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CANBERRA UNIVERSITY COLLEGE

Canberra University College (CUC) was established in 1929 and took its first students in 1930. This was not an auspicious time to establish a public institution of higher learning in Australia, especially in the new national capital. Cost cutting by governments, including the Commonwealth, was the order of the day. In fact, expenditure on and in Canberra came to a sudden halt with the onset of the depression. Originally a college of the University of Melbourne, CUC had been promoted by a group of senior Commonwealth public servants, led by Sir Robert Garran, the Solicitor-General, who was chairman of the college's council from its inception until the 1950s. Its purpose was to provide part-time degree studies for public servants, some of whom had been enrolled in state universities before their Commonwealth agencies were transferred to Canberra.

Not only were students studying on a part-time basis, almost all of the academic staff of the college were also part-timers, working during the day in the public service and taking classes in the evening. A major development occurred in 1948 when Associate Professor Herbert ('Joe') Burton, Head of the Department of Economic History in the University of Melbourne, was appointed inaugural principal of the college. This appointment, together with renewed growth in Canberra—and hence growth in the number of public servants transferring to Canberra from interstate and in the number of school-leavers wishing to study full-time at CUC—initiated a new era in the college's history. Another was to occur in 1960 when CUC amalgamated with the Australian National University (ANU).

One of Joe Burton's first decisions was to establish four chairs, one each in history, political science, English and economics. Burton himself had been offered the chair in economics at the time of his appointment, but had declined to accept it, on the grounds that he had no qualifications in economics. Instead, he was appointed to a chair in economic history. In 1950, Manning Clark, then a lecturer in Australian history at the University of Melbourne, was appointed to the chair of history; and Fin Crisp, Director-General of the Department of Postwar Reconstruction, was appointed Professor of Political Science. The next year, A.D. Hope, the eminent Australian poet, was appointed Professor of English, and Heinz was appointed to the chair of economics.

Heinz had first heard about CUC's intention to establish a chair of economics in June 1949. Eighteen months were to elapse before he took up the post on 1 January 1951. When he first learned of the new chair in Canberra, he was still resting his hopes on his applications to Manchester and Adelaide. Once it became clear to him that these would fail, he turned again to the possibility of the second chair at Sydney.

He wrote to Ruth on 21 October 1949 to say that he had

...got involved in a rather nerve-wrecking [*sic*] one hour's talk with Sid [Butlin]...I touched in passing on the question of our second chair here, but he did not bite at all. On the other hand he is anxious to know whether I shall be here next year; for the time being I am content to let him ponder the possibility of my going to Canberra. Perhaps if he considers that seriously, he might still investigate the question of the Chair more earnestly. It is pretty clear that, while he quite approves of me, he is not keen on having any second professor by his side.

Having got nowhere with Butlin, Heinz set his sights on Canberra. It was while waiting for the college to advertise the position that Heinz and Ruth moved from Hurstville into John and Barbara La Nauze's former home at 53 Centennial Avenue, Chatswood. They were now in a house to themselves, and for the first time they felt settled in Australia. Ruth in particular was ecstatic, welcoming the space and stability after the turmoil of the previous year. Heinz, on the other hand, was ready to move on, or more precisely, to make an upward move in his career, a fact that he freely made known to friends and colleagues.

La Nauze, now Professor of Economic History at Melbourne University, wrote to Heinz in March 1950 to tell him that Wilfred Prest (Dean of the Faculty of Economics and Commerce) had suggested that he might be interested in a vacant senior lectureship at Melbourne. Prest had indeed urged La Nauze to write to Heinz. Knowing that Heinz would not be interested, La Nauze nevertheless went through the motions of contacting him, but in his letter to Heinz he doubted 'whether the slightly greater pay (£950 plus £132 cost of living) would compensate for the bother, with no increase in status'. He was correct in thinking that Heinz would not be interested in moving simply from a senior lectureship at Sydney to the same position in Melbourne.

Heinz had now decided to apply for the Canberra chair and wrote to La Nauze asking him if he would act as one of his referees. La Nauze replied that he could 'with good conscience write one of my best and most judicious letters of the kind which always seem to me to be quite conclusive'. He wondered whether Heinz intended to invite anyone in England to act as a referee. La Nauze thought that while such references might 'not be absolutely necessary...if there is someone whose name is likely to impress the selection committee it always helps. Your name is known, I think, pretty favourably in Australian economic circles and it might be advisable to have this view supported by one overseas referee.'

