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## SOUTH CAROLINA

By 1954 Heinz had spent more than seven years teaching at Australian universities and was eligible for what was then known as sabbatical leave. He decided to take six months' leave, the bulk of it to be spent in the United States. For this, he would need external funding to meet travel and living expenses.

He began applying for grants as early as 1952, when he wrote to the British Dominions and Colonies Fund of the Carnegie Corporation in New York asking for a study and travel grant to the United Kingdom and the United States. While waiting for the outcome, he applied for and was offered a John Hay Whitney Fellowship, which he rejected because he was confident of securing the Carnegie grant and because he would be committed to teach at two American universities for a semester each. He was not prepared to spend a year away from Canberra; and, in any case, it was unlikely that the CUC would grant him a full year's leave.

His application for the Carnegie grant, however, was unsuccessful. He decided to apply again in 1953, his three referees being Paul Rosenstein-Rodan, Leslie Melville and Ben Higgins. To Melville, he wrote: 'After six years in Australia, I have begun to feel the need for a (temporary) change of air.' In his application, he declared that the reason he wanted to visit Britain and America was 'to renew contacts and exchange views with universities and other economists and to obtain a personal impression of economic conditions in these countries and of the operation of international economic institutions'. The second application met the same fate as the first.

Meanwhile, the Australian committee of the US Educational Foundation had recommended him for a joint Fulbright and Smith-Mundt grant. The Fulbright provided him with funding to meet his travel expenses, while the Smith-Mundt grant provided funding for study leave at universities situated in the smaller and more remote states. One of the universities on the list was the University of South Carolina, a small state university in the state's capital, Columbia. It was not a distinguished university (ranked according to Heinz about forty-seventh among the forty-eight state universities in the United States), and South Carolina itself had some notoriety for racial segregation and religious fundamentalism. Heinz's

brother was, however, now chairman of the Department of Linguistics, Slavic and Oriental Languages at the University of North Carolina at Chapel Hill in the adjoining state. Heinz had not seen his brother since before the war, so when the University of South Carolina nominated him for a six-month term as Visiting Professor, Heinz decided to accept the offer.

He left Canberra immediately after the completion of examination marking in November 1953. His first destination was Turkey, where he spent a fortnight with his father and gave three lectures at the University of Istanbul on 'The role of monetary policy'. These lectures extended some of the themes that he had adumbrated in his inaugural lecture at the CUC (discussed in Chapter 14); they were later published in the *Revue de la Faculté des Sciences Economiques de l'Université d'Istanbul*.

On the flight to Istanbul via Beirut, Heinz had the good fortune to sit for part of the journey next to the distinguished Swedish economist, politician and later Nobel laureate, Gunnar Myrdal, who boarded the plane at Jakarta. They shared a hotel room in Singapore, during an overnight refuelling stop, and struck up a friendship that was renewed in 1957 when Myrdal toured Australia as the Dyason Lecturer. Myrdal proved instrumental in securing appointments for Heinz at the Indian Statistical Institute in Calcutta and New Delhi in 1957–58 and at the Economic Commission for Europe in Geneva in 1960–61. The meeting with Myrdal in 1953 was of particular significance, helping as it did to refocus Heinz's intellectual interests on his later specialisation in development economics.

Having left Turkey, he spent a week in Germany, where he lectured at the universities of Frankfurt and Kiel on monetary policy and the theory of foreign exchange rates. After this brief German visit, he went to Britain and spent Christmas with relatives and friends. As well as visiting Sheffield, Manchester, Cambridge and Oxford, he gave a lecture at Chatham House on postwar developments in Australia. He attended the annual conference of British University Teachers at Sheffield, and at Oxford he dined with Tommy Balogh and Paul Streeten at Balliol and with Howard Florey at Lincoln, not to mention catching up with Harold Cox at Lincoln, and with Donald MacDougall, David Bensusan-Butt, Tom Wilson and J.R. Hicks at Nuffield.

