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A NEW LEASE OF INTELLECTUAL LIFE

After his year away, Heinz found it difficult to settle back in Canberra. Part of the problem was the excitement he had experienced in Geneva. The city itself was inspiring, an international centre at the heart of a great continent. That was one thing. More important, perhaps, was the excitement associated with the work at the ECE, especially the project he had been asked to lead on the identification of the sources of economic growth in Europe. In contrast, Australian issues now seemed to him to be insignificant and decidedly dull. Just before he left Geneva, he wrote to Dick Downing saying that

...all of Australia has become appallingly remote. I can only hope that this will right itself quickly once I am back...Ruth asked me (and the children) what we were looking forward to in Australia. The children listed each a few features of their life in Canberra. I was horrified to find I could not think of anything except you and one or two other friends. (Ruth was herself in much the same position.) But as I say, this will change soon enough when we get back.

Quite apart from the exhilaration of living and working in Geneva, Heinz was unhappy with changes that had been occurring at home while he was away. By the time he returned to Canberra, the ANU had effectively absorbed the CUC and the aggressive application of mathematics and econometrics in the research and teaching of economics was now in full swing in his department. What he found particularly irritating was the insistence of his younger colleagues—and some of the older ones—that the teaching of macroeconomics, in respect of theory and its applications, should draw more heavily on mathematics than he was willing to accept. There was also disparagement of his research, which, it was claimed, was failing to keep up with the latest work in the discipline.

A month or two after his return to what was now the School of General Studies (formerly CUC), Heinz wrote to David Rowan admitting that he felt

...ill at ease in the new ANU set-up. I can't say I am looking forward to teaching, and it takes time to regain the feeling that Australian problems are important. Most of our former Canberra friends have left in the past year or two, and if it were not for Dick [Downing] and Peter Karmel, both of whom I have managed to see quite a lot since my return, I should feel even more disgruntled.

At the same time, Ruth was informing friends that

Heinz has been very busy trying to settle back into University and public affairs. Lots of trips to various capital cities has made this process easier, but he is still very nostalgic about Geneva and slow in recovering his enthusiasm for the University routine. He has been re-elected to the City Council [the ACT Advisory Council] which adds to our social obligations but is also quite interesting. The children just love being back and have never once uttered one word of regret at having left Europe behind. They are very happy to be among their friends, even their schools, and above all they enjoy much greater freedom to roam, to be out of doors, to plan their own activities and entertainment, very largely independently of us.

...Although I, too, enjoyed Geneva and would like to see it again (and Europe generally), I am also beginning to feel once more that there is something very thrilling about life in such a new country as this one. There is the tremendous enthusiasm everybody shows about what is being achieved; here in Canberra especially they never tire to point out the new developments, new public buildings, new residential areas, new bridges and parks, and after you have been here for a while it gets you too!

One matter that gave Heinz some joy was the December 1961 federal election: Labor came within a single seat of dislodging the Menzies government. Calwell, though Heinz still felt little liking for him, had made the best of the economic circumstances—record levels of postwar unemployment and a resentful business community—and had performed creditably throughout the election campaign. Heinz expected that the government's tiny majority would force Menzies to the polls again within

a year, and that when it did the rejuvenated ALP would win. He hoped, too, that the young and vital deputy, Gough Whitlam, would soon succeed the ageing Calwell as leader.

In a letter to a former Geneva colleague, Heinz explained what he saw as the causes of the dramatic election result and the changes it had brought about in the Australian political landscape

The main reason for the huge swing to Labor...was undoubtedly the recession...resulting from the emergency anti-inflationary measures of November 1960. (The measures, as usual, came too late when the boom was practically over, they were perhaps too indiscriminate and tough and they caused so much business resentment as to lead to something like a 'strike on capital'.) But this has merely been the catalyst of all sorts of accumulated discontent with a Government too long in office, lazy, without any imaginative policies mainly concerned to ward off short-term crises, and with the increasing arrogance of Menzies.