The whole business of overseas referees was, of course, a sensitive issue as far as Heinz was concerned. After all, it was Heinz's belief that Hicks had sabotaged his prospects for the readership at Manchester and possibly for the chair at Adelaide, too. He was not going to fall into that trap again—and he concurred with Ruth that Hicks should not be asked to act as one of his referees for the Canberra post. Instead, he chose three of his Sydney colleagues: Sid Butlin, P.H. Partridge (Professor of Government, and later Professor of Social Philosophy and Director of the Research School of Social Sciences at the ANU) and La Nauze.

In his letter of application to CUC, Heinz summarised his academic qualifications and his work at the LSE, the Royal Institute of International Affairs and Manchester University. He stressed that he had lectured principally on money, banking, the theory of business activity, public finance and international economics, with some limited teaching in value theory. Also, he mentioned that from October 1946 at the Sydney post, he was responsible for the third-year course in economics, which covered monetary theory, the theory of business activity, international economics and public finance. Of his research at Sydney, he noted in his application: 'Such research work as I have found time to do has been mainly in the field of Australian economic history and, more recently, in interest theory.'

All three of his referees wrote strong supporting letters that highlighted not only Heinz's exemplary record as a teacher at Sydney and his impressive research productivity, but his human qualities: his undeniably strong character and undoubted integrity. La Nauze wrote that he had known Heinz as a colleague and close friend ever since his arrival in Australia and believed that he would 'hold a professorial position with dignity and competence in the general duties of administration and University life'. Indeed, he would 'regard him as, in every way, an exceedingly strong

candidate for such a position both on personal grounds and on academic ability. He is an excellent teacher, a good theoretical economist, a man of wide culture and interests, and of attractive and impressive personality.' Most academic economists would view Heinz as 'one of the most prominent economists in University life in Australia at the moment'.

About Heinz's course in macroeconomics at the University of Sydney, La Nauze had no hesitation in saying that it was the best of the economics courses presently taught at Sydney, and that he had reached this conclusion through conversations he had conducted with staff and students. La Nauze ascribed this superiority to two factors: Heinz not only prepared himself thoroughly for his lectures, he possessed an outstanding ability to articulate in lucid terms even the most difficult economic concepts. He highlighted also Heinz's contributions to public affairs outside the university and was confident that he would undertake similar work in Canberra, recognising that this was 'a valuable attribute in a Professor of Economics at Canberra'.

At the same time, he made it perfectly clear that Heinz's activities as a public commentator had in no way interfered with, or compromised, the quality of his teaching and research. On the contrary, he was adamant that '[u]nlike some people within universities whose public activities are prominent, Arndt's university work has always come first'. (Here La Nauze might have been alluding to one of his own colleagues in the Department of Economic History at Melbourne, Jim Cairns, future Treasurer and Deputy Prime Minister, who at this stage was already beginning to make his mark as a future politician.)

Of Heinz's personality, La Nauze said that he was 'completely anglicised', pointing out that since the age of 18 he had been 'a member of a society with which he is now completely identified. He came to us in Sydney as an Englishman, not a German who had lived for some years in England.' And, more to the point, La Nauze emphasised, 'since arriving in Australia, Heinz had made a complete adjustment to conditions and attitudes here, and is indeed extraordinarily well informed about Australian life and institutions'.

This, as La Nauze admitted to the selection committee, was a glowing reference, full of positives and devoid of criticism. Regardless of how the committee responded to it, La Nauze wanted to stress that, based as his report was on his knowledge of the field of Australian economists, he was sure there was 'no one who does not at present hold a Chair who would

be better qualified to fill a new Professorial Chair than Arndt. Unless some applicant from overseas should appear to be superior I think you will find that most people concerned with economics in Australian universities would express a similar opinion.'