At Oxford's Institute of Economics and Statistics, he talked with David Worswick and Colin Clark. In Cambridge, he lunched with R.F. Kahn, Joan Robinson, Richard Goodwin and Robin Marris; met Brian

Reddaway and Laslo Rostas at the Department of Applied Economics; lunched with Kenneth Berrill at St Catherine's; and tried unsuccessfully to catch Maurice Dobb at Trinity. In London, he met Hla Myint, Nicky Kaldor, Alan Peacock, Robert Hall, Peggy Joseph, Stuart Wilson, Norman McKenzie, Keith Murray, Brian Hopkin and Tibor Scitovsky. He also ran into a number of Australians in London, including Trevor Swan, John La Nauze, Perce Partridge and Bruce Miller. He even managed to fit in a visit to Manchester, where he lunched with Dick Spann, Tom Baily, Eli Devons and Arthur Lewis.

From London, Heinz flew to New York, where he spent a few days at the UN Secretariat. There he presented a seminar on the lessons of economic development in Australia (subsequently published in *Welwirtschaftliches Archiv*) and renewed an acquaintance with the development economist Hans Singer, whom he had first met during the war when they were both at Manchester. At the United Nations, he was introduced to Michal Kalecki, Folke Hilgerdt and Marcus Fleming, and re-encountered Arthur Lewis and the Australian Reg Heywood. He also visited Columbia University, where he met Abram Bergson, J.M. Clark and Arthur Burns.

In Boston, Heinz stayed with Paul and Margaret Rosenstein-Rodan. He met Arthur Smithies, J.K. Galbraith, James Duesenberry, Arthur Schlesinger and Alexander Gershenkron at Harvard, and Paul Samuelson, Max Millikan, Charles Kindleberger, Everett Hagen, Ben Higgins, R.L. Bishop and Walt Rostow at the Massachusetts Institute of Technology (MIT). He gave a seminar at the latter on the Australian economy and was introduced to the work being undertaken on development economics at the new Centre for International Studies, 'a magnificent new outfit', according to Heinz.

At Harvard, he arranged to meet two of his former students and colleagues who were undertaking graduate studies there: Roy Cameron and Noel Drane. Alvin Hansen, America's pre-eminent Keynesian, who had reviewed *The Economic Lessons of the Nineteen-Thirties*, took Heinz to lunch at the Harvard Club. In a conversation with Samuelson and others over coffee at MIT, Heinz was urged to take advantage of his time in South Carolina to examine the nature and causes of the recent rapid economic development of the American South. He duly accepted this idea.

From Boston, Heinz travelled by train to Washington. There he visited the Bureau of the Budget, the Conference Board, the Federal Reserve Board (where he met his fellow LSE student Sam Katz), the IMF and the World Bank; he was able to talk with A.G.B. Fisher (now at the IMF), J.J. Polak,

Raymond Goldsmith, E.M. Bernstein and Leslie Bury (later the Treasurer of Australia, but then a Treasury official serving as Australia's Executive Director at the IMF and World Bank). He also spent a couple of days at the 'lovely campus' of the University of Virginia at Charlottesville, which had been founded by the third President of the United States, Thomas Jefferson. At Chapel Hill, he visited his brother, Walter, and his family, and gave a talk on Australia to students at Guildford College. He finally reached Columbia early in February 1954.

His four months at the University of South Carolina were occupied fully with teaching, research, public talks and lectures. He lived on the campus at the Faculty Club, which had recently been converted from a professorial residence. Since the Department of Economics at the university provided few postgraduate courses, he was asked to take two courses of lectures for junior and senior undergraduates in monetary theory and international economics. He set and marked examinations for both courses; during the last month of his stay he took, in addition, a class dealing with the history of economic thought.

A letter Heinz wrote to Ruth shortly after his arrival in Columbia conveyed his first impressions of South Carolina and of its state university

The University, of course, is confined to white students. South Carolina has the most rigid segregation. There are separate schools, indeed, there is much excitement over an impending Supreme Court decision which will declare segregation in public schools unconstitutional; the State of South Carolina is already planning to turn all public schools into private ones, so that segregation can be maintained. You see quite a lot of coloured people in the streets, drivers, servants, school children, but they probably live in parts of the city I have not seen yet. Almost everyone [with] whom I have got into conversation has raised the subject of segregation; it clearly worries them all the time, they want to defend it to the foreign visitor (though one feels that half the time they are trying to defend it to their own consciences). The people I have talked to, however, are not representative. One gathers that it is among middle class and upper class people that you find doubts (and more) about the morality and wisdom of it, while the extreme insistence on segregation and prevalence of race hatred is to be found mainly among the poorer and more ignorant whites. The most common argument one hears is that segregation is necessary

until 'the Negroes are more educated'. One's reaction is rather to feel that progress requires a higher income and more education for the southern whites, for it's their poverty which makes them fear coloured competition and their ignorance which sustains all the prejudice.

