necessary to provide a forum in which economic ideas could be researched and discussed (Copland, 1925). The successful

²⁸ Albert de Lissa, a prominent early Australian economist presented papers at both the 1892 and 1898 conferences. In the *Organisation of Industry* (1892) de Lissa argued that in a new country like Australia, material measures of reform in the organisation of the industrial system could be put in place, for example, the establishment of an independent Department of Industry, free from political influence. The *Practical Application of Economics* (1898) was another important paper presented by de Lissa.

²⁹ There was much interest in Statistics at this time because the first Commonwealth Statistician, George Knibbs, was appointed in 1906. Annual censuses were taken, the Commonwealth Year Book was published and the first Wealth Survey was conducted in 1915.

³⁰ G. H. Knibbs was the first Commonwealth Statistician, 1906-1921, and C. H. Wickens succeeded him and held the position from 1922-1931.

³¹ Copland, Giblin, Mills and Brigden are profiled in chapter 3.

establishment of the Society was due to the enthusiastic support given to the founders by members of the AAAS.

The published proceedings of the AAAS meetings, particularly the papers presented in Section G, provided the foundations for the establishment of an Australian economic journal. Eventually, the *Economic Record* was launched in 1925, published by the newly formed Economic Society.³² The *Economic Record* became a success immediately both in Australia and overseas. It was widely circulated among economists, business people, politicians and union leaders throughout the world (Calwell, 1960, p. 4). Professor Giblin was unstinting in his praise of Copland and others, for their efforts in not only publishing the *Economic Record*, but also for building it up into a well-respected professional journal.

“The *Economic Record*, 1925-46, has been a great achievement. In Economics, Australia started behind scratch in 1925. Yet it is fair to say that in no other branch of studies, literary or scientific, has Australia produced a journal so widely recognised and highly esteemed in other countries as in Economics. This achievement is due in the first place to Copland and secondly to Mills.” (Giblin, 1947, p. 1)

The *Economic Record* reflected the emergence of the economics discipline and since its inception, it has been regarded as an important source of articles which discussed economic policy. The *Record* aimed to provide its clientele with economic information and analyses on a broad range of topics.

5. WORKERS’ EDUCATIONAL ASSOCIATION

A distinctive feature of the way in which economics developed in Australian universities was the vital role played by bodies outside the academic institutions. Much credit needs to be given to the extension movement and the Workers’ Educational Association (WEA) for reviving interest in economics in the early twentieth century. David Stewart³³ established a WEA branch in New South Wales in 1913 and within a year, fifty five organisations were affiliated with the association. By 1915 there were WEA branches in

³² At the August, 1924 AAAS meeting in Adelaide, leading economists and statisticians of the time attended and there was much enthusiasm for the establishment of a professional society. A provisional constitution was drawn up, a provisional committee appointed and later a hurriedly convened conference was held in Melbourne in August, 1925. The constitution was adopted and the first central Council of the Society formed.

³³ David Stewart (1883-1954) was born in Scotland and left school at the age of twelve. After an apprenticeship he became a unionist and studied economics and sociology at Workers’ Education Association classes. Stewart went to New Zealand in 1908 and then to Sydney in 1910. He became part of the labour movement in NSW and ultimately a member of the Labour Council of that state. He used his position to urge for an education programme for workers to be established (Clanchy, 1983). He established a WEA branch in Sydney in 1913 and was general secretary of the branch for over forty years. Stewart’s objective was education for the workers, not universal adult education. He wanted to provide the urban working classes with a non-vocational, socially motivated, leisure-time educational experience, and to stress the importance of objective study and discussion of controversial issues.

every state of Australia. According to Heaton (1926), the main impetus for the increase in the study of economics came from the adult education provided to working men and women. Under the auspices of the WEA and the extension movement, courses in social science subjects were organised for working class students. The success of these courses led to an increased demand for economics education of a university standard.

A joint University-WEA committee was formed at the University of Sydney to supervise extension tutorial classes in 1913. Meredith Atkinson³⁴ was appointed lecturer/organiser and classes were offered at the university from 1914. Atkinson was ambitious and outspoken, and dedicated to the worker's educational movement. Although he was often in conflict with the university administrators due to his forthright manner, his lectures attracted much attention.