At any rate, the whole business has given a tremendous shot in the arm to Labor, which is all set for another early election in which it hopes to get into office. Calwell is rather old and not really much good (horrible in his pronouncements on foreign policy—all the old Labor chauvinism, White Australia, and all). But his deputy, Gough Whitlam, a barrister, young and sensible, may well take over before long. All this has helped to allay my own discontents because it has made public activity here seem a little more worthwhile.

PS. In my article on Fiscal Policy published three months before the November measures, I said that the main problem in an effective anti-inflationary fiscal policy is 'sufficient courage by politicians' (or words to that effect). It slightly embarrasses me to think that Menzies has been taught what happens to politicians who show courage!

As had occurred after his return from South Carolina, so now after his return from Geneva, one of Heinz's major problems was his inability to focus on a sustained piece of research. In Geneva, he had scrapped his plan to write a book on the financing of public expenditure (as a complement to his work on private finance, of which the book on the trading banks was the chief legacy). To his former Geneva research assistant, Eduardo Merigo, he wrote in May 1962 that he was

...frantically busy without doing any real work. My teaching load this term is relatively light, only 5 hours (on economic dynamics and international economics), though it will get heavier next term. But there is a never-ending flow of public lectures (3 weeks ago in Adelaide, last week in Brisbane, next week-end in Melbourne); radio talks; committee meetings; etc. Such time as I have had for research has been spent looking at trends in interest rates and interest policy in Australia (which, as a by-product) involved me in reading the Radcliffe Report²⁸ and all the enormous debate that arose out of it and writing an article on Radcliffe Monetary Theory which will probably be published in the *Economic Record*. I also have a fair bit to do with our Enquiry into the Australian income tax system. Our fleeting hopes last December that a Labor Government might be returned at last has come to nothing; however, I do get consulted by Labor leaders on various matters of economic policy from time to time. I have been advocating some form of 'perspective planning' for Australia—it is in the air, and there is quite a lot of interest in the idea.

Some weeks later, he wrote again to Merigo: 'What I ought to do, as a colleague said the other day is to scrap all this nonsense [articles and lectures on current issues] and write something worthwhile. How does one do it?' To Nita Watts, he confided his 'wish [that] I had the moral fortitude to tell all supplicants for such papers to jump in the lake so that I can get down to something more substantial in the way of research'.

He made an attempt to attend the annual conference of the International Economic Association (IEA), which in 1962 was held in Vienna. The theme of the conference was economic growth, a field Heinz now intended to make his own. His former ANU colleague Wilfred Salter was giving a paper and Heinz was encouraged to write and present a paper himself on population and economic growth. He hoped the ECE might send him to Vienna, because of his Geneva work on economic growth in Europe, but it declined to do so. Then he hoped that he might represent the Economic Society of Australia and New Zealand. That hope also was dashed when the IEA withdrew a tentative offer of a return airfare. Ultimately, it was just too difficult to find the money and time to make the journey to Vienna. Besides, his heart was not in the topic of the proposed paper.

Ruth, too, experienced some immediate difficulties settling back in Canberra, though they soon disappeared. She was taking two adult education classes in German at home and teaching economics at Canberra Grammar School, with—as Heinz informed some friends in Geneva—‘increasing disgust at the appalling quality of this typical (Church of England) school’. Ruth gave up teaching at the end of 1962, but then had some difficulty securing another job, until she landed one in the Department of External Affairs’ economics division.

Some of the gloom dissipated temporarily when Heinz received a letter from Donald MacDougall, recently appointed by the British government to direct its new National Economic Development Office (NEDO). On leave of absence from Nuffield College, Oxford, MacDougall was looking for senior staff and had been told by Nita Watts that Heinz might be interested in working at NEDO for a year or two. He wrote offering him a job, but Heinz declined: ‘The idea of working in your new show for some time has great attractions, but I must say NO for the present.’ It was unlikely that he would be granted leave so soon after his 12 months in Geneva and, for various reasons, he was not prepared to resign his chair for a longer-term appointment. Some time in the future, a one-year appointment might be possible and he asked MacDougall to keep him in mind should that possibility arise.