Professor Partridge, in his reference, highlighted the fact that while he had known Heinz longer than the other referees, his own academic field was political philosophy, so he was unable to comment with any authority about Heinz's capabilities as an economist. He recalled having met Heinz in 1939 when they were both postgraduate students at the LSE. There they had been members of the same seminar group. Since Heinz's arrival in Sydney, Partridge had engaged in long conversations with him and had 'no doubt about his competence as a student of contemporary politics. His earlier training has given him a good knowledge of the literature of the subject and of the main schools of thought; and, in discussing current questions, he invariably shows that he has a firm grasp of theoretical issues and that he is well informed about recent political developments.' Partridge gave Heinz top marks as a public speaker, and in private discussion, for the acuity, rigour and cogency of his thinking. Of Heinz's recent article in *Public Administration*—on the interpretation of the defence power in the Australian Constitution—Partridge judged that it 'shows the care and competence with which he can deal with a problem outside the field in which he now specialises'.

For all Partridge's reluctance to describe Heinz's technical proficiency as an economist, he happily mentioned in his report the claim he had repeatedly gathered from students—and not only the more able ones—namely, that they had gained more from Heinz's lectures than from those of any other member of the Department of Economics. Of Heinz's contributions to public debate, Partridge noted that he had been 'very active and energetic, he expresses himself easily and skilfully both in speech and writing'; he doubted 'whether anyone in Sydney University has been more prominent or influential during the last few years in stimulating a critical interest in contemporary political and economic trends and problems both within the university and in adult education and other circles outside. His competence, together with his obvious seriousness of purpose, has made him a respected public lecturer and writer on current problems.'

When he came to comment on Heinz's character and personality, Partridge's views were particularly perceptive

...everyone in Sydney has been deeply impressed by his outstanding qualities of honesty, sincerity and integrity of mind. And also by his conscientiousness: he has a very high sense of public duty, and in his university work he adopts a rigorous conception of his duty to his students and in the general work of the Faculty. He approaches every task of teaching and administration, however irksome, with the same sincerity and earnestness; he is most generous in sacrificing his time to the demands made on him by students and colleagues. It is known that he has strong political views and there are, of course, others on the staff who dissent strongly from his views; but I think it is true to say that there is no one who does not admire and respect his character as a university teacher and as a citizen. I myself regard him as being a man of very fine character; he is frank and direct; modest and unpretentious; entirely disinterested and without any trace of self-seeking; and, as I have said, he has a quite exceptional quality of sincerity.

...I have never felt that his attachment to his political views in any way impairs his quality as a teacher or student. He has enough detachment and intellectual candour to be able to examine and to expound opposing views fairly. He is tolerant and good-humoured; I have noticed that he is generous in admitting the ability of some of those who strongly disagree with the positions he himself holds. Although he is a vigorous controversialist, he is always fair in argument and is, indeed, always anxious to apply to himself, as he applies to others, the highest moral and logical standards of intellectual activity.

...I am sure that Arndt's departure would be a serious loss to this university; apart from the qualities I have mentioned, he is mature and has a pretty wide academic experience now so that his judgment always carries a great deal of weight in the affairs of the Faculty. I am sure that a man with his qualities, and his experience of university teaching, would be a valuable acquisition in Canberra; and that all teachers of the social sciences there in particular would get a great deal from association with him.

Because Heinz's colleague Kingsley Laffer had also applied for the Canberra chair, and had asked Sid Butlin to be one of his referees, Butlin's report on

Heinz was expressed largely in the form of a comparison between the two. Butlin wrote that Heinz and Laffer had been 'congenial and helpful' colleagues and were 'completely dependable and conscientious' about their work. 'On questions such as these,' Butlin said, 'I could not distinguish between them, and would regard either as personally suitable to direct a department of Economics.'

Butlin, however, was in no doubt that Heinz possessed a more impressive record of publication than Laffer, and was confident that this would continue to be the case. Both men had completely different approaches to their research, Laffer being 'intensely self-critical, not morbidly so, but in the sense of holding back from thrusting on the world imperfect ideas or work which is merely [a] new presentation of accepted material'. Laffer had given greater priority to his teaching than to research and that, too, according to Butlin, would explain his meagre research output. Heinz, on the other hand, revelled 'in public discussion and deliberately puts work into print to provoke discussion of ideas which he wants to try out'.

Butlin was aware that Heinz was 'much better with honours students than Laffer for this reason, but Laffer would be more patient and more successful with pass students—and less inclined to over-rate their capacity to handle difficult work'. He considered that Laffer might be more effective than would Heinz in handling the time-consuming and often tedious administrative demands of a head of department. Yet he conceded that Heinz would provide better leadership in stimulating members of the department to conduct and publish research.