Atkinson considered Australia to be at the forefront of social experiment in terms of wage determination, industrial relations, industry assistance and universal suffrage, and he strongly advocated the acceptance of sociology as a valid academic discipline (Osmond, 1986, p. 121). Atkinson himself edited a collection of essays entitled *Australia: Economic and Political Studies* in 1920. This book was the first publication of comprehensive and authoritative works on the sociological and economic conditions of Australia (see Appendix 2). Atkinson produced it with

“... great hopes that it will clear away much ignorance and misunderstanding concerning Australia, the picture of whose conditions has been largely left to the doubtful artistry of travelling politicians. We feel that the world is interested in this Commonwealth, and really wants accurate and scientific information about it” (Atkinson, 1920, p. vi)

The WEA, and the extension lectures, gave impetus not only to widespread interest in economics among workingmen, but also to improvements in university teaching. The WEA encouraged the teaching of economics, and promoted the idea of economic research. Universities were starting to make economic appointments (see Chart 2) because attitudes to economics had changed. Both the business community and the social reformers realised that economists might have something to contribute. Economics was gradually gaining acceptance.

The WEA, like Atkinson, recognised that there was very little literature available discussing economic, social and political problems within Australia. Subsequently, the WEA sponsored the publication of a series of research monographs under the general

³⁴ Meredith Atkinson (1883-1929) was educated at Oxford where he gained a B.A. in 1908. He also obtained diplomas in education and economics and political science during 1909 and 1911, and became an extension lecturer at the University of Durham. There he was influenced by A. Mansbridge, the founder of the Workers' Educational Association in England. Atkinson came to Sydney in 1914 as the organiser of tutorial classes, and later, lecturer in economic history, at Sydney University. Atkinson was a fervent advocate of the WEA in Australia and worked hard to bridge the gap between the university and the workers. He moved to Melbourne in 1917 but left the university and the country in 1921.

heading *Economic, Political and Social Studies*. Altogether ten publications were released from 1919 to 1929, edited by G. V. Portus.³⁵ The WEA remained the principal publisher of writings on the Australian economy throughout the 1920s. The WEA series (see Appendix 3) made an important contribution to the economic research literature of the times: it was only the second book of economic articles published in Australia. The WEA series was very accomplished, and well received by all those interested in economic debate.

6. ECONOMICS AT AUSTRALIAN UNIVERSITIES

There was widespread opposition by university administrators to the inclusion of economics, politics or sociology in any university courses (Goodwin, 1966, p. 557). The universities tended to be conservative, opposing innovations in the curriculum. University governing bodies showed very little interest in the social science subjects and believed such courses would arouse controversy and disrupt academic life.³⁶ University teaching of Economics was not highly regarded in the period prior to World War 1 because some academics considered economics to be pretentious as a scientific study, and inappropriate for the newly federated states (Goodwin, 1966, p. 574).

Much of the drive for the study of economics in the universities came from academics in other disciplines³⁷ and they drew attention to successful courses in commercial education overseas. Many academics, particularly Professors Harrison-Moore³⁸ (Melbourne) and Scott (Sydney), believed that the university system should provide scientific training in the structure and organisation of modern industry and commerce, and in addition, bring

³⁵ G. V. Portus was a pioneer of the study and teaching of economic history in Australia. He was appointed a lecturer for the Sydney University Extension Board in 1911, then a lecturer in economic history at Adelaide University 1914, and later the Director of Tutorial classes at Sydney University, 1918, supervising the extension tutorial classes. In 1935 he went back to Adelaide as Professor of History and Political Science

³⁶ Irvine (1914, pp. 6-7) states that 'the establishment of a Chair of Economics in one of our Universities was delayed for several decades because it was feared by one party that the professor might be a free-trader; by another that he might be a protectionist; and by all parties that he might be a "socialist of the Chair" which would be a calamity of the first magnitude!'

³⁷ At the University of Sydney, the following academics were advocates of political economy and offered courses within their faculties: Professor Pell (Mathematics), Professor Woolley (Classical Language, Literature and Logic), Professor Anderson (Logic and Mental Philosophy), Professor Wood (History), Professor Scott (Classics). At the University of Melbourne, E. E. Morris, president of the Extension Board, organised courses in economics, and Professor W. Harrison Moore (Law) was an enthusiastic supporter of economics.