One research project that held out some promise (and about which Heinz exhibited some initial enthusiasm) was a commission from the Australian Social Science Research Council (SSRC) to investigate the Australian taxation system and formulate proposals for its reform. Economists—Heinz among them—had been calling for a review of the tax system for some years, but the government was opposed to the idea. The SSRC took the initiative and invited a group of four Australian economists—Dick Downing, Alan Boxer,²⁹ Russell Mathews³⁰ and Heinz—to undertake the review. Downing took it on himself to coordinate the work, with each member having responsibility for writing particular chapters. Heinz volunteered to draft several of them, some in collaboration with other members of the group. He also provided extensive comments on chapters that other members of the group had drafted. Melbourne University Press eventually published the report in 1964, but it had little immediate impact on taxation policy in Australia (Downing et al. 1964).

Ever since Heinz had returned to Canberra, the notion of returning to Geneva for an extended period, and perhaps even permanently, had

been running through his mind. Early in 1962, scarcely six months after arriving back in Australia, he began to sound out Watts about the chances of securing a semi-permanent position at the ECE. It was clear to him that he would not be able to take further leave before 1963, and possibly not before the middle of that year. In March 1962, he wrote to another of his former colleagues in Geneva, Gisele Podbielski

I am resigned to spending at least this and next year here (not a word from Nita or anybody about the situation in Geneva—but I assume that nothing is at all likely to come along for 1963). Maybe by then I will have settled into the groove here and won't want to shift. At the moment, the thought of not seeing anything but Australia for the next two years still irks me.

Watts soon replied, to say that the Executive Director of the ECE, Vladimir Velebit, was not prepared (at least for the time being) to face a row with his superiors over the appointment of a non-European to a senior position in the Research Division. But she hoped that Heinz might be available at a later date, possibly in 12 months. Heinz admitted to her his regret that nothing was currently available

As the months go by, I am settling back into life here. Personally, I am still in a state of mind in which I would welcome the opportunity of a longer period with ECE (though I am not sure how Ruth feels, and the children are certainly unenthusiastic about any suggestion of leaving Australia). How I shall feel about it in another year I do not know. But I should certainly like to be kept in mind if a suitable vacancy exists in a year's time.

In June 1962, Watts wrote to tell Heinz that she had recently been talking to Velebit about the future of the Research Division. In the course of the conversation, he had disclosed that he was now willing to put up a fight for Heinz's appointment. He proposed to ask for a five-year appointment. Watts thought there was an excellent chance of Heinz taking over as director of the division some time within that period. The idea was that Heinz's appointment would begin towards the end of 1963. But Velebit had made it clear that he would want a definite commitment from Heinz before he was prepared to make a firm offer.

Watts told Heinz that everyone in the division wanted him to come back to Geneva: 'The year you spent here was tremendously stimulating for the rest of us and I am quite sure that you are exactly the kind of person we need to get in the Division for a long stay.'

Heinz then contacted Velebit, to tell him that he was interested in accepting an appointment on suitable terms. The major problem was that he had no accumulated leave available at ANU, so he would be unable to accept an appointment of merely one to two years, and he was not prepared to resign his chair for that period. He might be prepared to resign, however, should he be offered a five-year appointment. This would not be possible, however, before the end of 1963, as he would have to give the university six months' notice. For him to take up the post by late 1963, he would have to receive an offer before mid 1963, and the appointment would have to be at the director level. Velebit replied, saying that he could now begin firm negotiations within the United Nations. He wanted Heinz to start before the end of 1963 and the appointment would have to be at the deputy director level in the first instance. If Watts were to leave the division, Heinz was assured that he would be appointed to her position, becoming in effect the head of the Research Division.