He soon found teaching a frustrating experience, as the students were conspicuous for their lack of intellectual ability and enthusiasm for learning. Heinz's efforts to raise the intellectual standard of his classes—by setting items of reading beyond the standard textbook—quickly led to difficulties with the university authorities when the students complained. 'The University', Heinz explained to Ruth

...has about 3,500 students. You see them roaming about the 'campus', many of them looking rather like farm yokels, not superficially very attractive. There is a fair sprinkling of girls, also pretty daft looking, but well dressed. A fair proportion of students ride about in their smart big American cars. In our department there is [*sic*] hardly any graduate students, and the lecturers certainly complain bitterly about the ability of the students—both native IQ and interest in their studies; but I suppose that is, in part, to be discounted as a widespread prejudice of University teachers.

When it came to the examinations, his worst fears, as he wrote to Ruth, were confirmed

I returned the test papers to my classes, and when I went through the questions...I got more and more irritated by the failure of some of the students to understand even the simplest points. I lost my temper as I have never, I think, done before with students. I shall have to apologise to them on Monday. The trouble is that they just haven't enough background to cope with the lectures. Their vocabulary is so limited that they often do not understand the words I use. (One of the students asked me yesterday what the word 'spontaneous' meant.) I am supposed to teach them international monetary theory, or value theory, all of which I must really presuppose, if I am to get anywhere. Then they don't read, certainly nothing that isn't in their one textbook; only one in ten

will ever look outside [the] reading you recommend. My colleagues are amused at my complaints; they have long resigned themselves to the situation.

In his third-year class, Heinz was unable to pass more than 45 per cent of the students, even though the questions he set were decidedly easier than the ones he would have set at home. Trying to improve standards, he added an optional class for those students experiencing difficulties. According to Heinz, most students had jobs and were enrolled in five to six courses each semester; the essence of the problem, as he saw it, was that students were unable to devote sufficient time to individual courses.

It was not only the poor quality of his own students at the university that drew Heinz's criticism. To Ruth, he mentioned his visit to the state women's college at Rock Hill, about 75 miles from Columbia.

It was rather strenuous—2½ hours' bus journey each way—and hardly worthwhile. I talked to the whole assembly of about 1,000 girls on 'A Visitor's First Impressions of America'. For the first five minutes I managed to keep them amused by talking (shameless lies) about my impressions of American girls; thereafter, when I got on to heavier fare they fell in a sort of stupor. The next day, one of my students here told me that he had happened to speak to a girl from the college on the phone and she told him that some Professor had talked to them that morning—she thought he came from 'Asia or somewhere'. My chief impression was of the incongruity between the magnificent and lavish material equipment of the place—enormous solid buildings, lovely grounds, four auditoria (one holding 3,600 people) with organs, stages, etc; scientific laboratories, and everything you can imagine—and the miserable intellectual standards of teaching and curriculum. By our standards the place is not a university at all—a mixture between a public school (in the English sense) and a girls' finishing school, and a business or technical college where they learn a bit of typing and cooking, dressed up as 'secretarial science' and 'domestic science'.

Towards the end of his stay at the University of South Carolina, Heinz was invited by his colleagues to draft a memorandum setting out the problems

he had experienced and proposing measures for improvement. The memorandum—entitled ‘Notes on university education’—so impressed the president of the university that he asked Heinz for permission to circulate it widely among academic staff.

While his teaching experience at the University of South Carolina was not a happy one, Heinz found his colleagues friendly and hospitable; for the most part, they were competent and enthusiastic teachers, though lacking somewhat in the amount and quality of the research they were undertaking. He saw and spoke frequently with the Dean of the School of Business Administration (which included the Department of Economics), S.K. Derrick, and liked the economists Jim Blackman, Bob Paterson, Al Smith, Alf Geisenheimer and Gus Williamson. His closest friendships at the university, however, were with two historians, Bob Ochs and Howard Quint. Ochs was related to the founder of the *New York Times*; Quint later became a very successful chairman of the Department of History at the University of Massachusetts, Amherst.