³⁸ W. Harrison Moore, Professor of Law at Melbourne University from 1892-1927, was an enthusiastic supporter of Economics. Moore had been educated at King's College, Cambridge, and the University of London, and had utilitarian ideals. He advocated a university system which would not only provide a scientific training in the structure and organisation of modern industry and commerce but bring the university into touch with the commercial sector of the community (Re, 1988, p. 575). Moore gave evidence to the 1903 Royal Commission into the University of Melbourne in which he supported the teaching of economics and proposed a Diploma programme for commerce. He cited successful courses in commercial education at overseas universities as he pushed for the establishment of commerce courses at the University of Melbourne.

the university in touch with the commercial sector of the community. Nevertheless, economics was not formally established at the two most prestigious universities in Australia until well into the twentieth century.³⁹ Due to forceful insistence by bankers, teacher training colleges and the State Government, the University of Sydney eventually formed a new Department of Economics and Commerce in 1907 and the first Professor of Economics, R. F. Irvine was appointed in 1912. At the University of Melbourne, after many years of apathy towards commercial education and economic science, the first Professor of Commerce, D. B. Copland was appointed in 1924. An Honours School of Economics was established in the Faculty of Arts in 1924, and the School of Commerce was eventually founded in 1925. The manner in which economics eventually became established in Australian universities will be covered in another paper.

7. ECONOMICS WITHIN AUSTRALIAN GOVERNMENTS

The twentieth century ushered in a period of relative prosperity and great change in the Australian economy. Governments, both Federal and State, became more heavily involved in providing the necessary infrastructure for rural and industrial development, as well as opening up the land, organising industry assistance and managing Australia's international trade. But all this was undertaken without any reference to the relative efficiency of particular resource allocations or the long term economic viability of certain industries and infrastructure projects. In the early years of the century, economic advice was neither sought nor followed. In 1923, when Professor Copland was still at the University of Tasmania, he presented a paper at an AAAS meeting in which he bemoaned the fact that there was little interest in academic discussion of economic problems.

“Economics ... receives but scant consideration from the public, and is too frequently confused with politics in the narrower sense. ... This is typical ... of those who influence public opinion in the Commonwealth, where there are few trained economists in either official or private life. No recognised economist, *per se*, is asked to serve upon Government Committees, and no system of training officials for higher financial and trade duties has been thought necessary. It is not that the country is not interested in economics; it is wildly so, as every news-sheet shows. But there is a tradition that economists are dull and theoretical, and a young democracy can ignore them with impunity”. (Copland, 1923, p. 555)

Yet Professor Copland believed that sound economic opinion would be of lasting benefit to Australia and the economist should be ‘king in this as in every other country’ (Copland, 1923, p. 555). He was a tireless advocate for economics in Australia. He saw a desperate need for economic expertise in government and business and constantly highlighted the ‘practical usefulness’ of economics to entrepreneurs and politicians. But Treasury staff lacked the skill to advise government on the likely effects of its policies. They rarely referred to current economic conditions and were mainly concerned with reducing the size of the budget. Copland argued for the economic education of the public service

³⁹ Universities in Adelaide and Tasmania were first to provide detailed economics courses in Australia.

maintaining that the policy makers of the future would need wide economic knowledge, not just administrative ability.

F. C. Benham, lecturer in economics at the University of Sydney, 1922-1928, stated that:

“It is most exceptional, for example, for a Commission appointed to deal with an economic problem to contain a professional economist, even in a subordinate and advisory capacity. The general opinion seems to be that ‘academic; economists should remain hidden in the dark recesses of their studies and class-rooms, lecturing learnedly on Adam Smith or Ricardo; and that their statements upon ‘controversial’ questions should at most consist of long lists of ‘pros’ and ‘cons’, couched in vague language and containing no conclusions whatever. The moment they do more than this they become ‘dangerous’ animals, whose activities must be restrained” (Benham, 1928, p. 245).