There followed a long wait for the United Nations to approve: first, the position; second, Heinz's appointment to it; and third, the offer letter to be written and sent. The letter arrived on Heinz's desk at the beginning of November 1962. The question then was whether he should accept it. He quickly decided that he would agree to a five-year appointment at the deputy director level. This would mean that he would have to resign from the ANU. The thought of having to surrender his chair was difficult for him to contemplate, but that was a burden he would have to accept. A complication was that Joe Burton, the Principal of the School of General Studies at the ANU, was on leave in England and Manning Clark was the Acting Principal. Another was that Burge Cameron was also on leave and the Dean of the Faculty of Economics was the relatively inexperienced Graham Tucker, the head of the Department of Economic History. Clearly, Heinz would not be able to take up the appointment before the end of 1963, when Cameron would be back from leave and when it would be convenient to leave Australia from the point of view of the children's schooling.

A week after receiving the ECE's offer, and having made up his mind to accept it, Heinz wrote to Dick Downing saying that

I don't really know what makes me want to go: mainly (a) the feeling that, having held this job for 12 years, I cannot quite bear the thought of seeing out another 18 years; (b) increasing dissatisfaction with my competence as a teacher and academic economist—a feeling aggravated, almost beyond endurance, by my two dear colleagues Cameron and Swan; (c) increasing doubts about the usefulness of my role in public affairs and in the Labor Party and therefore increasing lack of interest in a possible career in that field; (d) sheer itchy feet, wanderlust, desire to do something different, see more of the world.

What I most fear is that you will think me lacking in loyalty and public spirit—in this, too, you would probably be right. As you know, you are my only close personal friend, and thus the strongest single argument against going to Geneva. But I have weighed this, too, and rationalised my doubts by the hope that we might see you there some time, and, if not, that we will be back.

To Gisele Podbielski in Geneva, Heinz wrote

We are definitely accepting...The decision itself is made in principle, but still surrounded by a number of uncertainties. When I broke the news to some of my colleagues last week, I was subjected to considerable moral pressure to stay here; but out of this also emerged a probable offer by the University of 3 years' leave without pay—in the hope that this might induce me to come back to the ANU in 3 years' time. I shall be glad to accept this offer...

As you can imagine, Dick [Downing] is very displeased with me, and so are the few colleagues who have been told about it. Every day I ask myself half a dozen times why I am doing this—it is a great mixture of motives, many of them quite irrational. But I have not really moved in my feeling that going to Geneva for a few years is what I want to do and Ruth is quite keen, too, [at] least in no way opposed to the idea.

Soon afterwards, he wrote again to Podbielski with doubts about his decision to leave Australia. 'Goodness knows, why I am prepared to make the break here where in many ways I am very happy.' He admitted the 'fact that I so much enjoyed my year in Geneva is probably the least rational

or sensible of a variety of reasons since it would be a miracle if the second bite of the cherry did not prove a disappointment'. To another of his old associates at ECE, Zerzy Berent, he wrote

I have no idea whether I was sensible in saying yes almost without hesitation when I was asked whether I would be available. I have told no one here except Ruth, not even the children: I fear they will be very hostile if and when it comes to the point. So will most of my colleagues and friends here; now that we have been back here almost a year, we are not even in any way unhappy here; we still like Canberra and Australia, and on the whole I like my job and my wide range of other activities. If I have any rational motive—beyond a vague nostalgia for Geneva—it is that I have been in this job for 12 years and cannot quite contentedly look forward to another 18 till my retirement. There is also a feeling of increasing inadequacy in teaching—more and more economic theory is beyond my comprehension, at least in the mathematical form in which it is presented. Both Ruth and I would go to Geneva...with the intention of returning to Australia after 5 or so years—though whether we would want to, and to what job, is in the lap of the Gods.