Towards the end of his second month in Columbia, Heinz summarised his experience in a letter to Tommy Balogh

This place, like most, has its good and bad sides. The latter includes the students, whose academic standards are appalling...the lack of any social life; and the relative lack of stimulus on the professional level. But there are compensations; I have two or three young colleagues who are pleasant and quite good economists; it is an interesting angle from which to see the USA; and I have plenty of time for my own work—far more than I usually have at Canberra with all the distractions there.

As well as teaching at the University of South Carolina, Heinz introduced and conducted a fortnightly staff seminar, at which he presented a number of papers himself. Most of them were not new, as the titles indicate: ‘Australia—economic problems and policies’; ‘Wage regulation by compulsory arbitration in Australia’; ‘Recent developments in trade cycle theory’; ‘The role of monetary policy’; ‘Economic development—lessons of Australian experience’; ‘The determinants of international capital movements’. At the seminar on ‘The role of monetary policy’, the subject of his Istanbul lectures, he reported to Ruth: ‘we had quite a lively discussion, though not at a very high level, because some of the older people kept on butting in with the Quantity Theory, the Gold Standard, etc.’

The main purpose of his leave, of course, was not to teach undergraduates, or rehearse or polish papers that he had already drafted, but to initiate a number of new research projects. One of them was an investigation into the nature and causes of economic development of the American South since the 1930s, the topic that Paul Samuelson had suggested to him in Boston. The subject matter was compatible with Heinz's newly developed interest in economic development and underdevelopment. He later explained how his work on the American South's economy began

I went abroad fresh from writing a course of lectures on problems of under-developed countries. Wherever I went, in Istanbul, Kiel, Cambridge, Manchester, the U.N., the Fund and Bank, at Harvard and M.I.T., I found economists riding on the same bandwagon, and I was going to spend four months in a typically under-developed region which, in the last twenty-five years, seemed to have undergone that critical experience, the 'take-off', which plays the same role in the theory of development as a mystic revelation in hagiology. I was further motivated by a discussion in January at the new Centre of International Studies at M.I.T. in which Samuelson, Bishop, Rostow, Higgins, Rodan and others speculated on the factors responsible for this sudden 'take-off' of economic development in the South: some suggested the improvement in the terms of trade for agriculture, others the public works of the New Deal, others the war...

When I got to South Carolina, therefore, I began to read what literature on the subject I could find.

He collected an impressive amount of quantitative and other material and engaged the views of his colleagues at the University of South Carolina. Having spent so much time on the project, however, he was bitterly disappointed to discover, shortly before he returned to Australia, that two papers covering much the same subject had just been published. Undeterred, he drafted a paper incorporating his work and submitted it to the editor of the *Review of Economics and Statistics*, Seymour Harris, who rejected it, as did the editor of the *Southern Journal of Economics*. Harris thought Heinz's paper was 'interesting and valuable', but he said that he had a 'tremendous backlog' of material. Instead of holding up its publication elsewhere, he decided to return it rather than sending it out to referees. Heinz, once back in Canberra, presented the paper to a meeting

of the local branch of the Economic Society. The *Indian Economic Review* eventually published a version of the paper; in 1993, Heinz republished it in his *50 Years of Development Studies* (1993).

As well as carrying out his work on the American South, Heinz started researching and writing an article on the concept of external economies and its application to the process of economic development. This issue was drawing the attention of a number of leading economists at that time. During the previous year, Heinz had given for the first time, at CUC, a course of lectures on economic development in the context of developing countries. This was a new area of economics and he quickly saw its possibilities for future specialisation. Not only was the subject matter—poverty, trade, investment, national income accounting—of particular interest to him, it involved significant policy issues and was less mathematical and theoretical in its approach than recent work in macroeconomics had been. His discussions in Britain, New York and Boston had made the field still more attractive to him and he was impressed with the amount of research on the economics of developing countries that was under way around the world.