Butlin touched briefly on the entirely apposite question of which candidate would work better with Trevor Swan, who recently had been appointed to the chair in economics at the ANU. He believed that it was appropriate to consider this point, because quite probably the ANU would soon incorporate the college, so as to make one university in Canberra. In these circumstances, he felt that the relationship between the work of the two professors of economics should matter to the selection committee. As he pointed out, 'Arndt's interests are exactly along the same lines as those of Professor Swan.' As enigmatic as ever, however, Butlin concluded that, depending on the way the council of the college wanted the Department of Economics to develop, this might be 'an argument for or against Arndt'. He could envisage Heinz and Swan collaborating on joint research projects and together furnishing advice on macroeconomic policy to the public service and government. On the other hand, Laffer's strength in microeconomics would serve to balance Swan's command of macroeconomics.

By July 1950, the selection committee—which comprised the council of the CUC—had met and short-listed the candidates. Burton was overseas in the middle months of 1950 and participated in the selection process by correspondence. One of the applicants was Dr Karel Maiwald (later Maywald), a Czech economist and statistician, who at the time of the communist takeover of Czechoslovakia was a Social Democrat member of that country's parliament. He had escaped from Prague in October 1949 and arrived in Britain early in 1950, having been sponsored by the University of Manchester. Burton thought Maiwald would probably stand at the top of the short list, since he had held distinguished academic and government positions in his native land and was soon to be associated with the Department of Applied Economics at Cambridge. Burton, however, did not expect him to last the distance, largely because his command of English appeared to be poor.

Burton had spoken to P.D. Henderson of Lincoln College, Oxford, whom Maiwald had listed as one of his referees, but he discovered that Henderson had never met him. He had wanted to talk with Hicks about Maiwald's candidature but found that Hicks had left for Nigeria; in Hicks's place, Burton had written to James Meade, Professor of Commerce at the LSE, asking him to comment on Maiwald's strengths and weaknesses. Meade reckoned that the selection committee should not take the risk of appointing him.

With Maiwald's application put to one side while further investigations were made, Burton's short list comprised, in alphabetical order, Heinz, Burgess Cameron,¹⁰ Donald Cochrane,¹¹ Laffer and Eric Russell.¹² Of these, Burton recommended dropping Laffer first. Next he would eliminate either Cameron or Russell, and probably both of them. For him, the choice boiled down to Cochrane or Heinz. And of the two, he clearly preferred Heinz.

A few days after furnishing this advice, Burton lunched with Maiwald in London. While he gained a favourable impression of him and thought Maiwald's English was somewhat better than the summaries of his publications had indicated—Burton had earlier thought it was 'really dreadful'—he would not put him any higher than number four on the short list. He still regarded Heinz and Cochrane as clearly superior to Maiwald on all counts, and there remained the language problem and how well Maiwald would adapt to academic life in Australia.

There was, however, now another problem with Maiwald. Burton asked: 'how are we to assess him as a security risk?' He had discussed the matter

with Maiwald himself, telling him frankly that the CUC's council 'would hesitate...even if they did think he was a very good economist'. No details of the 'security risk' were disclosed, but Cold War tensions in Canberra at the time were particularly acute; Maiwald's involvement in *émigré* politics would doubtless have raised concerns among Western security agencies and in the Australian Department of Immigration.

Ultimately, Maiwald failed to make the selection committee's short list, which turned out to be Burton's list minus Maiwald. Burton again informed the selection committee (through the college's registrar, Tom Owen) that Heinz was number one in his estimation. Should the selection committee not agree with him, Burton said that he wanted to be consulted. In any event, he thought that Wilfred Prest, as Dean of the Faculty of Economics at Melbourne, and John La Nauze, as a former colleague of Heinz and now a professor at Melbourne, should be asked to rank the short-listed candidates. Burton had now communicated with Hicks about Maiwald and had also spoken to Arthur Lewis about him; both knew him because of their association with the University of Manchester. Neither Hicks nor Lewis spoke of Maiwald in glowing terms. Burton had also communicated with Lewis about Heinz, who said that he doubted whether the college would get anyone superior; certainly there was no one better in Britain who might be interested in going to Australia. What Hicks told Burton about Heinz is not recorded, but whatever it was, it failed to dissuade Burton from thinking that Heinz should be regarded as the frontrunner.