He contacted Joe Burton in London and told him

I am not entirely clear even about my own motives. The main one perhaps is that I have now been in my present job for 12 years and have another 18 years to go. I feel like doing something else for a change. I liked Geneva and the work there, though I am prepared to admit that it may turn out less satisfactory for a longer period. I have become increasingly dissatisfied with my capacity as a teacher and theoretical economist as, every year, I fall more behind the current trend towards mathematical analysis and formulation. And I am too lazy to spend a year studying maths and catching up. All my kind friends, Dick [Downing], Graham [Tucker] and others, have used every argument that ingenuity could devise, and every form of kindly flattery, to tell me that I am wrong in this.

Burton, in fact, had heard from Manning Clark that Heinz intended returning to Geneva. He respected Heinz's decision and, while he regretted it, he was not at all indignant about it. But he rejected the claim that Heinz

had become less effective as a teacher. 'I grant the need for mathematics for some of the branches of economics,' Burton wrote, 'but I cannot feel that without mathematics one is no longer useful.' He was not surprised to hear that Heinz wanted to return to Geneva, because Heinz had made it well known around the university that he had enjoyed working and living there. To Heinz, he said that he was willing to work out an arrangement of leave without pay for a year or two. 'I would be very happy,' he said, 'provided that it can be done without any detriment to students or the department as a whole.'

When Heinz informed the university of his intention to resign his chair, the Vice-Chancellor, Sir Leonard Huxley, asked Sir John Crawford, the Director of the Research School of Pacific Studies (RSPS) and fiscal adviser to the university, to see whether Heinz might prefer to take leave without pay, rather than resigning his post. Crawford told Heinz that the university might be willing to grant him three years' leave without pay, but there could be no guarantee that his chair would be available when he returned. Crawford explained that the university could not hold vacant a chair for such a length of time. What it could guarantee him was a senior post—a readership, or even perhaps a personal chair in Crawford's own department—when he returned. Crawford might also have given Heinz some indication that, were a second chair to be established in his department, he would regard Heinz as a strong candidate for it.

Heinz found all this satisfactory. It would probably mean that he would have to give up his chair in the Faculty of Economics, though Crawford had made it clear to him that if the chair had not been filled by the time he returned to the ANU, the university would not stop him reclaiming it. Also it would mean that he would have a senior position in the university if he wanted to resume his academic career when he returned. The sticking point now was whether he would be able to retain his membership of the Commonwealth Superannuation Scheme, were he to take an extended period of leave without pay.

He discovered that if he resigned from the ANU he would lose the accumulated employer contributions to his superannuation fund (amounting to roughly £12,000) and that he would have to work for the United Nations for at least five years to qualify for a UN pension. Even then, the pension would be small. It was clear that a three-year leave of absence without pay would be the best way to proceed. Accordingly, he wrote to Burge Cameron on 30 November saying that he had accepted the post in Geneva, had given notice to the university of his intention to

resign his chair and would apply to the council at its meeting in January for three years' leave without pay.

In the same letter, Heinz said that he had canvassed with Tucker possible appointments to the chair that he would vacate. He believed there would be two outstanding candidates: Wilfred Salter, who had been in Swan's department in the Research School of Social Sciences but was now a senior economist in the Prime Minister's Department, and Max Corden, who had recently joined Crawford's department in RSPS from the University of Melbourne. Heinz told Cameron that he thought that

Salter had perhaps the more original mind (though it is hard to know how many of his original ideas have been inspired by Trevor [Swan]). The strongest argument in favour of Corden is that Salter's interests overlap to a much greater extent with yours [Cameron's]. There is also some doubt how well Salter gets on with people—he has a reputation of being a little autocratic. Corden is first rate as a theorist and a superbly lucid lecturer—here again Salter is a *tabula rasa*. However, there is time to think about this—and of course there may be quite a large field.

As to who he thought should replace him, Heinz let Burton know that 'my present preference is perhaps for Corden'.