In Boston, he had remarked to Paul Samuelson that the concept of external economies was very mixed up in the current literature. Samuelson encouraged him to straighten it out. Heinz drafted a paper on the subject when he was in Columbia and sent copies of it to several leading economists, including Kenneth Boulding, Moses Abramovitz and Ragnar Nurkse. Though he had not met Abramovitz, Heinz had read his recently published survey of economic growth<sup>13</sup> and thought highly of it. Abramovitz's Stanford colleague Lorrie Tarshis, whom Heinz had met in London in December, had suggested that he should contact Abramovitz when he was in the United States. Abramovitz responded favourably to Heinz's draft, praising it as a 'very good job, indeed, and [the paper] brings together the various ideas to which people have been referring under this head in a very illuminating way'. He hoped that Heinz would publish it immediately for he thought that 'many economists will find your analysis useful'. Nurkse, too, told Heinz that he thought the paper was 'an interesting and useful piece of work' and was convinced that it would 'find a prominent and useful place in one of the journals'.

When Heinz sent a first draft to Roy Harrod at Oxford, who was editor of the *Economic Journal*, he explained that it 'has taken me from my usual stamping grounds in monetary and income theory, and I am

anxious to have it looked over by someone who can be relied upon to spot howlers'. Harrod, though he sent back a number of minor criticisms and suggestions, thought overall that it was 'extremely well done and brings together a variety of interesting points'. If, however, Heinz was thinking of having it published in the *Economic Journal*, Harrod made it clear that he was fully committed for the next year and was not prepared to accept it for publication. It appears that the paper was also submitted to *Oxford Economic Papers*, which also rejected it. After extensive redrafting, it was sent to the *Economic Record*, where it appeared in 1955. It quickly became a minor classic in the literature on economic development.

As well as his teaching and new research projects at the University of South Carolina, Heinz was frequently asked by various organisations to lecture on Australia and on issues of contemporary economic significance. He invariably accepted the invitations with alacrity. The number and variety of these speaking engagements, and the range of topics discussed, was quite astonishing.

For example, within the university, he spoke to the Kosmos Club on 'British and American conceptions of democracy'. At the International Relations Club, he spoke on Australia. To the university YMCA, he gave his views on 'British and American universities'. At the Teachers' Organisation, he dealt with 'The dollar problem'. The Kiwanis Club heard him discuss 'The function of taxation'. To the Quill Club, he lectured on Australian literature. Outside the university, he gave a talk on Australia to the Columbia Merchants' Association, to the Columbia YMCA and to an association of black Americans; to the League of Women Voters, he covered 'World trade problems'; and to the Camden Rotary Club, he talked again about 'British and American conceptions of democracy'. He also spoke at other universities in South Carolina, including Allen University, The Citadel (the famous military academy) at Charleston and at Winthrop College at Rock Hill. This last was where he gave the talk on 'A visitor's first impressions of America', which had not elicited the favourable response that Heinz had expected.

While in South Carolina, Heinz took a close interest in political and social developments in the United States, and particularly the movement to end segregation in public schools. The two-year struggle by the National Association for the Advancement of Coloured People in the Supreme Court challenging segregation in four states—South Carolina, Virginia, Kansas and Delaware—came to an end on 17 May 1954, shortly before

Heinz left Columbia. On that day the court issued its momentous and unanimous verdict (*Brown v. Board of Education*) that segregation in public schools was unconstitutional and that the practice violated the Fourteenth Amendment, passed in 1868. Heinz heard the decision from a news vendor as he walked past the Columbia Post Office.

It was on his own initiative that he talked to the students at Allen College, an Afro-American institution. He had expressed for some time a desire to visit one of the black colleges in Columbia and had tried to get the University of South Carolina to organise it, but without success. Therefore, he decided to contact the college himself and spoke to its president, who invited him to address the student assembly. He also conducted a discussion group at a recreation centre in Columbia for Afro-American soldiers. About 30 to 40 people attended; not many were soldiers. His audience consisted mostly of civilians from the city, but Heinz enjoyed it, telling Ruth: 'we had a splendid discussion...It was my first opportunity of meeting some of the more educated Negroes here, and I enjoyed it immensely.'

By the time he was due to leave South Carolina, he had clearly impressed his colleagues a good deal. They organised a well-attended farewell and presented him with an expensive gift. In his speech at the function, the senior university spokesman said that it had been 'a rare experience to have had you with us this semester. By your zest for living and learning, your scholarship you have been an intellectual stimulus to all of us. And more by your understanding, your tolerance and good humour you have endeared yourself to the whole university community.'