The earliest government inquiry in which academic economists took part was the Royal Commission on Taxation in the 1920s.⁴⁰ Professors Atkinson, Copland, Giblin, Irvine and Shann, as well as lecturer Heaton, all gave evidence to that Commission. From that time forward, economists were members of many government enquiries and Royal Commissions.⁴¹ One of the first real opportunities given to Australian economists to have any significant influence on economic policy was the basic wage hearing in the Commonwealth Arbitration Court, 1930-31.⁴² The Court’s judgment was heavily influenced by the evidence of professional economists who, despite wide differences of conviction, gave the appearance of complete agreement (Schedvin, 1970, p. 218). Other opportunities for economists to have some policy influence occurred in the early 1930s with the Copland Committee⁴³ and the Wallace Bruce Committee.⁴⁴

S. M. Bruce, Prime Minister from 1923-29, was interested in the process of economic development and spoke glowingly of the great natural resources of Australia. The Bruce-Page government made extensive use of commissions and enquiries, each with varying

⁴⁰ The Royal Commission on Taxation presented five Reports between 1920-21 and 1923-24. The seven Commissioners were W. W. Kerr, J. Jolley, J. G. Farleigh, W. T. Missingham, J. Thomas, S. Mills, M. B. Duffy, and all were businessmen, public servants, government advisors or politicians.

⁴¹ For example, the Economic Commission on the Basic Wage, 1925, the Development and Migration Commission, 1926, the Tariff Enquiry, 1929, the Wheat, Flour and Bread Royal Commission, 1934, the Banking Royal Commission, 1935.

⁴² The Federal Wage Judgment of a 10% reduction in the basic wage was brought down in January 1931. The inquiry had taken into account the decline in national income and the decline in spending power due to the cessation of loans, and came to the conclusion that it was necessary to reduce the basic wage.

⁴³ This committee consisted of Copland, Dyason and Giblin and its reports formed the basis of the Premiers Plan.

⁴⁴ Chaired by Sir Wallace Bruce, a prominent Adelaide businessman, the other members of this committee were Mills, Giblin, Melville, Shann and G. S. Colman, a Melbourne businessman. The impetus for the formation of the committee came from the premiers’ conference of 1932.

degrees of economic expertise, to assist in the identification of economic problems and the formulation of appropriate policy.

At the end of the 1920s, both Commonwealth and State governments were anxious about the worsening economic situation. They turned to the experts and economists such as Giblin, Copland, Melville, Shann and Mills were consulted and appointed to parliamentary committees. They were seen as the source of valuable scientific knowledge about how the economic system worked and also as expert critics of economic policies. However, the graduate recruitment scheme which the Commonwealth Public Service tried to establish in 1933 was deemed a failure (Whitwell, 1986, p. 10) and it was many more years before the majority of government departments employed economic experts and created special economic divisions.

8. CONCLUSION

Problems associated with the First World War and the subsequent reconstruction of the economy had stimulated interest in economic matters. In the early 1920s there was a new enthusiasm for adult education and commercial training (Goodwin, 1966). Although some inroads had been made in establishing economics as an important area of study, the discipline still lacked stature. Professional development was limited and there was not yet a distinctive domestic body of doctrine. By the end of the 1920s economics had moved from the position of an inferior and unimportant scientific study to a subject with influential standing, not only in the universities, but also in business, and government. Its members occupied positions in academia and bureaucracy from the top echelons down. D. B. Copland and L. F. Giblin from Melbourne, and R. C. Mills from Sydney, were visionary leaders and champions of the profession. The subject had gained 'a position of authority and respect' among all sections of the community (Goodwin, 1966, p. 639). The 1920s was a watershed period in terms of the development of economics in Australia.

Over the next twenty years, major changes occurred in both economics and agricultural science as economic matters came to the fore in times of depression, war and post-war reconstruction. Governments at both State and Federal level recognised the importance of economic advice and many government departments employed their own economists and published much economic information in departmental journals. Economists were seconded from universities to work with government on various committees, to participate in various Royal Commissions, or to take specific roles in the public service. Australian economists were at the forefront of the economic discipline. They made world class contributions to the body of economic knowledge and strenuously upheld a distinctive Australian position at world economic forums (Groenewegen, 1990, p. 232).

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APPENDIX 1

First authoritative book on Economic and Political Issues published in Australia

Australia: Economic and Political Studies

Edited by Meredith Atkinson

1920, Macmillan & Co. Ltd., Melbourne

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