The process of accepting the Geneva appointment and leaving the ANU had progressed so far without great difficulty. From late November 1962, however, a number of major problems began to emerge. One was superannuation. It now seemed that the university might not permit Heinz to retain his superannuation entitlements, were he granted three years' leave without pay. But switching to the UN pension scheme was clearly unsatisfactory. Not only would it mean that he would have to be away for at least five years, the UN pension would be considerably less than he would receive were he to remain a member of the Commonwealth scheme. He mentioned to Nita Watts that '[i]f I were on my own, I would not worry about the security aspect. But everyone tells me I cannot be so irresponsible with a family.' Further, it was now clear that Nick and Bettina were 'violently opposed' to going to Geneva for five years or more. Again, as he informed Watts: 'while the family would be willing to go to Geneva for a short period—2–3 years—for my sake, they are all very hostile about leaving Australia for longer than that.'

Nor was that all, for when Burton returned to the ANU from leave early in 1963 he wrote immediately to the Acting Vice-Chancellor, Professor A.D. Trendall, saying that he 'recommended quite definitely that the University should not grant leave of absence for so extended a period [that is, for three years]. It would create a precedent that would, I am sure, cause us untold difficulties in future.' Trendall agreed with Burton and wrote accordingly to Heinz. It was also clear now that the Finance Committee of the ANU council—chaired by Crawford—would not allow Heinz to suspend his membership of the Commonwealth Superannuation Fund and that he would have to resign from it.

Naturally, the university's attitude infuriated Heinz. He was inclined more than ever to go to Geneva, but if he were to resign his ANU post it would mean that he would have to stay in Geneva for five years to be eligible for a UN pension. Five years' absence from Australia was clearly unacceptable to two of the children and probably to Ruth as well. While he appreciated the university's concern about the precedent that might be set were he to take three years' leave, he put it squarely to Crawford that the 'question is perhaps whether Council would be prepared to make a concession for someone who has been a Professor of the University for 12 years and is anxious to return to it after a spell of work elsewhere'.

Crawford assured Heinz that he was personally sympathetic to Heinz's request to take an extended period of leave, yet he doubted whether the Finance Committee would agree to allow Heinz to retain his membership of the Commonwealth Superannuation Fund in these circumstances. As well as the 'awkward precedent' it would set, Crawford said that he 'doubt[ed] if the Council would take quite a sympathetic view about three years' service in Europe as they would with, say, some Asian university or ECAFE'.

Heinz was clearly disappointed. He had known Crawford for at least 15 years, having met him for the first time on one of his first trips to Canberra, when he was at the University of Sydney. They had seen each other on and off during the 1950s, mainly in Canberra, and they appeared to get on very well. When Crawford left the Department of Trade and joined the ANU in 1960, they saw even more of each other, though Heinz's year in Geneva curtailed their opportunities to meet and talk. In 1962, they had both served on a committee established to plan a university for Papua New Guinea. It was then that Crawford had the opportunity to witness and appreciate Heinz's commitment to research and to observe his growing interest in the economics of developing countries.

After Crawford's frank acknowledgment of the difficulties that lay with any hopes of winning over the Finance Committee, Heinz decided to sound out the United Nations. Perhaps he could secure a higher salary to compensate for the loss of his superannuation entitlements. Alternatively, perhaps a shorter appointment than three years might be tenable. The answer was no on both counts.

On 8 February 1963, Heinz informed Watts that he would not be taking up the Geneva post, because the university had rejected his request for three years' unpaid leave. He explained that the ANU was fearful of setting precedents and of morally committing itself to finding him a job after he returned from Geneva, when there might not be money available to fund the post. In addition, he mentioned the Finance Committee's intransigence regarding his superannuation. The only way he could take up the UN offer now, as he told Watts, was by resigning from the university. But 'I have come to the conclusion that I cannot take this step', because

I do not want to break my ties with Australia for good. The family are opposed even to a stay abroad of no more than three years. Yet, the superannuation problem would virtually compel me to commit myself to at least five years, and even during these five years and for some time longer the family would be very inadequately protected in the event of my death.