Three years after his visit to the University of South Carolina, in 1957, Dean Derrick wrote to inform Heinz that the school was establishing a graduate program and was seeking senior appointments; he wondered whether Heinz might be interested in accepting the position of senior economist. After giving the offer 24 hours' consideration, and while finding the suggestion greatly flattering, Heinz replied: 'I am happy in Canberra, in charge of a department in a rapidly growing university in the national capital of an admittedly small country. My wife and I have twice already gone through the process of adapting ourselves to a new country and are reluctant to embark on the process for a third time...I do not feel that I want to leave Australia for good.'

From Columbia, Heinz returned briefly to New York. In that city he attended—thanks again to Myrdal—an international conference of

economists, held as part of the bicentennial celebrations at Columbia University. There he met a number of the world's leading economists, many of whom presented papers on the conference theme of 'National economic policies for welfare at home and abroad'. After the conference, he wrote to Tom Wilson, saying: 'I bet you have never seen Robbins, D.H. R[obertson], Ohlin, Myrdal, Knight, Hayek, Roepke, Arthur Lewis, J.M. Clark, Kuznets, A.F. Burns and J.H. Williams (and numerous others) in one room—though I grant that you may not particularly want to.' To Howard and Eleanor Quint, he wrote saying that it was 'quite a thrill, seeing and meeting almost all the world's leading economists, suffering the usual surprises...F.H. Knight a little man with a white goatee beard and a whisper; Fritz Machlup an Austrian dandy kissing hands over his bow tie; Roepke out-bellowing the "Road to Serfdom" with the rasping voice of a Prussian N.C.O., etc etc.'

He reported his pleasure at attending the 'gala junket at the Waldorf; Ike [President Eisenhower] bringing the house down with a mild denunciation of McC [Senator Joseph McCarthy]'

After New York, Heinz took the plane to San Francisco, where he spent two weeks before returning to Australia across the Pacific. He visited Berkeley and at Stanford he gave a version of his paper on the theory of international capital movements that he had drafted before he left Australia; the paper was later published in the Italian journal *Economia Internazionale*. In 'A suggestion for simplifying the theory of international capital movements', Heinz explained why capital did not to any extent flow from countries where it was plentiful (and presumably cheap) to countries where it was scarce (and presumably dear), as conventional economic theory would suggest. The lack of flow was because of significant imperfections in the world capital market, such as the much higher degree of business risk within poor countries, their lack of factors of production complementary to capital and exchange rate uncertainty concerning the repatriation of investment funds.

On the flight to San Francisco, Heinz had the good fortune to sit next to Dennis Robertson; later he attended a seminar Robertson gave at Stanford on 'Utility and all that'. There he especially enjoyed an exchange of views between Robertson and Kenneth Arrow, M.W. Reder, Hendrik Houthakker, Bernard Haley and Tibor Scitovsky. He was well looked after in San Francisco by a cousin of Ruth's and her family; they took him around the city and the Bay district and drove him as far south as Carmel.

In San Francisco, he was also able to catch up with his father, who was spending some time in the United States as a Visiting Professor. Heinz arrived back in Canberra on 21 June and had 'an exciting family reunion, presents and all'.

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There is no gainsaying the fact that Heinz's leave was highly productive. Not only had he written a number of research papers, subsequently published, he had been able to meet and talk with some of the leading economists in Britain and the United States about the latest work in economics—above all, in the economics of developing countries. And he came away from the United States with a more sympathetic understanding of the country and its people.

Before he returned to Australia, the Fulbright Grant Committee asked him to explain how his stay in the United States had confirmed or altered the views of American life that he had held before his visit. He responded by highlighting six issues that had impressed or surprised him.

Of the Cold War, he thought American public opinion tended to view the issues in more black and white terms than was the case in Britain or Australia. About the views and activities of Senator McCarthy, Heinz highlighted the 'unanimous hostility' towards the senator that he had observed among his acquaintances, though he readily admitted that this was 'a limited circle of educated and mostly academic people'. He stressed, too, the low academic standards of university education at the undergraduate level and 'the good and bad features of American business civilisation: the willingness to work hard, loyally and efficiently, on the one hand, and the dominance of valuations in terms of money-making and business success, on the other'. In America in general, and in South Carolina in particular, he had been surprised by the prominence of organised religion in private and public life and by the 'surprisingly liberal, at worst apologetic, attitude to the colour problem and segregation...among almost all educated white people'.