Responding favourably to Burton's suggestions, the selection committee then asked La Nauze and Prest to make comparisons between Heinz, Cameron, Laffer, Cochrane and Russell. The first three had been at Sydney during the time that La Nauze was there. Since he knew very little of Cochrane or Russell, he declined to make any comparison between them and the Sydney trio. While La Nauze thought that Cameron possessed a somewhat higher analytical ability than Heinz, and 'for sheer originality he is, or will be, a better economist in the purely technical sense', he thought that Heinz was 'all-round a stronger candidate for a position which requires not only ability in the subject of economics, but personal qualities of tact, administration ability and a capacity to work well with other colleagues and with subordinates'. In short, regarding Heinz's candidature, La Nauze informed the selection committee that 'it is unlikely that there is a better candidate in Australia, taking into account not only competence as an economist but personal qualities and experience desirable in administering a department'.

Wilfred Prest, in his comparison of Heinz and Cochrane, concluded that 'on balance Arndt's greater seniority and experience probably outweighs Cochrane's merits in other respects'. He felt, however, that Cochrane was superior to Heinz as a technical economist, being familiar with modern statistical techniques and econometrics. Cochrane was also developing an expertise in national income analysis and in Keynesian economics, as a result of teaching third and fourth-year students at Melbourne. In fact, Prest thought that Cochrane was quite at home in all fields of economics and 'I doubt whether Arndt has the same grasp of economics as a whole. Arndt probably has more publications to his credit, but I think that Cochrane has an equal facility for writing and he has already published several able papers.' He agreed that the selection should boil down to experience. Here Cochrane's two and a half years of teaching, and no real opportunity to take any administrative responsibilities, meant that Heinz would have to be put ahead of him.

As to Russell, Prest thought that, from an intellectual point of view, he was probably the best candidate of all; as an undergraduate at Melbourne, his examination results were consistently better than Cochrane's, but Prest had doubts about Russell's ability to write up material for publication, and Russell seemed to be plagued by unfortunate personal problems.

The committee then went back to Partridge, asking him if he could comment on the respective merits of Heinz, Cameron and Laffer. Since he knew nothing of Cameron, Partridge confined his comparison to Heinz and Laffer. The latter had published little, perhaps because of his conscientiousness as a teacher. At any rate, Partridge doubted that Laffer would ever produce anything original. He found it difficult to make a confident comparison between the pair because he was unable to judge their work in economics, but in

...the discussion of political and other topics of general interest, Arndt makes the stronger impression; he thinks more quickly, expresses himself more fluently and forcefully (certainly a lot more copiously), and is more assertive... On the matters where I am competent to judge, Arndt seems to have the more critical mind... Because he is more forceful and more articulate, Arndt exercises a stronger influence on the general intellectual life of the Faculty.

With Prest and La Nauze agreeing with Burton's assessment of the candidates, Burton then took the opportunity while he was in London

to ask Robert Hall for his opinion of Heinz's suitability for the chair. Like Burton, Hall had been a Queensland Rhodes Scholar and was now the Head of the Economic Section in the British Cabinet Office, later the British government's Economic Service. He had been Heinz's economics tutor at Oxford. Hall had 'expressed great appreciation of Arndt's quality' at a dinner with the Burtons in London, and it was this opinion that led Burton to ask him if he would mind writing a note for the selection committee about Heinz's strengths and weaknesses.

Though he had had no contact or communication with Heinz for some years, Hall wrote that, in his years at Oxford and before he left for Australia, Heinz 'seemed to me a man of great ability, and with a particular facility for expressing himself clearly both on paper and in conversation. He was a good economist and even as an undergraduate he had managed to relate his economics to the wide field of social studies, which is I think the most difficult of the steps which a student has to take.'

After his degree, Heinz had worked in the field of political institutions. Here, Hall said, '[w]hat I saw of his writings at that time, and what I heard about him, supported my early views and these were confirmed on the occasions when we met'. When he wrote in support of Heinz's application to Sydney, Hall said that his only hesitation was that he did not know how Heinz would get on with Australian undergraduates. Otherwise, he would have no hesitation in concluding that Heinz 'would be a very strong candidate for your Chair'.