'It is all terribly disappointing', though he confessed to Watts that he was

...personally half relieved after these months of worrying and uncertainty. It has been very difficult—so much more difficult than I had foreseen. I have been under continuous pressure from my colleagues and friends here who, in their kindness, have thrown at me every possible argument against the move. Ruth has very firmly said that she would accept any decision I made, but I realised that she was not happy about any prolonged absence from Australia. Of the children, only Christopher was not hostile, and in his case the difficulties of organising his university studies satisfactorily were greater than he realised.

To Velebit, he wrote

This is not only a great disappointment to me but also causes me the most acute embarrassment because I am virtually going back on the assurance I gave you last June. I appreciate that I have caused you and several of your colleagues much fruitless trouble and I will leave the Research Division short of the person they need and with little time to fill the post. I can only offer you my sincere and humble apologies.

Watts, however, wrote with some urgency to tell Heinz that Sir Alexander McFarquhar, the United Nation's Chief of Personnel, had been informed about his difficulties. McFarquhar had asked whether he might approach Australia's permanent representative to the United Nations to inquire whether the Australian government could apply pressure to the ANU to allow him three years' leave. Heinz was totally opposed to this idea, insisting that any such pressure on the university by the government would constitute for him an unacceptable breach of university independence.

What he did not tell Watts was that Crawford had indicated his willingness to appoint Heinz to a personal chair in his department, provided he could secure the necessary funding from the university. Given the heavy responsibilities that Crawford was carrying as director of RSPS, fiscal adviser to the Vice-Chancellor and chairman of the council's Finance Committee, he was finding it increasingly difficult to run a department that was growing in size as a result of the recruitment drive that he had recently initiated. Disappointing, too, for Crawford was the fact that he had been forced to scale back his own research program because of his administrative responsibilities.

Heinz at first was pleased that Crawford was prepared to support the creation of a personal chair for him in RSPS. But as he considered it further, he began to feel uneasy about such an appointment, which would be regarded by colleagues as somewhat inferior to a chair that was open to competition. He understood, however, that if a second chair—rather than a personal chair—were established, it would have to be advertised; competition would be strong, and in the event he might miss out to a more highly regarded candidate. Therefore, he would be reluctant to apply for the chair, though he would consider an invitation to fill it if the selection committee was unable to make an offer to one of the applicants.

Crawford now saw little point proceeding with the idea of a personal chair, since Heinz had made it clear that even if offered it, he would not accept. Accordingly, Crawford proposed to the Vice-Chancellor that a second chair, externally advertised, should be established in the Department of Economics, RSPS. The grounds for establishing a second chair, Crawford told Huxley, were simple: 'I cannot continue to do what is apparently expected of me without some relief. Moreover, my colleagues and students in Economics are entitled to the same attention as given by the Head of a Department in other Departments. This they are not getting and cannot get in the foreseeable future.' In addition, he said that he had

...regretfully concluded that for some time to come there will be need for a Fiscal Adviser. Likewise, my work on the Economic Enquiry [the Vernon Committee]³¹ will be heavy and has already meant an indefinite postponement of an eagerly planned study leave in January next year. I have had to abandon my interest in 'food and population' studies and hardly dare hope to complete my documentary study of post-1943 trade policy in Australia.

He suggested to Huxley that the second chair in the department—Crawford made it clear that he wished to retain his own chair—might be called 'Economic Development', 'Political Economy' or 'Economic Policy', though the name was of secondary importance to him compared with the establishment of the chair itself. And he added

As you know, I would be happy to have Professor Arndt. Although I realise the loss of a good teacher this would mean [*sic*] for the School of General Studies, I am conscious also that my own Department is proving a popular one for post-graduate students of quality. A good teacher in charge will be an asset. Arndt's scholarship and research abilities are certainly adequate and I know it would be virtually impossible to choose anyone else in Australia. (I exclude Swan and Karmel from this calculation but know no one else whose experience could so quickly and usefully be brought to bear on the studies of my Department.)

'Arndt may not be an applicant,' Crawford told Huxley, 'but I would wish his qualifications taken into account when candidates, if any, were being assessed.'