In some notes compiled for a talk after he returned to Australia, Heinz summed up his likes and dislikes of the United States. On his list of likes was his experience of Americans in general. He found them—especially those in the South—to be generally courteous people: 'They have a sort of unconscious naïve idealism; they are prepared to tell you what they

believe in, without feeling either bashful like the English, or (genuinely or affected[ly]) cynical like the Australians.’ He admired the American work ethic: ‘they really work hard, at every level, to “get on”; but also I think quite genuinely, because that’s what they get paid for. They are not frantic about it as Germans; neither, however, are they prepared to cut off their noses to spite their employer’s face.’

Of the things that did not appeal to him, he said the ‘worst...is the monolithic attitude to Russia and the Cold War...The almost universal resigned expectation of war...They see it, quite uncomplicatedly, as a question of self-defence against an unappeasable aggressor; ideological objections to communism hardly enter into it. Such hopes of peace as they entertain are based entirely on the chance of deterring Russia by superior strength.’ But on the issue of McCarthyism, Heinz said that he had been ‘pleasantly surprised. It is true that McCarthy is unspeakable and that he has an appalling amount of popular support...[but] the better newspapers are gunning for him all the time, and among the people I have met (mostly academic of course) I have hardly met any who do not fully share our point of view on this subject.’

Throughout his life, Heinz was a habitual compiler of lists. At the end of his visit to the United States, he drew up the following list of what most pleased and displeased him about America and Americans. He liked

- The lovely University of Virginia at Charlottesville
- The superb flowers in Columbia gardens
- Spanish moss at Charleston
- The excellent economists at MIT and Stanford
- The view of Mid-Town Manhattan from the UN Secretariat
- The attractive way American girls dress
- American coffee
- Good Southern Food
- The courtesy of most southerners
- The cultured, liberal and kindly people I met at Columbia
- Walter Lippmann
- The UN Building in New York
- The New York Times
- San Francisco
- Central heating
- The view of the Rocky Mountains from the plane

He disliked

- Public opinion on the Cold War and world affairs generally
- McCarthyism
- The indignation of segregation
- A Greyhound bus journey at Easter
- Tipping in New York
- The laziness, illiteracy and frivolity of undergraduates
- Talking to women teachers on the Dollar Problem
- The Bible belt

Yet however important Heinz's period of leave had been in stimulating his long-term interest in development economics, it is important not to overestimate the significance of his discussions with American economists. Nor should one exaggerate the impact of the research projects he initiated in the United States. He had begun giving a course of lectures on economic development in the semester before he went on leave, and he found the difficulty of getting his research published in leading international journals a frustrating exercise.

His immediate disillusionment—which was fairly soon corrected—can be gauged in a letter he wrote to Roy Cameron at Harvard shortly after returning to Canberra. 'Anybody who adds to the absurd flow of literature on economic development,' Heinz wrote, 'ought to be ashamed of himself. I cannot remember a fad of economists ever assuming such fantastic proportions. However, I haven't got the moral courage to burn the stuff I wrote at South Carolina. Some of it is likely to appear in various out of the way journals, in the next few months.'

To Ron Barback, who was now on leave at Oxford, Heinz complained of having trouble redrafting the external economies paper, because he faced 'the awful prospect of a very radical revision; I am now waiting to hear whether Tom Wilson might publish it in something like its present form [in *Oxford Economic Papers*], without forcing me to start chasing all the other hares'. For the time being, he proposed to shelve further work on economic development and 'to give serious thought to the long-run-away-from book on the Australian Capital Market. It is time I tackled something bigger; somehow people do not seem to consider a flow of little articles an adequate substitute to an occasional book.'

Looking back some decades later (in 1985), he regarded his leave in the United States in 1954 as a lost opportunity to develop the knowledge and skills of mathematical economics and econometrics

In one sense...I never really succeeded in qualifying as a professional economist. I never studied statistics or mathematics. Later I picked up some rudimentary statistical methods as I needed them for empirical work. But my mathematics never went beyond high school level. I failed to take the opportunity of my first sabbatical in 1954 to plug the gap by a year's full time study of mathematics, and thus gradually acquired only just enough to understand, but not to use, elementary calculus and matrix algebra. In consequence, I found a growing proportion of the articles that appeared in the *American Economic Review* and other journals incomprehensible (Arndt 1985:101).