By August, Heinz was beginning to hear reports that he stood a good chance of being offered the chair. With past experience firmly planted in his mind, however, he was not going to take anything for granted. Mick Borrie, a former colleague at Sydney and now about to join the ANU, wrote to Heinz on 24 August, citing a conversation he had recently had with Burton in London. Borrie was 'given to understand that at that stage you stood very favourably [with Burton]...I take it this is his [Burton's] opinion, but I trust that it is also the opinion of the others who will have a hand in the matter.' Tew likewise confirmed in a letter to Heinz from London that Burton 'seemed to be impressed' with his qualifications for the Canberra chair.

At the end of September, the college finally advised Heinz that it proposed to offer him the chair. Burton, when announcing Heinz's

appointment officially, highlighted the fact that the largest enrolments in the college were in subjects taught by the Department of Economics and that it was therefore gratifying that a scholar of Heinz's standing and ability, especially as a teacher, had been chosen as the inaugural professor of economics.

The students of the college, in their newspaper, *Woroni*, congratulated the college on its decision, deserving as it did 'the highest commendation. In making what may be considered a controversial appointment, the Council has shown that unlike the Adelaide authorities when faced with a similar appointment, it has not allowed political prejudice to override academic qualifications.' While it was true that 'Prof. Arndt may be called a left-wing Keynesian', and while 'Prof. Arndt is somewhat doctrinaire', nevertheless *Woroni* believed that 'his sound knowledge of modern economic theory and the significance of its application to such spheres as banking, public finance, business activity [and] international trade, will enable him to exert a considerable influence upon his students, and in the long run upon the public service' (*Woroni*, 2/11/50).

Once Heinz's appointment had been announced formally, a flood of congratulatory letters arrived at his office at the University of Sydney. Among them were congratulations from some of the other leading contenders for the chair, including Cochrane and Russell. The latter even apologised to Heinz for having had the temerity to submit an application knowing full well that Heinz would be an applicant. Russell revealed to Heinz that it was Prest who had talked him into applying for the chair. Heinz answered by making it clear that there was no need for Russell to apologise, particularly since Heinz himself had never been confident that his application would be successful and he still did not know why the selection committee had chosen him over Cochrane.

La Nauze, having been given advanced information about the appointment from Burton, wrote warmly to wish Heinz well, adding that it 'will be a rather staggering blow to the teaching of economics at Sydney, but that is inevitable'. He hoped that Heinz would like Canberra, not necessarily a foregone conclusion in La Nauze's mind. Indeed, he thought that Heinz 'may well get ill with indigestion, being so close to the source of the abominations of a Liberal Government'. He also feared that Heinz might have problems with the prevailing quality of the students, who might not be of a sufficiently high calibre to stretch Heinz's intellect, though it would be up to Heinz himself to attract talented students to the study of economics.

Tew wrote saying that he was especially delighted with the news 'because on several occasions I believe you have been the victim of blind prejudice and now at last a job has gone to the right man'. Bruce Miller, an associate of Heinz's from Sydney University's tutorial classes, and later a colleague at the ANU, was quick to point out that Heinz's departure from Sydney would remove a 'provocative force that has done a great deal to stir up ideas and activity during the few years you have been here. I hope you will perform the same function in Canberra; in fact, I am sure you will.' Dick Downing wrote from Geneva, perhaps with tongue in cheek, proposing that Heinz would 'now be able to write provocative letters to that most provocative of all newspapers—the *Canberra Times*'. His appointment, Downing thought, was 'indeed a victory of left over right'. Gerald Firth wrote more ominously, saying that '[o]nce you have got a house, I am sure you will find Canberra a very good place to live in'. Others, too, including Downing, had alluded to the chronic housing shortage in Canberra.

Heinz's colleague-to-be for nearly 40 years, Trevor Swan, wrote to express his 'delight at your appointment. I can't tell you how pleased I am, from a purely selfish viewpoint, that you will be here to keep my ideas in order and to sharpen my wits. But I hope you will believe also that I am pleased for your sake, even if running the College may turn out to be rather a bore (it couldn't be worse than Sydney).'

