
Reviewed by Selwyn Cornish

The study of economics in Australian universities commenced when the universities of Sydney and Melbourne were established in the early 1850s. These two books trace the history of the discipline at the two universities from its beginning to the present. Each account is authoritative and comprehensive, drawing upon extensive historical research. Each contradicts the common assertion that contemporary economists have little or no interest in the history of their discipline.

While the two institutions have their own particular stories to tell, the broad outline of the development of economics at Sydney and Melbourne is similar. For the first 50 or 60 years of their existence, courses in political economy were taught ephemerally at both universities. It was not until after the First World War that separate faculties were established. In Sydney, a Faculty of Economics was created in 1920, and in 1924 a Faculty of Commerce was formed at the University of Melbourne. At Melbourne, one of the professors at the foundation of the university in 1853 — W. E. Hearn — was appointed to a chair of History and Political Economy. However, J. S. Elkington, Hearn’s successor, was more interested in history, and as a result economics tended to languish. Even so,

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1 The Australian National University, Selwyn.Cornish@anu.edu.au.
two prominent Melbourne graduates before the First World War later held chairs in economics at Australian universities: R. C. Mills (Dean of the Faculty of Economics at Sydney from 1923 to 1945) and A. G. B. Fisher (the successor to Edward Shann as Professor of Economics at the University of Western Australia in the 1930s).

The decisive breakthrough at Melbourne came in 1924 when Douglas Copland was appointed Professor of Commerce and Dean of the university’s new Faculty of Commerce. Perhaps no one did more than Copland to set the study of economics on the map at Australian universities. In the early 1920s he had been instrumental in expanding economics at the University of Tasmania, persuading the authorities to create a chair in economics and a Faculty of Commerce. Later, in 1948, he was to become the ANU’s inaugural Vice-Chancellor and was responsible for establishing economics as one of the university’s strongest disciplines. It was Copland, too, who encouraged Australia’s greatest economist — L. F. Giblin — to apply for the Ritchie Research Chair in Economics at Melbourne. Copland was also responsible for the appointment of Trevor Swan to the first chair in economics at the ANU. Ross Williams, the editor of the Melbourne book, rightly states that:

Economics was fortunate that the university appointed Douglas Berry Copland to the foundation chair of commerce and he in turn encouraged Lyndhurst Falkiner Giblin to take the Ritchie research chair in economics. These two eminent economists created the ‘Melbourne School’ over the period 1925–39 and had a profound influence on Australian economic policy.’ (p.6)

At the University of Sydney, which had accepted its first students in 1852, the Professor of Classics (John Woolley) and, later, the Professor of Philosophy (Francis Anderson), presented occasional classes in economics. The foundation Professor of Mathematics, Morris Birbeck Pell, took classes in economics outside the university, as did a later Professor of Classics, Walter Scott. By the early 1900s business organisations, chambers of commerce, professional associations of bankers and accountants and the public service in Sydney were successful in calling for economics to be taught over three years at the university. In 1912, a Department of Economics was established, to which R. F. Irvine, a graduate of Canterbury University College in New Zealand, was appointed professor (Copland was also a graduate of Canterbury — both he and Irvine had been pupils of the remarkable James Hight). The Faculty of Economics at Sydney, the subject of Groenewegen’s book, was created in 1920 with Irvine as Dean. R. C Mills replaced Irvine on his resignation in 1922.

Under the leadership of Copland in Melbourne and Mills in Sydney, economics as a subject for university study took off in Australia. Student numbers rose
considerably during the interwar years and the number of courses offered in economics increased. Staff appointments expanded; a professional association of economists — the Economic Society of Australia and New Zealand (now the Economic Society of Australia) — was founded on Copland’s initiative following his move to Melbourne from Hobart. A journal — the *Economic Record* — was established, with Copland as its Editor-in-Chief. In the 1930s both Copland and Mills — like many of their economist colleagues — became advisers to government and were to occupy key positions in Canberra during the Second World War.