The ANU council approved the establishment of the second chair in May 1963. The post was then advertised widely outside the university. The selection committee was Crawford (chairman), the Vice-Chancellor or Deputy Vice-Chancellor, Professor Mark Oliphant or Professor Hugh Ennor, Professors Burton, Noel Butlin, Karmel and Partridge. There were six applicants, but Heinz was not one of them. After short deliberation, the selection committee concluded that none of the applicants warranted appointment.³²

Crawford then put Heinz's name forward as someone the committee might invite to fill the chair. It was agreed that he should seek further information from Gunnar Myrdal and Hans Singer (the United Nation's senior development economist) about Heinz as a suitable appointee. It was further agreed that, if the advice from Myrdal and Singer was favourable, there would be no need for the committee to meet again. Myrdal informed Crawford that he had been pleased to hear that the ANU was considering the appointment of Heinz to the chair. He thought it would be

...an excellent choice and...a very good thing that in the new chair he will have his time free for research and supervising training on a higher academic level. I do not need to tell you that he is an excellent man meeting all the specific criteria you mention. In addition I have learnt to know him also as a hard worker and serious scholar without prejudices and therefore prepared occasionally to find out what he was not seeking which to my opinion is the mark of a scholar. As holder of the chair he will certainly have the stature to gain ready access to Asian universities.

It is not known exactly what Singer had to say. Whatever it was, it appears to have impressed the selection committee.

With both advisers supporting Heinz's appointment, the Board of the Institute of Advanced Studies approved on 27 September the electoral committee's recommendation that Heinz be appointed, and the Standing Committee of Council endorsed the recommendation on 11 October. Heinz took up the chair on 1 December 1963 at a salary of £4,700.

In his press release on the announcement of the appointment, Sir Leonard Huxley noted

In the past thirteen years Professor Arndt has most ably built up a strong teaching department in the University. His new

appointment will, however, give him an opportunity to concentrate on research and the training of postgraduate research students in a department whose primary role is the study of the economies of developing countries, especially in Southeast Asia and the Pacific region, and Australia's economic relations with this area.

As soon as he heard that he would be invited to take the chair, Heinz wrote formally to Burge Cameron to let him know that he was about to be offered the chair and would be accepting it, 'partly because I have come to feel it is time for a change of job, partly because the problems of underdeveloped countries represent one area where mathematical moronism does not show quite so much'. On 14 October, he wrote to Joe Burton, saying that he had that morning received an official letter from the Vice-Chancellor offering him the new chair in RSPS. He told Burton he intended to accept it.

This was a painful letter to write, because it had been Burton, as the principal of the CUC, who had been responsible for bringing Heinz to Canberra 13 years before. Now he was leaving the CUC's successor, the School of General Studies, to join one of the original research schools of the ANU.

'I think you know my reasons for having decided to make this move,' Heinz wrote

I need hardly say that I am making it with mixed feelings, after my many happy years here. I look back with particular pleasure to my early years at the College amongst a small group of congenial colleagues...I am very conscious of the fact that I owe much of my academic career, and therefore also this new opportunity, to you. For it was your initial confidence in me that gave me the chance of my appointment at the College, and your encouragement and friendly advice on many occasions has been of great help to me throughout these years. For all this, and for your constant kindness, I am most grateful to you.

Burton replied to Heinz a few days later

I too look back with pleasure on our association over the past thirteen years, and in particular to the happy relations I have had with our four pioneer professors — Clark, and Crisp, Hope and

yourself. I am sure there is no better quartet in any university in this country, and doubt whether there is even outside it. It is remarkable to think that it has remained together so long. I shall always be grateful for the support I have had from you, and the others.

After accepting the chair, and once he had submitted his resignation to Burton, Heinz wrote to Myrdal, informing him that he 'had not applied for the job but was in the end invited after Crawford, on his own initiative, had approached you and Hans Singer for reports'. He let Myrdal know that it was his 'hope that by throwing myself into a new and interesting field I will give myself a new lease of intellectual life'.