Noel Butlin sent a letter from Harvard, saying that Heinz's friends would now sit back and watch him wasting his time on providing policy advice to the public service (Butlin and others had heard Heinz criticise Swan similarly). He asked how Ruth had taken to the thought of living in Canberra. 'From my own experience,' Butlin said, 'she should like the place very much, except for minor disturbances such as monopoly prices for all household goods, long distances to carry purchases, and the fact generally, as one Englishman put it, Canberra is a pleasant little village.' For all that, Butlin thought the best reason he had for considering an appointment at the ANU was that Heinz and Ruth would once again be his neighbours. As for his brother, Sid, Butlin said: 'Sid has been done in the eye...He could have done something about his confounded second chair some time back, and presumably would have done if he hadn't been so frightened of competition and concerned about respectability. However, Sidney now has a nice collection of mugwumps to carry on the Faculty.'

The only sour note about Heinz's appointment came from one of his former students, William McMahan, now a member of the House of Representatives and soon to begin the ministerial path that eventually

led to the Prime Minister's Lodge. In a question without notice to Prime Minister Menzies, McMahon asked in the Parliament the following questions

Can the Prime Minister inform the House whether the gentleman named H.W. Arndt, who was recently appointed as a professor of economics at the University College, Canberra, took a very prominent part, both in University circles and in public, in opposing the Communist Party Dissolution Bill? Is this gentleman a prominent and dogmatic member of the Fabian Society and did he support the Chifley Socialist Government in its attempt to nationalise the trading banks? Did Sir Andrew McFadyean of the Royal Institute of International Affairs annex an appendix to a book by Mr Arndt, which was published under the auspices of that institute dissociating himself from Mr Arndt's views? Does the Prime Minister consider that people of known and biased views should be appointed to a faculty in which complete impartiality and freedom from political bias is absolutely essential? Will the Prime Minister ensure that the appointment is reviewed? (*Commonwealth Parliamentary Debate*, Vol. 209:591–2).

Menzies answered simply by saying that he knew 'nothing of this gentleman beyond what I read in the newspaper this morning' and asked that the question be placed on the notice paper. When the Prime Minister replied some time later, he said that it was nothing to him 'whether a man appointed to an academic position were [Labor], Liberal or Country Party' (*Commonwealth Parliamentary Debate*, Vol. 210:1,562–3). With such appointments, he was in favour of academic freedom, and he strongly upheld the view that it was the quality of a person's academic qualifications and not an individual's political views that should be the determining factor. Menzies reminded McMahon that Heinz's appointment had been made correctly, according to processes laid down by the University of Melbourne, of which CUC was a part; these procedures were of no concern to the Commonwealth Government, particularly since the University of Melbourne came under state jurisdiction. But '[e]ven if it had been the National University to which the appointment had been made I could not be called upon', Menzies said, 'to examine the political position regarding it'—though he added that 'if somebody raised the security aspect that would be a different matter'.

There were many who were shocked by McMahon's attempt to deny the freedom of a university to appoint its academic staff. Trevor Swan quickly told Heinz that he had registered a strong protest, but he urged Heinz to refrain from any attempt to defend himself in public until the Prime Minister had replied to McMahon's question. 'I can't predict exactly what the reply will be,' Swan wrote, 'but I do think you will make it harder to give the right reply...if you fan the flames...but I think I am at least as angry as you must be (if interpersonal comparisons are possible in this sphere).' Noel Butlin simply made the point to Heinz that '[i]t just shows how careful one should be in selecting one's students'.

As to Heinz himself, he heeded Swan's advice, writing later to McMahon to congratulate him on his appointment as a minister. Heinz said that, whereas McMahon had declared that the decision to appoint him to the chair of economics at CUC was entirely political, Heinz hoped that McMahon's ministerial appointment would not be purely academic. McMahon replied in good humour, revealing that Heinz's letter was the first of the congratulatory letters he had opened. He assured Heinz that 'your contribution to my intellectual development was not negligible'; he was 'glad I was your first Cabinet Minister. I hope,' he added, that 'they are not all as difficult as me—though time does temper one's judgement and makes you tolerant of other's views'.

Heinz was farewelled at a dinner attended by his University of Sydney friends and colleagues on 29 November 1950. Addressing a trade union conference on education soon after he learnt that he had been selected for the chair in Canberra, Heinz was reported by the *Sydney Morning Herald* as saying that he was 'proud to be the first socialist professor of economics in Australia' (*Sydney Morning Herald*, 31/7/51).