Each of the books highlights the explosive growth in the number of students studying economics after the Second World War. Staff numbers and course offerings grew accordingly. Opportunities for postgraduate studies also began to expand after the war, and there was a desperate search for new accommodation to meet staff and teaching needs. Multiple departments and additional chairs were created in the two faculties. In the 1970s the introduction of more democratic processes is highlighted: elected Deans, the creation of faculty advisory committees, and more representative selection committees. The reaction against these democratic processes in the 1980s and 1990s is similarly noted and with it the growing adoption of North American academic structures and management systems. There was greater emphasis on research capacity and achievement in the appointment and promotion of staff; on the acquisition of outside research funding; and on the appointment of staff with postgraduate qualifications acquired from overseas, particularly in the United States. More rigorous approaches to teaching are also documented. A premium began to be placed on theoretical work, rather than upon policy analysis and applied economics. Economic history and the history of economic thought — which had once been major fields of teaching and research — were downgraded but not entirely eliminated (though separate Departments of Economic History were abolished). On the other hand, business studies, including accounting, management, marketing and finance, began to challenge economics for pre-eminence in the faculties of both institutions, and the viability of economics departments became heavily dependent on compulsory first-year economics courses taken by students enrolled in business or commerce degrees. Income from these large first-year economics classes heavily subsidised smaller enrolments in optional economics subjects in later years.

These are common themes. Yet the two books differ in important ways. The Sydney story, for example, is written by a single author, the distinguished historian of economic thought, Emeritus Professor Peter Groenewegen, a member of the Faculty of Economics at Sydney for more than 50 years. The Melbourne book, in contrast, was composed by multiple authors. Its 10 chapters were written by nine different authors, all of whom are, or were, members of
the Department of Economics. One chapter was written by John Freebairn, who discusses the contributions made by Melbourne staff to applied economics and economic policy. Another chapter, written by Robert Dixon, examines the contributions of staff to economic theory. The other authors of the Melbourne book are Ross Williams, the editor (who writes an introductory chapter on ‘Trends and Cycles: 1925–2008’); Marjorie Harper (who covers economics at Melbourne from 1855 to 1944); Joe Isaac writes on the 1940s and 1950s; Peter Drake on the 1960s; Neville Norman on the 1970s; Peter Lloyd on the 1980s; and Jeff Borland on the 1990s to the present.

While both books devote considerable space to members of staff — their appointments and departures, teaching, research and external contributions (including policy advice, consultancies and public addresses) — Groenewegen has much more to say than the Melbourne authors about students and alumni, their academic results and post-graduation careers. Here, however, it must be said that, while it may be of interest to read of the impressive achievements of many of the Sydney graduates, it becomes rather fatiguing. For example, from page 195 to page 209 there is a long section headed ‘Graduates and Students, 1985–99’. We are told how many students each year completed undergraduate and graduate degree courses; there is information about the class of honours achieved and medals won; the names of the more distinguished alumni are rehearsed and details are provided about their various careers after graduation. The amount of detail is certainly impressive, and the information will no doubt be convenient for university administrators, but readers may find it difficult to sustain their concentration. Here it might have been better to have included the material in an appendix.

How do Melbourne and Sydney compare in the economics league tables? In his introductory chapter, Ross Williams notes that in ‘a worldwide survey of heads of economics departments in 2006, Melbourne was ranked first in Australia, using international academic standing as the criterion’. This may have been so by 2006 but it was not always the case. The Political Economy dispute at Sydney, which Groenewegen discusses objectively, created great turmoil in the Faculty of Economics and its reputation was tarnished. While this was happening, Melbourne was making a number of decisive appointments, which led to a much-improved research output, especially in economic theory. Postgraduate studies based on coursework were expanded and well-endowed programmes were introduced for the purpose of attracting top international visitors, including Nobel Laureates, to Melbourne. For all these reasons, it seems that Melbourne moved decisively ahead of Sydney.

Is there anything of great significance that the authors have missed? More space might have been devoted to outstanding research conducted by particular members of academic staff. One of the highlights of the Sydney book, for
example, is the discussion of the work and achievements of Ray Chambers, the foundation Professor of Accounting. A similar treatment might have been given to the work of Mills, especially his contributions as a member of the 1936–37 Royal Commission on the Monetary and Banking Systems of Australia and his path-breaking work as Chairman of the Committee on Uniform Taxation in 1942. Similarly, an assessment of the academic work of Syd Butlin and Ronald Walker would have been illuminating. In the case of the Melbourne book, Copland’s research and his outstanding contributions to policy discussion in the late 1920s and early 1930s might have been assessed in more detail. Also, not much is said about the work of the various incumbents of the Ritchie chair, particularly of the research contributions of Dick Downing, the longest occupant of the chair.

But these criticisms are mere peccadilloes and do not detract from the high quality of the books. In fact, the authors deserve the gratitude of the Australian economics community for the light they have shed on the development of the discipline in this country. The scholarship is impressive, particularly the immense research that has gone into the writing of the books, based as they are upon exhaustive archival investigation, and interviews and correspondence with former staff and students. The books will become essential reading for those who wish to understand the way economics as a university subject developed in Australia over the past century and a half.